



KELLTON TECH SOLUTIONS LIMITED.

Date: September 01, 2021

The General Manager, Listing Department, Bombay Stock Exchange Limited, 1 st 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
Scrip Code: 519602	Scrip Code: KELLTONTEC

Dear Sir/Madam,

Sub: Notice of 27th Annual General Meeting (AGM) along with Annual report 2020-21.

Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the subject cited and pursuant to the provisions of Regulation 34 (1) of the Listing Regulations, 2015, we enclose the Notice convening 27th Annual General Meeting of the Shareholders and Annual Report for the financial year 2020-21.

The above documents are also available on the website of the Company at <https://www.kelltontech.com/investors/reports-and-filings>

Kindly take the above information on records.

Thanking You.

Yours faithfully,

For Kellton Tech Solutions Limited

SURABI
BI
JAIN

Digitally
signed by
SURABI JAIN
Date:
2021.09.01
15:58:12
+05'30'

Surabi Jain

Company Secretary

M.No: A49557

Enclosed: a/a



KELLTON TECH

AGILE, ADAPTABLE & RESILIENT

www.kelltontech.com



**ANNUAL
REPORT**

2020 - 21



CONTENTS OF ANNUAL REPORT 2021

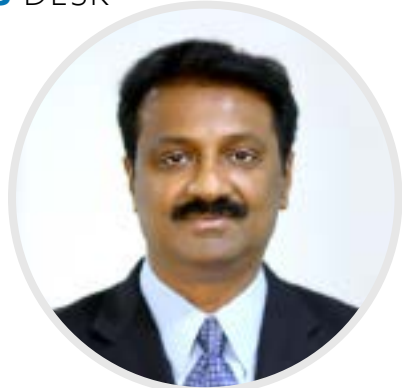
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MESSAGE FROM THE **CHAIRMAN'S** DESK

Letter to **Shareholders**

Dear **Shareholders**



The business impact led by COVID-19 reached an inflection point during fiscal 2020-21. The scale of change was unprecedented. Kellton Tech demonstrated its ability to pivot rapidly and enable sustained growth, at a rate above the market average, with growing profitability. Our workforce, one of the greatest and most important assets, delivered on clients' commitments unfailingly and exceeded all expectations, reflecting their passion for achieving performance excellence. We take pride in the team we have built and remain thankful for their steadfast support and contribution in the company's growth, more so in the past year.

At a time when the coronavirus was racing through the globe, triggering a health and financial crisis, Kellton Tech formed the COVID-19 taskforce to provide timely assistance to our employees in need. With our employees and their family facing one of the most harrowing times, we established a plan to ensure a steady supply of resources that they may need to cater to the demands of the crisis. For volunteers in the taskforce, to address queries coming in large numbers was a tall order to meet, but their dedication to supporting the community they

work in was praiseworthy and paid off in a huge way. The sense of empathy and compassion that our COVID-19 taskforce had shown in such staggering times was unmatched and will continue to inspire us for years to come.

We are proud that during fiscal 2020-21, we focused our efforts on gaining knowledge and digital capabilities to build tomorrow's enterprises. From services and solutions that accelerate our clients' digital journeys to incubating next-generation technologies, we worked relentlessly to script an enduring success story. We captured new growth opportunities in cloud, blockchain, AI/ML, security, supply chain, and digital workforce.

As the tide turned with COVID-19, we embraced an agile, transparent, and future-ready architecture to ensure value generation without any hiccups and help our customers turn their transformative visions into reality. We ensured seamless collaboration across various business endpoints and helped our people achieve their



mission-critical right in time. Our employee focus and a flexible operating model were what helped us surmount the challenges and ensure business continuity.

We experienced strong headwinds of disruption in the first two quarters of 2020-21 due to the COVID-19 outbreak and the selling-off of our low-profit-making subsidiaries. A few of our business divisions generated 30% less revenue than what they contributed in the corresponding quarter. However, we emerged stronger from the downturn mainly in the last two quarters, reporting a 45% increase in revenue generation.

THE FINANCIAL HIGHLIGHTS OF FISCAL 2020-21:

Our digital commitments increased by 4.28% on a Y-o-Y basis comprising 79.34% of our overall revenue in FY21.

Our Earnings per share was at INR 7.34 a decline of 4.68% on Y-o-Y basis

We had operating cash flows of INR 794.8 Million that grew at 41% for the year.

During the crisis, we maximized the scale of our capabilities to help our customers build their digital core and generate revenue while adapting to the shifting market scenarios. As COVID-19 struck in our close quarters, we worked together with our solution-finders across geographies to enable our thousands of people to connect and communicate in a remote environment. The

net outcome of our approach was a simplified organizational model—underpinned by leaner operations, an adaptive digital core, scalable data architecture, and cybersecurity—that helped spark agility, resilience, and trust in our working relationships and lead clients' objectives in a frictionless manner. We invested significantly in our people. We strategically spent on training and reskilling our workforce, which was crucial to delivering superior experiences for our customers and us. Besides, our teams were better positioned to leverage and expand our global and local innovation centers to nurture an optimal delivery pipeline for our customers and extend value.

In FY 2020-21, we tapped into the potential of our existing partner ecosystem and were successful in entering new tie-ups with leading technology providers in the industry. We drove outcomes for our clients with our strong and positive working relationships with partners, including **Amazon Web Services (AWS), Google Apigee, SAP, MuleSoft, IBM, Jitterbit, Workato, SoftwareAG, Automation Anywhere,** and many others.

Appreciation and accolades from our customers always corroborate the confidence we have in our digital capabilities. During the fiscal year 2020-21, we won recognition for driving meaningful experiences and leading our clients to their business differentiation. We optimized the workings of the core-critical Physical Access Control Software (PACS) for one of our



leading clients, thus helping them align their approach to product excellence and market expansion. In the words of the client, the impact of our deliverables on their business was much 'palpable' and 'consistent.' Another client—a fast-food giant in South Africa with a strong global footprint—congratulated our team for designing and deploying a Digital Success Routines Platform that helped them improve the quality of restaurant ops dramatically. The client deeply valued the 'extra time' we put in to drive anticipated results and identified us as the 'trusted technology partner' for the future.

FUTURE FORECAST

We view 2021 as a year of growth acceleration. We set the following benchmarks and continue to build a firm foundation that leads us to our objectives:

Fundamentally, a promising pipeline underpins our future. After gaining ground in the US markets, we plan to expand our customer base and revenue size in Europe and the UK.

We are determined to implement new organizational strategies that focus on repurposing, restructuring, and achieving higher, redefined goals.

We aim to reach \$300 million revenue from \$100 million in the present day.

We plan to onboard approximately 400 new talents across all technology realms and reinforce our commitment to diversity and inclusivity.

We are ready for the next disruptive change and stay committed to riding the new technology cycle to build differentiated, solution-centric capabilities that augment our reach as the 'preferred transformation partner' for the customers.

As we close a challenging year, we express our gratitude to all the stakeholders — including clients, partners, employees, and Board of Directors — for placing their faith and confidence in Kellton Tech. We thank you for your continuous support and look forward to a lasting relationship. May we thrive together!

A silhouette of a person standing on the edge of a dark, rocky cliff. The person is holding a laptop computer high above their head with both hands. The background is a bright, hazy sky with soft clouds, suggesting a sunrise or sunset. A large white circle is superimposed over the scene, framing the person and the laptop. The overall mood is one of achievement and triumph.

HIGHLIGHTS OF THE YEAR

2020-21

ZEE5 Partners with Kellton Tech to Shift from Legacy to Hyper-Scalable, Cloud-Native CMS

ZEE5 Partners with Kellton Tech to Shift from Legacy to Hyper-Scalable, Cloud-Native CMS, a global leader in digital transformation and integration, chosen by ZEE5, India's Entertainment Super-app, to build a next-generation, cloud-native content management system (CMS) that delivers relevant, real-time content experiences across all constituents of business.

As a strategic digital partner, Kellton Tech will blend automation with smart cloud capabilities to build a hyper-scalable content management system that facilitates the capture, aggregation, management, and record of information faster and more conveniently through a plug-and-play approach. The new CMS will be built on a foundation of self-learning, analytical technologies to enable personalized content recommendations and delivery for boosting viewer engagement and maximizing the value of subscription-based revenue constantly.





Selected by Momentive Quartz Technologies (MQT) to Implement S/4HANA

For the fact Kellton Tech is an SAP Gold Partner, Momentive Quartz Technologies (MQT), a leading chemical manufacturer, has chosen your company as their SAP S/4HANA implementation partner.

We will use the Greenfield implementation approach to enable the client to host SAP S/4HANA on a hyper-scale cloud solution powered by Amazon Web Services (AWS). Your company will help MQT build a SaaS architecture to help reinvent the IT ecosystem and provide a unique set of software, hosting, and integrations services.



Riyada Digital Selected Kellton Tech to Transform Their eCommerce Payment's Vision

Considering our expertise in delivering advanced eCommerce solutions, Riyada Digital — an emerging digital commerce company in Saudi Arabia — selected us to build a customer-facing eCommerce platform.

As a strategic digital partner, Kellton Tech will leverage its technology capabilities and industry-grade experiences to help Riyada Digital design, develop, and deploy a futuristic eCommerce platform. It will use its proprietary currency to allow faster and hassle-free payments. Your company will help the client pursue cashless adoption, increase sales, and improves customer experiences.





Launched tHRive+ — a Smart, Analytics-Based HRM Solution for Modern Businesses

Kellton Tech has created and launched 'tHRive+' to help businesses reinvent HRM processes and reimagine experiences considering the shifting talent management needs.

Designed using embedded analytics, tHRive is a cloud-based proprietary product that helps businesses disrupt conventional HR processes. An ultramodern HRM solution, tHRive can be used to automate core-critical functions, including talent acquisition and management, learning and development, employee engagement, performance management, payroll, and more. Businesses can use the solution to meet emerging workforce challenges, increase employee outcomes, and control costs.





KeLive

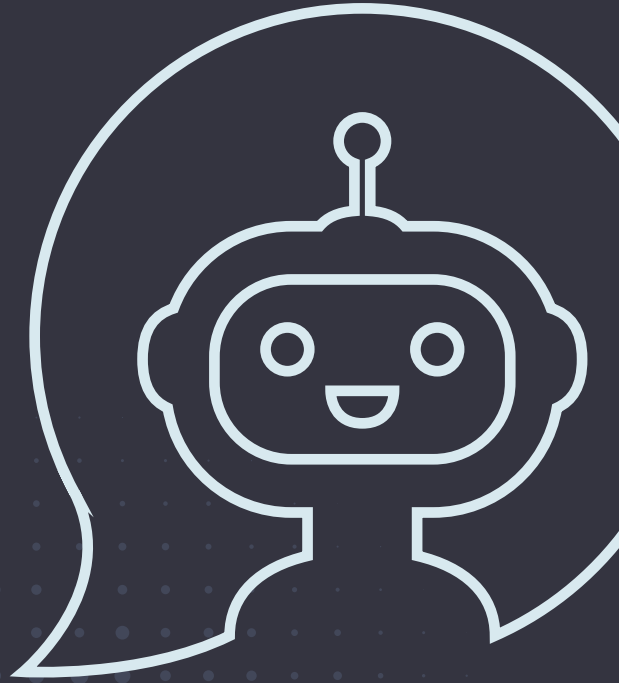
Launched KeLive, a White-Labeled, Cloud-Based Building Management Solution Powered by AI and Analytics

We launched KeLive to help real estate managers and resident management companies deploy an advanced building management solution that is data-driven and helps deliver rich experiences to digital-age residents.

KeLive is an intelligent building management system that harnesses disruptive PropTech forces such as AI, automation, cloud, analytics, and more to help perform diverse tasks anytime, anywhere, and across devices. With an intuitive user interface and delivering property management app experiences, KeLive enables real-time monitoring and control and unifies end-to-end building management tasks. It is designed to operate within both manned and unmanned building blocks/apartments.

HIGHLIGHTS OF THE YEAR

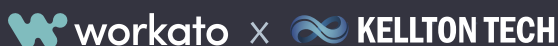
2020-21

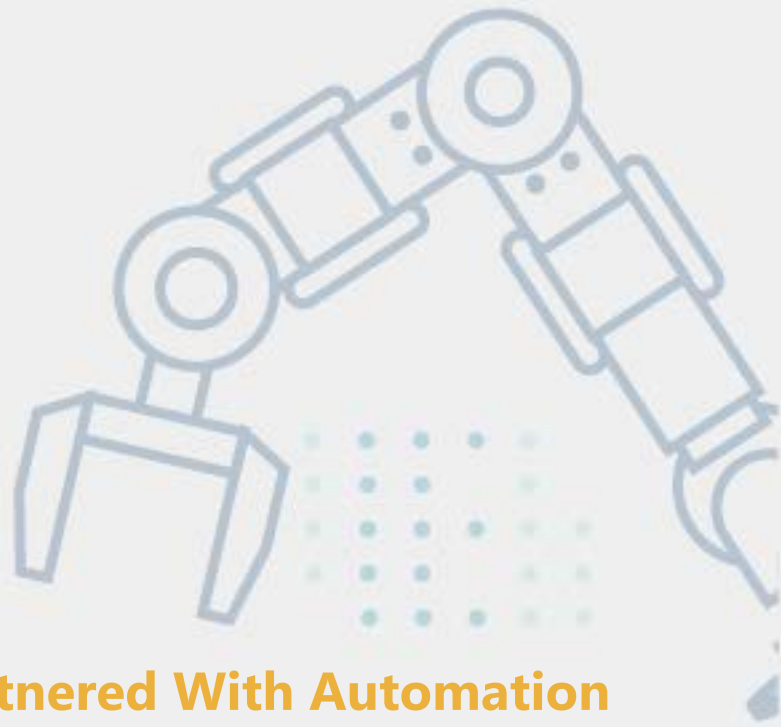


Partnered With Workato to Augment iPaaS Integration and Automation Capabilities

Your company partnered with Workato, a global leader in enterprise iPaaS, conversational bots, API - and cloud-based integration, and workflow automation solutions.

Kellton Tech will leverage the partnership to drive greater agility and innovation while delivering enterprise integration and automation solutions to clients and customers worldwide. We will harness Workato capabilities to map disruptive technologies with automation and enable our clients to simplify workflows, create the right mix of business intelligence and excellence, and deliver impeccable customer experiences.





Partnered With Automation Anywhere to Enable Businesses Attain End-to-End Enterprise Automation

Seeing the increasing enterprise automation consumption, your company upgraded its capabilities by partnering with Automation Anywhere, a leading RPA-as-a-Service provider and intelligent automation platform.

In partnership with Automation Anywhere, Kellton Tech intends to add meaningful value to its enterprise automation capabilities and help clients innovate at scale. We will leverage Automation Anywhere's state-of-the-art, cloud-native, and web-based intelligent automation platform to help businesses create, design, train, and implement bots to perform end-to-end enterprise-wide tasks with speed, efficiency, and accuracy.



FINANCIAL HIGHLIGHTS

2020-21

All Figures in Rs. Crore

	March 2021	March 2020	%Change
EPS (INR)	7.34	7.70	-4.68%
NETWORTH	420.54	416.35	1.01%
NET PROFIT	71.12	70.53	0.84%
TOTAL REVENUE	780.30	774.62	0.73%



THE WORKFORCE

Our Workforce

The FY 2020-21 caused major disruptions for our workforce. With the overnight shift to the working-from-home ecosystem in the wake of the ongoing pandemic, our workforce underwent a quick settlement into the virtual world. Initially, there were bottlenecks. However, it did not take us long to create a connected and collaborative environment to ensure seamless performance and continuity in operations.



Covid-19 Taskforce

Despite working remotely, our employees efficiently collaborated with clients worldwide and delivered on their work commitments with full responsibility and accountability. The new model helped them address our clients' business challenges and meet expectations with more individual flexibility and shared trust. Ensuring cross-department collaboration was a cause of concern; however, with the right solution-finders spearheading the significant shift to virtual-working environments, we were able to lead our global business teams to work in tandem and make sure that everyone is on the same page about what needs to be done and who's willing to do it.

The COVID-19 pandemic wreaked havoc on the global community and left a trail of destruction and death. The health infrastructure was crippled due to a higher positivity rate, and in the wake of insufficient resources, the chaos of despair was overwhelming. We, in the middle of this, fought back and created the 'Kellton's COVID-19 Taskforce' to help our people find fast and timely assistance. Many of our employees volunteered to join the initiative and successfully arranged the supplies needed to root out infections and sustain life. The most remarkable and unexpected development, however, was the show of solidarity by our people that would continue to inspire us for decades to come.

Our Work Culture

Agility sits at the core of our business ecosystem. We practice a work culture that interweaves flexibility, trust, and satisfaction. The organic working environment encourages our workforce to achieve performance excellence in any given condition. We have always focused on imbibing a work culture that enables our employees to perpetually learn, grow, and exhibit their competence amid the soaring competition.

Sticking to our people-first strategies, we have always ensured that the health and safety of our workforce remain a top priority. Fiscal 2020-21 was mainly about maintaining a balance between performance enablement and personal well-being. We ensured a work culture that helps our employees make equilibrium and emerge victorious at all fronts.

We offered all the possible support to the workforce — including the Taskforce, Doctor-on-Call, Therapist-in-Call, an extension of insurance facilities, and more — ensuring that they work in a cohesive culture to perform efficiently against all odds.

At Kellton Tech, we encourage the workforce to communicate both horizontally and vertically. In fiscal 2020-21 — when only 5% of our employees came to the office — we had an inherent requirement to reinvent how we communicated and interacted. We turned to digital mediums

and ensured there is no communication gap. It essentially helped us in identifying and eliminating the friction points, which is critical to performance enablement and a balanced work environment.

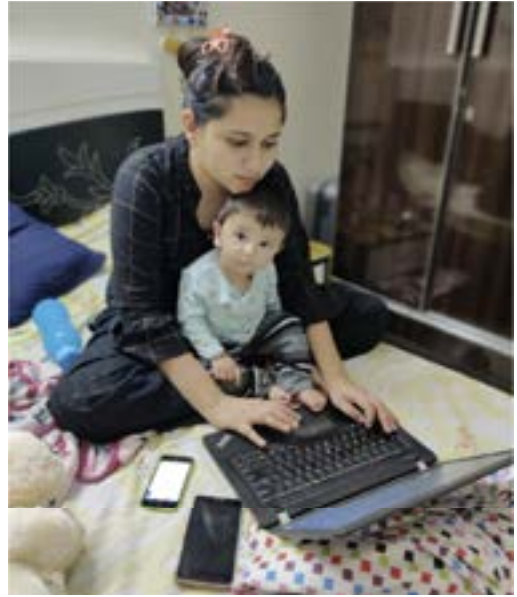
Our work culture is layered by our principles, values, and professional attributes that together make life at Kellton Tech rewarding and our organization among the best places to work.



Talent Acquisition

Experiences related to talent acquisition were completely unconventional in fiscal 2020. In the aftermath of the first wave of COVID-19 and amid the outbreak of the second wave, acquiring new talents was challenging. Though we actively hired talents across departments to meet our organizational goals and stay ahead of the demand curve, the activity remained largely virtual.

COVID-19 accelerated the need for digital transformation, and businesses looked to build solutions on top of AI, cloud, blockchain, analytics, and more. Considering the fact, our talent acquisition team developed robust remote sourcing strategies and gleaned through the top business schools, job portals, references, and other talent sources to find the right match. Besides, we also hired people for the leadership role. They helped us capture a larger market share outside the US and expand our businesses in other geographies, including the UK, and we hope to see such upticks in the future.



Talent Diversity

We believe in creating an equal mix of talent within our organization. We understand that diversity and inclusion are business imperatives that help us thrive with a holistic perspective.

Our faith in providing an equal opportunity to the workforce — irrespective of nationality, gender, and age — has always helped us attract top talents worldwide and drive tangible business benefits. We created opportunities for people with disabilities, talents from different ethnic groups, caste, creeds, and races.

We have always made it a point to implement our diversity and inclusion strategy efficiently. Not because we are bound to comply with regulatory protocols defined by governments in different countries, but because we firmly believe it encourages our stakeholders to instill their confidence in us. Besides, diverse teams have been significantly helping us create meaningful values and outperform the competition with full force.



Talent Development

COVID-19 fueled the demand to develop new skills to meet clients' and customers' expectations efficiently. We invested in our workforce's training and skill development to address the demand curves and created high-performance teams with a sense of belonging, common purpose, and a shared identity.

Throughout fiscal 2020-21, we fostered employee learning and development to unleash their capabilities and empower them to strategically and confidently achieve our organizational goals and business objectives. Our R&D lab helped our workforce monitor the trending technologies, explore professional requirements, and build competitive models to help shape their future and achieve their career goals. Moreover, we assigned mentors who enabled special skill development and training relevant to technologies and software.

Our R&D team is continuously involved in identifying possibilities with future technologies and creating POCs with current technologies that help us reinvent our skill development processes, learning approaches, and training frameworks.

As the pandemic continued to take hold, we created training and development models that offer online, remote, and asynchronous learning to our employees across locations, platforms, and devices. Given the circumstances, peer-to-peer learning emerged out to be a successful approach to knowledge sharing. We reasserted our commitment to encouraging our employees to pursue self-development and innovation, sustain social and professional integrity, and fulfill their duties without losing sight of the company's objectives.



HR Policies

Managing the workforce during the COVID-19 had its challenges. But we continuously upgraded our HR policies and guidelines to deploy resilient employee management practices with the utmost efficiency. With agility in our core system, we must say that managing people even in remote locations was not difficult. We adapted quickly to the changing circumstances and ensured a complete satisfactory work environment for our employees.

Undeniably, COVID-19 triggered a massive shift. Our HR team had added responsibilities in fiscal 2020-21, and the way they managed the workforce and other duties was praiseworthy. Our HR team repurposed policies to support seamless performance enablement from running employee engagement programs, recording attendance, enquiring about their health and well-being, processing the payroll, and more.

We have a healthy and connected workplace ecosystem that functions with a collaborative approach. Underpinned by flexible working arrangements and a mobile workforce, we enabled a robust work culture that played a critical role in improving talent sourcing and outreach, attracting and retaining talents across geographies, and simplifying recruitment and selection. Despite adverse market conditions all over the year, we hired over 100 people in 2020. Amid new roles, challenges, and priorities, our



professionals essentially helped the workforce remain hopeful and practice continuous innovation to manage people, processes, and systems seamlessly.

Employee Engagement

With measures such as social distancing and lockdowns — meant to safeguard populations from COVID-19 — we largely continued to work from home the entire fiscal year. Engaging in the COVID-19 world was limited to virtual means facilitated by smart devices, the internet, chatting and video conferencing apps, social media platforms, and more.

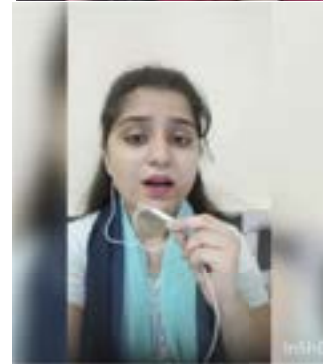
In the pandemic-style working, we developed practices and approaches to ensure meaningful engagement with our employees and prospective talents across geographies. Our employee engagement teams, including the HR, PR, and Communications, and even the Taskforce, played their respective roles efficiently to ensure we have a well-connected ecosystem in place to stay engaged by all possible means.

THE WORKFORCE

Engaging virtually to celebrate festivals, days of national importance, and our success — including Fourth of July, Eid, Holi, Diwali, Halloween, Christmas, and more — was new for us, but stepping beyond convention brought a deluge of excitement. Though it was all virtual, we shared pictures, moments, and emotions and left no stone unturned to feel connected and engaged even while working remotely.



Halloween



THE WORKFORCE





KELLTON TECH GLOBAL OFFICES

2020 - 21

 USA

D.C. Metro Area

11100 Wildlife Center Dr.
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Princeton, NJ 08540

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San Francisco Bay Area

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ul. Wyciągowa 56G lok. 2A
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Plot No.1367, Road No.45
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Gujarat

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Gujarat - 370201

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Visakhapatnam, AP – 530017

Singapore

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#07-04 RB Capital Building,
Singapore 048980



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

COMMITTEES OF THE BOARD

Audit Committee

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

CORPORATE IDENTITY NUMBER : L72200TG1993PLC016819

CORPORATE OFFICE & REGISTERED OFFICE

Plot No. 1367, Road No. 45,
Jubilee Hills, Hyderabad
Telangana – 500 033
Tel No - 040-44333000
Email id: compliance@kelltontech.com
Website: www.kelltontech.com

STATUTORY AUDITORS

Anant Rao & Malik
Chartered Accountants,
B-409/410, Kushal Towers, Khairatabad,
Hyd-500004, Telangana
Email Id: armcas@gmail.com

INTERNAL AUDITOR

Ravindhar Reddy
Chartered Accountant

SECRETARIAL AUDITOR

Mr. NVSS Suryanarayana Rao

SHARE TRANSFER AGENTS & DEMAT REGISTRARS

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

WEBSITE

<https://www.kelltontech.com>



BANKERS

IndusInd Bank, Sardar Patel Rd, Begumpet,
Secunderabad, Telangana 500003
Bandhan Bank, Madhapur, Hyderabad ,
Telangana 500081

COMPLIANCE OFFICER

Ms. Surabi Jain

Company Secretary

Email id: compliance@kelltontech.com

Stock Exchanges Where Company's Securities Are Listed

The BSE Limited

The National Stock Exchange of India Ltd.



NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF KELLTON TECH SOLUTIONS LIMITED ("THE COMPANY") WILL BE HELD ON MONDAY, SEPTEMBER 27, 2021 AT 9:00 A.M IST THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS :

1. Adoption of financial statements

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors ("the Board") and auditors thereon.

2. To declare final dividend of 5% i.e. 0.25 Paise per equity share of Rs. 5 Face value, for the financial year 2020-2021.

3. Appointment of Mr. Srinivas Potluri (DIN: 03412700) as director liable to retire by rotation

To appoint a director in place of Mr. Srinivas Potluri (DIN: 03412700), Non-Executive Director, who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To re-appoint Mr. Niranjan Chintam (DIN: 01658591) as Whole-Time Director of the Company

To consider and if thought fit to pass with or without modification 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 thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as recommended by the Nomination and Remuneration Committee cum Compensation Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Niranjan



Chintam (DIN: 01658591) as the Whole Time Director of the Company for a period of 3 (Three) years w.e.f 31.10.2021 upto the period of 31.10.2024, on such remuneration, terms and conditions as recommended by the Nomination and Remuneration cum Compensation Committee.

RESOLVED FURTHER THAT Mr.Niranjan Chintam, as Whole Time Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT in the event in any financial year during his tenure, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay, remuneration in accordance with the limits as per the provisions of Schedule V of Companies Act, 2013.

RESOLVED FURTHER THAT any of the Director or Company Secretary of the Company be and is hereby authorised to file Form No.MR-1, DIR-12 or such other forms with the office of the Registrar of Companies and to make necessary entries in the Register of Directors maintained by the Company and to take all other necessary steps as may be required under the Companies Act, 2013 for giving effect to these resolutions."

5. To re-appoint Ms.Kunda Kalpana (DIN:07328517) as an Independent Director of the Company

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as recommended by the Nomination and Remuneration Committee and Board of Directors, consent of the Members of the Company be and is hereby accorded to re-appoint Ms.Kunda Kalpana (DIN: 07328517) as non-executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, who shall hold office for five (5) consecutive years commencing from 08.03.2022 upto the period ended 07.03.2027, not liable to retire by rotation."



RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as it may deem necessary, desirable or expedient and to do all acts, deeds and things in connection therewith and incidental in order to give effect to this resolution.”

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

Sd/-

Krishna Chintam

Managing Director

DIN: 01658145

Place: Hyderabad

Date: 14.08.2021

Registered Office

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



NOTES :

1. An Explanatory Statement under Section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. The statement of the particulars of Directors seeking Appointment / Re-appointment is enclosed as **Annexure A** as required under sub-regulation (3) of Regulation 36 of the listing regulations. The Directors have furnished the requisite declarations for their appointment/re-appointment.
3. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated 5th May, 2020 and 13th January, 2021 read with other previous circulars issued in that connection (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM and thus physical attendance of Members has been dispensed with. In compliance with the said Circulars, the AGM of the Company is being held through Video Conference (VC) / Other Audio-Visual Mode (OAVM) and as such the route map is not annexed to this Notice.
4. In compliance with the aforesaid circulars, this Notice together with annual report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the company / depositories. Copies of the Notice and annual report 2020-21 will also be uploaded on the company's website at www.Kelltontech.com, websites of stock exchanges i.e., BSE Ltd and National Stock Exchange of India Ltd., at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company through its registered mail id - compliance@kelltontech.com or upload on the VC portal / e-voting portal.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 27, 2021. Members seeking to inspect such documents can send an email to compliance@kelltontech.com.
7. Register of Members and Share Transfer Books of the Company shall remain closed from 20th September 2021 to 27th September, 2021 (both days inclusive) for AGM and determining the entitlement of the shareholders for the Dividend for the year 2020-21, if declared, at the AGM.



8. If the Dividend as recommended by the Board of Directors is approved at the AGM, the payment of such dividend shall be made within the timeline as prescribed under the Act, subject to deduction of tax at source, as under:

a) To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of the business hours as 18th September, 2021 and

b) To all those members holding shares in physical form on or before at the close of business hours on 18th September, 2021.

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 MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

10. 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 to at least 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.

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

12. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.

13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.



14. Members holding shares in physical form should inform the Company's Registrar and Transfer Agents, XL Softech System Limited of any change in their registered address/update of email ID/change in e-mail address. Similarly, Members holding shares in electronic form should inform their Depository Participants (DP) of any change in their registered address, mandate/e-mail address.

15. Members desirous of seeking any information on the accounts or operations of the company are requested to write to the Company at least 15 days prior to the Meeting so that the required information can be made available at the Meeting.

16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

17. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.

18. The equity shares of the Company have been notified for compulsory trading in demat form. The Company has signed a tripartite agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and M/s. XL Softech System Limited to facilitate dematerialisation of shares. Members are requested to avail of this facility and have their shareholding converted into dematerialised form.

19. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.

20. The Board has appointed Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

21. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL, and RTA and will also be displayed on the Company's website <https://www.kelltontech.com/investors/reports-and-filings>.



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

(i) The voting period begins on Friday, September 24, 2021 at 9:00 AM (IST) and ends on Sunday, September 26, 2021 at 5:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

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

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



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

Type of share-holders	Login Method
Individual Share-holders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>



<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in dematmode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein



they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

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

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

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

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

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

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@kelltontech.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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



EXPLANATORY STATEMENT

(As required under Section 102 of the Act, the following explanatory state of the accompanying Notice and should be read as forming part of the Notice)

Item No.4 To re-appoint Mr. Niranjana Chintam (DIN: 01658591) as Whole-Time Director of the Company

The Board of Directors, at its Meeting held on August 14, 2021 re-appointed Mr. Niranjana Chintam as Whole Time Director with effect from 31.10.2021 for a period of three years i.e. upto 31.10.2024 on the terms and conditions as recommended by the Nomination and Remuneration Committee, as set out in the resolution, subject to the approval of shareholders of the Company.

Your Directors recommend that the said resolution may be passed as Special Resolution.

The Directors are of the view that the re-appointment of Mr.Niranjana Chintam, as Whole Time Director will be beneficial to the operations of the Company and hence said resolution is being placed before the members for their approval.

Except Mr. Niranjana Chintam and Mr. Krishna Chintam, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in this resolution

Item No.5 To re-appoint Ms.Kunda Kalpana (DIN:07328517) as an Independent Director of the Company

Pursuant to the provisions of Section 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Ms.Kunda Kalpana was appointed as a non-executive Independent Director of the Company for a period of 5 (five) consecutive years which will end on 07.03.2022. She has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and is also eligible for appointment.

Members may note that pursuant to the applicable provision of the Act and on the recommendation of Nomination and Remuneration cum Compensation Committee and Board of Directors and in compliance SEBI (LODR) Regulations, 2015 it is proposed to re-appoint Ms.Kunda Kalpana as non-executive Independent Director of the Company, for a period of 5 (five) consecutive years on the Board of the Company commencing w.e.f. 08.03.2022 upto period ended 07.03.2027.



The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the notice for the re-appointment of Ms.Kunda Kalpana as non-executive Independent Director of the Company.

Except Ms.Kunda Kalpana, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

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

Sd/-

Krishna Chintam

Managing Director

DIN: 01658145

Place: Hyderabad

Date:14.08.2021

Registered Office

Plot No. 1367, Road No. 45,

Jubilee Hills,

Hyderabad – 500 033

Telangana



DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE FORTH-COMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Mr. Srinivas Potluri	Mr. Niranjana Chintam	Ms. Kunda Kalpana
DIN	03412700	01658591	07328517
Date of Birth	10.09.1965	09.06.1967	28.08.1982
Age	56	54	39
Nationality	Indian	Indian	Indian
Date of Initial appointment on the Board	31.12.2009	23.12.2008	07.03.2017
Qualifications	Graduated MBA from Northwestern University-Kellogg School of Management.	Graduated from Wharton Business school with an MBA. Holds an Engineering Degree in India.	She holds a Bachelors Degree in Micro-Biology, Genetics and Chemistry from Osmania University, Hyderabad. She completed her Post Graduation in Bio-Technology from Bangalore University in the year 2005
Nature of expertise in specific functional areas	<p>Srinivas has spent the last 20 years acquiring a wealth of global engineering and technology-services experience across industries as diverse as automotive, financial, healthcare, telecommunications and commodities.</p> <p>With a special focus on systems integration and large system deployments, Srinivas's 18 years of global experience has seen him working for multiple top-tier organizations including Parsons, Pricewaterhouse Coopers (PwC) and France Telecom.</p> <p>Srinivas has also been involved in various projects for the Department of Defence, Department of Treasury, EPA and state public departments.</p>	<p>Niranjana spearheaded the expansion drive of Kellton Tech and oversaw a series of acquisitions and capacity building measures that put Kellton Tech on the Global IT map.</p> <p>Under his leadership, Kellton Tech became around 1000 member strong organization and earned a place in top 50 fastest growing IT companies in India.</p> <p>With over two decades of global diversified experience, Niranjana lived and worked on the three continents and in eight countries, managing globally dispersed teams.</p> <p>He created and implemented strategies for Fortune 500 companies and government agencies in the US and India.</p>	<p>With 10+ years of experience, she has acquired the technical expertise of Scientific Data Research Analysis and Clinical Data Research Management. She served as an ex-Vice-President of Clinovva Research Labs Private Limited and acquired teaching experience in Pragathi Women's Degree College.</p>



Number of shares held in the Company	5,00,000	0	0
List of the directorships held in other companies	Nil	1. KelltonDbydx Software Private Limited 2. Kellton Securities Private Limited 3. Kellton Commodity & Derivatives Private Limited	1. VIVO bio tech limited 2. Virinchi limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil	Nil	Nil
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Nil	Brother to Mr. Krishna Chintam	Nil

**Directorships and Committee memberships in Kellton Tech Solutions Limited and its committees are not included in the aforesaid disclosure . Also directorships in Foreign Companies and Section 8 Companies and their Committee memberships are excluded.Memberships and chairmanship of Audit Committees, Nomination and Remuneration Committee and Stakeholder's relationship Committees of only Public companies have been included in the aforesaid tables.*



DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 27th 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, 2021.

HIGHLIGHTS OF FINANCIAL PERFORMANCE:

During the year under review, the Company has achieved Comprehensive income of Rs. 7075 lakhs. However, your Directors look forward to improve the financial position of the Company and are optimistic about the future growth and performance of the Company.

The summarized financial results of the Company for the period ended March 31, 2021 are as follows:

STANDALONE

(Amt in Rs.)

Particulars	2020-21	2019-20
Revenue from operations	1,19,24,90,679	1,26,79,92,228
Other Income	3,06,89,081	3,70,78,911
Total Revenue	1,22,31,79,760	1,30,50,71,139
Total Expenditure	1,07,04,11,376	1,15,67,00,958
Profit/(Loss) before taxes	15,30,05,774	14,83,70,181
Tax Expense	(4,26,15,597)	(3,57,55,394)
Profit/(Loss) after Tax	11,03,90,177	11,26,14,788
Earnings per equity shares in Rs.	1.14	1.15
Total Comprehensive Income for the period	11,00,02,698	11,08,59,822

CONSOLIDATED

(Amt in Rs.)

Particulars	2020-21	2019-20
Revenue from operations	7,75,63,21,107	7,70,67,93,265
Other Income	4,67,48,556	3,94,06,996
Total Revenue	7,80,30,69,663	7,74,62,00,261
Total Expenditure	6,93,60,38,184	6,87,54,50,214
Profit/(Loss) before taxes	86,72,68,869	87,07,50,047
Tax Expense	(15,60,33,792)	(16,54,36,775)
Profit/(Loss) after Tax	71,12,35,077	70,53,13,272
Earnings per equity shares in Rs.	7.34	7.70
Total Comprehensive Income for the period	70,75,73,379	74,24,66,453



REVIEW OF PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS:

Your directors are pleased to report that in spite of severe impact on Country's economy and almost all the industries with de-growth to a great extent, your Company has been able to with stand the impact and registered performance at the same level of FY'21.

A detailed analysis of the financials and business performance of the Company during the year under review including the impact the in COVID 19 pandemic had on your Company's business is detailed below.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company or any of its subsidiaries or joint venture, during the year under review.

DIVIDEND AND TRANSFER TO RESERVES:

Your Directors are pleased to recommend a final dividend of 5% i.e. 0.25 Paise per equity share of Rs. 5 Face value, for the financial year ended March 31, 2021 (previous financial year – Nil). If the above recommendation is accepted by the Members of the Company at the ensuing Annual General Meeting, total outflow on this account will be Rs. 2,40,97,284/-.

Your Directors do not propose to transfer any amounts to the general reserves of the Company, instead have recommended retaining the entire of profits for the financial year ended March 31, 2021 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.kelltontech.com/investors/company-policies>.

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 2020-21 prepared in accordance with Section 92(1) of the Act has been placed on the website and is available at <https://www.kelltontech.com/investors/reports-and-filings>.

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

Except the effect of in COVID 19 Pandemic and consequent lockdown resulting in a severe slowdown of economy, there are no material changes and commitments after the closure of the financial year, which will affect the financial position of the Company.



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 the regulators or courts, tribunals impacting the going concern status and Company's operations in future.

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. 48,19,12,340 (Rupees Forty Eight Crore Nineteen Lakh Twelve Thousand Three Hundred and Forty only) divided into 9,63,82,468 (Nine Crore Sixty Three Lakh Eighty Two Thousand Four Hundred and Sixty Eight only) Equity Shares of Rs. 5/- each.

During the year under the review there was no change in the Share Capital 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 vide resolution passed at the 19th Annual General Meeting approved ESOP 2013 and has granted options to the employees.

Disclosure regarding Employees Stock Option Plan and forming part of the Directors' Report for the year ended 31st March, 2021 is as follows:

S.NO	Particulars	Description
1.	Date of Share holder's approval	ESOP Scheme, 2013 as approved on 27/12/2013 and amendment made on 27/09/2017 at the 23 rd Annual General Meeting of the Company
2.	Total number of options granted	25,27,500
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 ESOPS	Fair Value

Option movement during the year (For each ESOPS):

Particulars	Details
Number of options outstanding at the beginning of the period	584696
Number of options granted during the year	0
Number of options forfeited / lapsed during the year	60668



Number of options vested during the year	33333
Number of options exercised during the year	0
Number of shares arising as a result of exercise of options	0
Money realized by exercise of options (INR), if scheme is implemented directly by the company	0
Loan repaid by the Trust during the year from exercise price received	Nil
Number of options outstanding at the end of the year	524028
Number of options exercisable at the end of the year	490695

The Note: Details of disclosures pursuant to ESOP required under SEBI (Share Based Employee Benefits) Regulations, 2009 are available at the website www.kelltontech.com

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

PUBLIC DEPOSITS:

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

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

Conservation of Energy which is not furnished as the relative rule is not applicable to your Company.

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

Foreign Exchange Earnings and Outgo:

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

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 2020-21 to NSE and BSE where the Company's Shares are listed.

DIRECTORS, KEY MANAGERIAL PERSONNEL & BOARD MEETINGS :

The Board of directors of your company is duly constituted. During the year under review the constitution of Board and its committees remained unchanged.



Change in Director / Key Managerial Personnel duringThe Year

- The Board of directors of the company at their meeting held on 16th April, 2020 has accepted the resignation of Mr.Ahsan Ali Hussain Ajani, company secretary w.e.f 16.04.2020.
- The Board of directors of the company at their meeting held on 08th May, 2020 has appointed Ms. Surabi Jain as Company Secreтай and compliance office of the company w.e.f 08th May, 2020.
- The members at the 26th Annual General meeting have re-appointed Mr. Krishna Chintam as managing director of the company for period of 3 years w.e.f 08.04.2021.
- The members at the 26th Annual General meeting have re-appointed Mr.Karanjit Singh as whole-time director of the company for period of 3 years w.e.f 29.03.2021.
- The members at the 26th Annual General meeting has re-appointed Mr. PVV Srinivasa Rao as Independent director of the company for period of 5 years w.e.f 16.02.2021.

Proposed Appointments/re-appointments:

The following appointments to the Board are proposed:

- In accordance with the Companies Act, 2013 read with the Articles of Association of the Company, Mr.Srinivas Potluri, Non- Executive Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offered him for re-appointment.
- Mr.Niranjan Chintam (DIN: 01658591) was appointed as Whole Time Director of the Company for a period of 3 years ending on 31.10.2021. In the ensuing Annual General Meeting, the Board recommends his re-appointment for a further period of 3 years.
- Mrs.Kunda Kalpana (DIN: 07328517) was appointed as an Independent Director of the Company for a period of 5 years ending on 07.03.2022. In the ensuing Annual General Meeting, the Board recommends his re-appointment for a further period of 5 years.

The brief resume of the aforesaid Directors and other information have been detailed in the Notice.

NUMBER OF MEETINGS OF THE BOARD:

The Board of Directors of the Company met Eleven 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.

BOARD AND PERFORMANCE EVALUATION:

The Company believes formal evaluation of the Board and of the Individual Directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the Company, evaluation provides an ongoing means for Directors to assess their individual and collective



performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in;

- 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.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other 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 performance evaluation of the Independent Directors was carried out by the entire Board.

INDEPENDENT DIRECTORS:

- A meeting of the Independent Directors was held on July 11, 2020.
- The Company has received declarations from the Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and regulation 25 of SEBI (Listing Obligations and Disclosure Requirement), 2015.
- The Company through its Senior Managerial personnel familiarises the Independent Directors with the strategy, operations and functions of the Company. The Independent Directors will also be familiarised with their roles, rights and responsibilities and orientation on Statutory Compliances as a Board Member.
- On appointment of the Independent Directors, they will be asked to get familiarised about the Company's operations and businesses. An Interaction with the key executives of the Company is also facilitated to make them more familiar with the operations carried by the company. Detailed presentations on the business of the company are also made to the Directors. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarize him/her about the Company/its businesses and the group practices as the case may be and link is available at the website www.kelltontech.com.



COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings during the Financial Year under review.

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, 2021, 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.

CONSTITUTION AND COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the company is duly constituted as per section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Composition and Scope of Audit Committee is provided under the Corporate Governance report annexed herewith.

NOMINATION AND REMUNERATION CUM COMPENSATION COMMITTEE:

Nomination and Remuneration cum Compensation Committee meets the requirements of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The details of the composition of the Nomination and Remuneration cum Compensation Committee as required under the provisions of Section 178 of the Companies Act, 2013 is given in the Corporate Governance Report furnished as part of the Annual Report.

REMUNERATION POLICY:

The remuneration paid to the Directors is as per the terms laid out in the Nomination & Remuneration policy of the Company. The Nomination & Remuneration policy is adopted by the Board is placed on the Company's website at www.kelltontech.com



CORPORATE GOVERNANCE:

In pursuance of Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, entered into with the Stock Exchanges, a separate Report on Corporate Governance is annexed and forms part of this Report **'Annexure – V'**. Your Company will continue to adhere in letter and spirit to good corporate governance policies.

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 as **Annexure-IV**.

SUBSIDIARY COMPANIES:

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

Name of the Entity	Status
KelltonDbydx 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)
IntelligenceInc	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)



During the year under review there is no subsidiary/Joint venture/Associate Companies which have become or ceased to be its Subsidiary/ Joint Venture/ Associates Companies under the year as per the provisions of Companies Act, 2013.

CONSOLIDATION OF ACCOUNTS:

The Consolidated Financial Statements of the Company and its Subsidiaries ("the Group") for the year ended March 31, 2021 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, 2021 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.

AUDITORS:

a. Statutory Auditor:

In terms of provisions of the Companies Act, 2013, at the 26th Annual General Meeting (28.09.2020) of the Company, M/s. Anant Rao & Malik, Chartered Accountants having (FRN: 006266S), Hyderabad, were appointed as statutory auditors of the Company to hold the office for the term of 5 years till the conclusion of 31st Annual General Meeting of the Company. They have confirmed that they are not disqualified from continuing as auditors of the company.

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

b. Secretarial Auditor, Secretarial Audit Report and Annual Secretarial Audit report:

Your Board has appointed Mr. NVSS Suryanarayana Rao, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2020-21 and secretarial audit report for the financial year ended 31st March, 2021 is enclosed as **Annexure-VI**.



Management responses to observations in Secretarial Audit Report:

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

Sr. No.	Observations	Management replies/ response
1.	As per regulation 31 there was a delay of 7 days in one trench and 13 days in another trench about the intimation of creation on charge on the promoter shares as per Regulation 31 of SEBI(SAST) Regulation, 2011	The delay from the promoter in making the disclosure with the exchanges was unintentional. They have undertaken to be cautious and make timely disclosure of all statutory requirements under the required SEBI Regulations.
2.	Company could not submit the report as per SEBI Circular CIR/CFD/CMD1/27/2019 for the financial year ended 31 st March, 2020	The Report shall be submitted soon by the Company
3.	There were some clerical errors in Form MGT-7 filed in pursuance of Section 92 of the Companies Act, 2013 for the financial year 2019-20	There was a slight oversight in filing the form. The Company ensures that it was in advertent and without any malifide intention.
4.	M/s. Anant Rao & Malik, was appointed as statutory auditor of the company in place of M/s. Pary & Co., who has resigned without signing the limited review report for quarter ended 30 th June, 2020 as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 th October, 2019.	Inspite of the tremendous request, M/s. Pary & Co, (earlier statutory auditor) has resigned as statutory auditor of the company without signing the limited review report for quarter ended 30 th June, 2020. Thus, the Board of Directors appointed the new Auditor and has taken the signed limited review report from them for compliance purpose.

Annual Secretarial Compliance Report

Annual Secretarial Compliance Report for the financial year ended 31st March, 2021, on compliance of all applicable SEBI Regulations and circulars / guidelines, issued by Mr. N. Sricharan., Company Secretaries, was submitted to BSE Limited and National Stock Exchange of India Limited.

REPORTING OF FRAUD:

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the audit committee, under section 143 (12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.



BUSINESS RESPONSIBILITY REPORT (BRR):

The Listing Regulations, 2015 mandate the inclusion of BRR as part of the Annual Report for the top 1000 listed entities based on their market capitalization on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. In compliance with the Regulations, BRR forms part of the Board's Report as **Annexure-VII** and it is available on the Company's website.

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 the society through various initiatives in these arenas. Kellton Tech is providing scholarship to the 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.kelltontech.com.

COST AUDIT REPORT:

The provisions of Section 148 of the Companies Act, 2013 does not apply to the Company and hence, no cost auditors are appointed.

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.kelltontech.com/investors/company-policies>.

RISK MANAGEMENT POLICY:

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 from commencement of the financial year 2021-22.

The Company has already Prepared a risk management policy and formed risk management 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.



The Board is of the opinion that all events which have satisfied by risk threshold have been identified and dealt with appropriately by the entity during the year under review.

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.

During the financial year ended March 31, 2021, the Company has not received any complaints pertaining to Sexual Harassment.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions that were entered during the financial years were in the ordinary course of business of the Company and were on arm length basis. There were no materially significant related party transactions entered by the Company during the year with the promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company.

The policy on related party transactions as approved by Audit Committee and the Board of Directors is hosted on the website of the company viz. <https://www.kelltontech.com/investors/company-policies>.

Particulars of every contract or arrangements entered into by the Company with related parties referred in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso there to is annexed as in **Form No. AOC-2** as '**Annexure - II**' to this report.

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 www.kelltontech.com

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

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 as **Annexure V(B)**.

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.

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. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

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.



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.

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
Kellton Tech Solutions Limited

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad

Date : 14.08.2021



FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

S No.	Particulars	Details		
1.	Name of the subsidiary	Kellton Dbydx Software Private Limited	Kellton Tech Solutions Inc.	Kellton Tech Inc.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2020 to March 31, 2021	January 01, 2020 to December 31, 2020	January 01, 2020 to December 31, 2020
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: 73.50	Reporting Currency: Dollar Exchange Rate: 73.50
4.	Share capital	83,23,765	57,75,11,550	34,28,77,500
5.	Reserves & surplus	38,19,868	20,91,35,357	53,48,32,893
6.	Total assets	5,00,55,417	1,99,88,47,421	1,40,67,98,232
7.	Total Liabilities	3,79,11,784	1,21,22,00,514	52,90,87,839
8.	Investments	Nil	Nil	Nil
9.	Turnover	4,40,17,109	3,87,25,04,055	2,06,05,61,034
10.	Profit before taxation	23,65,028	20,11,44,510	8,15,54,939
11.	Provision for taxation	18,00,986	1,19,20,230	94,84,661
12.	Profit after taxation	5,64,042	18,92,24,280	7,20,70,278
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100	100	100

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

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



Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	Not Applicable
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year) Considered in Consolidation	
<ul style="list-style-type: none"> i. Considered in Consolidation ii. Not Considered in Consolidation 	

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



FORM AOC-2

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

There was no such contract or arrangement or transaction entered during the year ended 31.03.2021 which was 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 including 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)	Sale of services	13,64,03,607	Amount as per monthly invoice raised based on transfer pricing guidelines	27.04.2015	-
Kellton Tech Limited (Wholly Owned Subsidiary)	Sale of services	3,73,69,383	Amount as per monthly invoice raised based on transfer pricing guidelines	24.04.2017	-
Lenmar Consulting Inc (Step-down Subsidiary)	Sale of services	1,36,69,249	Amount as per monthly invoice raised based on transfer pricing guidelines	24.04.2017	-
Sreevidya Chintam & Niranjan Chintam (Relative of Key Managerial Personnel)	Rent paid for office building	1,82,32,608	Rent on monthly basis as per lease deed	30.06.2014	



Planetpro Inc. (Step-down Subsidiary)	Sale of services	29,40,332	Amount as per invoice raised based on transfer pricing guidelines	-	-
Kellton Dbydx Software Pri- vate Limited (Subsidiary)	Sale of services	3,41,25,640	Amount as per invoice raised based on cost plus margin	-	-

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad

Date : 14.08.2021



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

PART-A

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2020-21:

S.No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Niranjan Chintam	4.93
2.	Mr. Krishna Chintam	4.93
3.	Mr. Karan Jit Singh	8.99
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

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

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

(iii) The number of permanent employees on the rolls of Company: 1046

(iv) In the Financial Year 2020-21, there was an increase of 8.8% in the median Remuneration of employees.

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

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

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



PART-B

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

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

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad

Date : 14.08.2021



Management Discussion and Analysis Report

1. INDUSTRY OVERVIEW

The COVID-19 pandemic continued to cripple the world economies throughout 2020. Signs of recovery started becoming visible with vaccination drives in full force. But, the optimism was short-lived. The outbreak of more virulent strains of the coronavirus did wreak havoc on the global community and impacted millions of lives worldwide.

That said, the role of technology in ensuring continuity and bringing progress back on its track can't be overstated. The International Monetary Fund (IMF), in its report on World Economic Outlook released in January 2021, forecasted that the global economy is expected to grow by 5.5% in 2021 and 4.4% in 2022, indicating a vaccine-powered recovery. In another estimate by the Congressional Budget Office (CBO), the US GDP is expected to rise 3.7% in 2021 after a period of tumbling growth at 2.5% in 2020. Speaking of the additional policy support, the \$1.9 Trillion COVID-19 relief bill will likely supplement economic growth and bring the economy back on its feet.

According to the economic forecast by the European Commission Winter 2021, the euro area economy is expected to grow by 3.8% in both 2021 and 2022. Notably, after a few months of reporting strong growth, the economic activity across

the UK and Europe shrunk again in the backdrop of an increase in the COVID positivity rate. A series of new containment measures were brought in place, triggering a slowdown. A few predict that the economic growth of the euro area is expected to resume in the spring and pick steam at the onset of summer with vaccination drives boosting up and containment measures being eased. In another forecast by the commission, inflation in the euro area is anticipated to rise from 0.3% in 2020 to 1.4% in 2021.

Cut to India, the country's economic output is believed to have declined by 8% Y-o-Y in FY21, which is the biggest contraction since 1952. When COVID-19 made its first ripples, a nationwide lockdown was imposed to break the chain of infections. Only a couple of essential services were allowed to operate. The Government of India made efforts to uplift the weaker sections of the society and announced a variety of measures to ensure livelihood for all. The Prime Minister of India, Shri Narendra Modi, announced three economic stimulus packages to support the floundering economy. It is owing to these robust initiatives that India is exhibiting a broad V-shaped recovery. In FY22, an uptick in income levels and livelihood opportunities is expected to be seen as economic recovery gathers momentum and vaccination continues to cover a large portion of the population.



2. STRATEGY AND EXECUTION

Kellton Tech takes the pole position as a digital transformation and integration company by mastering the application of leading-edge technologies across multiple domains. We undertake strategic investments in our people and processes to build a durable foundation for growth and help our clients transform their businesses in relevant ways. Our industry-focused offerings resonate extremely well with our clients and live out the value proposition. Result? Increased sales pipeline and breakthrough profitability!

The COVID-19 pandemic disrupted our business and compelled us to make tidal shifts in how we work and interact. We enabled IT to move at the speed of drastic changes that were witnessed, leveraged emerging technologies, and bolstered our competencies in continuous delivery to spur innovation. We take pride in the fact that even in such unprecedented times, we were able to support the digital initiatives of our clients with thorough execution. In FY22, we plan to build on our business momentum and craft a cutting-edge and calculated strategy that delivers impactful outcomes as we continue to battle one of the most challenging times in world history.

This year, we aligned our business core with the 'Rise with SAP' strategy to address business transformation, cloud migration and operations requirements of global customers. We combined SAP value with our innovative abilities to deliver faster time to market and flexibility to thrive in the digital age. The formula behind our winning SAP strategy and roadmap was our focus on a 'guided journey.' Not only did we help clients pinpoint the best starting point for SAP-led transformation, but also benchmarked them against industry stan-

dards to offer tailored recommendations. This led our clients to cut the right chord and hack success in no time. During the coming quarters, we aim to leverage the SAP suite of solutions holistically to amplify business transformations and offer next-level customer delight while also ensuring a long and enduring partnership with SAP.

We actively invested in people and technologies across the US market to drive a strong delivery pipeline and build world-class experiences for our customers. We powered our innovation capabilities in domains such as blockchain, cryptocurrency, and NFTs to lead our clients to the next shores of digital transformation. We see umpteen potential in these technologies and want our clients to make transition to these with minimal disruption. With our centers in Poland, India, and Dublin—coupled with offices in the US—we ensured that we take the guesswork out from outsourcing. We incubated a new-age, intelligent portfolio of services and provided an impetus to innovative application development in microservices and containerization for agility and scalability. We effectively doubled down on our agnostic API management capabilities with hybrid and data integration to drive rapid adoption of SaaS, agile development, IoT and DevOps. As we move ahead, we will continue to reinforce our investments in frontier segments of the US market and consolidate our position as a trusted technology partner. We will continue to shape seamless experiences where our company works as an extended arm and deliver services our customers can value and trust.

Expanding to new horizons remains an important cornerstone of our success. As the future unfolds, we plan to branch our business out in the US Midwest and West Coast and gain more ground as a digital company. Besides, we are eyeing invest-



ments and striving to build on-a-par capabilities to target growth possibilities in the public sector and public services in the middle market segment of the United States. Blueprints to capture the Northeast and Midwest markets are in the place where we are experiencing strong demand for our IoT, IIoT, and Hybrid Integration solutions. Moreover, we plan to expand our footprint in the Southeast and West regions in the US, where the theme will be intelligent automation and cloud application development.

Cut to Europe, we are in the process of architecting an expansion roadmap to Continental Europe and sharpen our competitive edge. Besides, we are looking to incubate more technical capacity to build and deploy comprehensive offerings for SMBs and niche solutions to our customers. Our partnerships with shape-shifters of the industry, including Qlik, Microsoft Cloud, and AWS, will help us innovate faster and lead closer to our objectives. Flanked by industry collaborations like these, combined with industry knowledge and a passion for innovation, we aspire to establish process excellence as we grow to new heights and elevate business sustainability standards end-to-end.

3. FINANCIALS

During the year under review, Kellton Tech pushed the envelope and demonstrated remarkable resilience to the market upheaval. Since COVID-19 jolted the world as we know it - and triggered game-changing business shifts - it became imperative to change the course of action and adapt to the dynamics of the new world to sustain. We stepped up, enabled new models of work rather quickly, and remained strong, focused, and flexible.

We delivered sustainable financial performance mapped across several parameters that include revenue, cash flow, and client wins. Our unabating enthusiasm and conviction to perform, come what may, have been foundational in helping us maintain our revenue and profitability margins. We achieved a total revenue of INR 7,803 Mn a growth of 0.7% on Y-O-Y basis. The numbers are resounding and represent the growth gained across geographies while also serving as a reminder of our ability to create a superior brand resonance through technology, investments, and partnerships.

4. DIGITAL ACCELERATION

We are committed to developing leading-edge solutions for our clients by applying the right mix of human and machine intelligence. During the year under review, we pushed strategic investments in enhancing our intelligent automation and RPA capabilities. We created meaningful capacity to innovate through our alliances with SAP and UiPath to help our clients interweave automation across their systems at scale.

Alongside, we took a long hard look at our cybersecurity capabilities and made relevant transitions to manage risks, more so in the current time when the COVID-19 pandemic has upended every aspect of life and hastened a rise in remote working. We reinvented our Information Security Management System to tighten policies and protocols and nip cyber crime in the bud. Besides, we made sure that the governance and management of security compliance and risk is reviewed at regular intervals.

We expended our Emerging Technologies Practice towards enabling cloud ecosystems for global enterprises and developing a new portfolio for digital strategy services. With these services, our SMEs



were able to deliver digital technology strategies and adoption roadmaps, align value chains to cost benefits, develop architecture blueprints, and lay down a path for seamless cloud enablement.

In FY 2020-21, we consistently strengthened our innovation architecture, exemplifying the fact that Kellton Tech is committed to remaining at the forefront of digital transformation. These investments were strategically laid out and focused on nurturing and augmenting next-generation platforms. Our initiative will not only help us efficiently cater to our clients' ever-expanding needs, but will also give us an opportunity to digital transform them with a differentiated value proposition. During this journey, we also ensured that the systems and software we create are resilient and underpinned by the highest level of security. We will continue to invest in future-ready technology and be an incubator of excellent intellectual properties, so that we are equipped to address our clients' varying needs at the pace of their preference.

5. RISKS AND CONCERNS

As a global company, our risks are multifarious and always evolving. In FY 2020-21, however, we propelled our risk management techniques forward to survive in the turbulent times posed by COVID-19 and fluctuating global economic conditions. We navigated increasing severity of business disruptions with an all-hands-on-deck approach and positioned ourselves as a strategic and trusted business partner. During the year under review, we saw the severity of several risks, including:

Business risks including changing margins and market demand.

Operational risks posed by the shortage of talent and the right resources in niche technology areas. Cyber and IT risks posed by several target mechanisms, including ransomware and phishing.

6. ALLIANCES AND PARTNERSHIPS

Resilience was the watchword of our global partnership outlook this year. Technology waves are continuously fueled by advancements across domains, including cloud, 5G, Edge, and AI/ML. Factors such as evolving customer expectations and intense market competition have made course correction a business imperative. Against this backdrop, it is critical that we, as a forward-thinking digital company, reinvent ourselves not only by building resilient new software but also by partnering with the best in the business. Bearing so in mind, we formed allies with industry-leading service providers to deepen innovation and drive tangible value for our clients.

OUR KEY PARTNERSHIPS

SOFTWAREAG

As a proud SoftwareAG partner, we tap into the potential of Cumulocity, webMethods, and webMethods.io to help our clients embed integration into the core of their business. Our core excellence in implementing and integrating SoftwareAG's suite of products has led the C-suite to unify its diverse business processes and break down data silos for always-on experiences. We have successfully achieved disruptive competencies in enterprise-level integration, API management, and multi-speed strategy underpinned by SoftwareAG's world-class resources and expansive knowledge base. Over the years, we have become one of their most sought-after implementers and resellers of Cumulocity, webMethods, and webMethods.io software.



SAP

Kellton Tech and SAP have been strategic partners for years, and so we have achieved competency in end-to-end SAP Consulting, implementation, and support services and can lead customers through complex ERP transformations with confidence. Our SAP Center of Excellence (CoE) covers seven areas:

- S/4HANA - Implementation and Upgradation
- Business Intelligence
- Application Management
- UX and Mobility
- Landscape Optimization
- Customer Engagement
- Project Management

AWS

Kellton Tech is a trusted, long-standing partner in the Amazon Partner Network for Amazon Web Services (AWS) and has helped enable complex business transformations through successful cloud migrations. From advisory to operations, we facilitate every aspect of management of and migration to the cloud with a high degree of focus on flexibility and value. We offer a wide range of AWS-related services, including advisory, managed services, migration, governance, and site reliability services.

WORKATO

We are a strategic business partner of Workato. Together, we have helped clients gain synchronized IT landscapes that fuel speed, scalability, and insight. Our core expertise has consolidated enterprises to a position where they feel empowered to get the most value from data. With our holistic access to Workato's cutting-edge resources and a set of market-disrupting tools, combined with our specialized innovation infrastructure, we have provided end-to-end integration, API management, workflow automation, and consulting services.

JITTERBIT

Kellton Tech's strategic partnership with Jitterbit spans advisory, implementation, and managed services support. Our Jitterbit practice has helped clients enable an integrated hybrid landscape for freeing actionable value trapped within functional silos. Adopting the API-first methodology while using a robust set of tools and solutions incubated under Jitterbit's ecosystem, we facilitate end-to-end digital integration.

AUTOMATION ANYWHERE

Through our partnership with Automation Anywhere, we have facilitated the expansion of our robotic process automation (RPA) and intelligent process automation (IPA) capabilities. Together, we act as enablers to automated processes and redefined customer experiences with the power of contextual bots and digital workforce. Kellton Tech has always remained steadfast in its mission to accelerate digital journeys with automation. The partnership with Automation Anywhere, which we plan to maximize further, strengthens the full spectrum of our automation offerings and does empower clients with limitless opportunities.

GOOGLE CLOUD APIGEE

We expanded our partnership with Google Cloud Apigee as a part of our objective to transform digital user experiences as more agile and efficient. Through this partnership, we have gained deeper cloud and analytics expertise and driven API integration and modernization, legacy system remediation, and full application lifecycle services. Kellton Tech has an unwavering commitment to exploring infinite capabilities with technology. We take pride in being the preferred Google Apigee partner and break new grounds of innovation through cloud-based transformations.



7. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Employees are one of our biggest formative forces. We believe any investment in our human capital can help us excel in performance and achieve a competitive advantage. We are persistent in our approach to improving and nurturing our employees' skills, all while encouraging the development of new ones. We focus on imbuing a work culture that allows our employees to learn, grow, and demonstrate value incrementally.

As of March 31, 2021, we had a total workforce of 1582 employees. We take great pride in the ethnic and cultural diversity of our human resources. We prioritize women's participation and have reforms in place to ensure gender parity. Currently, our workforce consists of 290 women employees.

On the recruitment front, we hired from top-grade universities across the country. We fostered a strong culture of constant learning and development to help the recruits build relevant skill sets and unleash their potential for supporting Kellton Tech in its growth mission. We added several batches of interns and enabled opportunities for them to work on projects with our top talent. They were also provided with supervised on-the-job training and mentorship from an accomplished class of professionals at the company.

At Kellton Tech, the growth, development, and welfare of our employees are paramount. We are determined to cultivate a culture that inspires learning, inclusivity, and a strong desire to challenge the status quo and fuel innovation to see beyond conventions. We are committed to raising the workforce of tomorrow.



REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY

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

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

2. BOARD OF DIRECTORS

The Board of Directors of the Company currently consists of Eight Directors. The Company has an Executive Chairman. The Executive Chairman and the Managing Director manage the day-to-day affairs of the Company. The Board has an optimum combination of Executive and Non-Executive directors.

a) Composition and Category of directors as on March 31, 2021:

Category	No. of Directors
Promoter Director(s) and Executive Director(s)	3
Non- Executive Director(s)	1
Independent Director(s)	4
Nominee Directors(s)	Nil
Total	8

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

b) Number of other directorship or Committees in which a Directors are member or Chairperson as at March 31, 2021



Sl. No	Name of the Director	Category	Number of other Directorships held in other public companies	Name of listed company where the person is a director and the category of directorship	Number of Committee membership held in other public companies (limited to only Audit and Stakeholders' Relationship Committees)		No and % of Equity Shares held in the Company (%)
					As Chair-person	As Board	
1	Mr. Niranjan Chintam	Promoter & Executive Director	None	Nil	Nil	Nil	-
2	Mr. Krishna Chintam	Promoter & Executive Director	None	Nil	Nil	Nil	11,42,286 and 1.19%
3	Mr. Karan Jit Singh	Executive Director	None	Nil	Nil	Nil	3,73,490 and 0.39%
4	Mr. Srinivas Potluri	Non-Executive Non-Independent Director	None	Nil	Nil	Nil	3,33,332 and 0.35%
5	Mr. Srinivasa Vijay Kumar Appana	Non-Executive Independent Directors	None	Nil	Nil	Nil	-
6	Mr. Brijmohan Venkata Mandala	Non-Executive Independent Directors	3	Southern Online Bio Technologies Limited, Non-executive Non independent director	Nil	Nil	2,00,000 and 0.2%
7	Mr. P V V Srinivasa Rao	Non-Executive Independent Directors	Nil	Nil	Nil	Nil	-
8	Ms. Kunda Kalpana	Non-Executive Independent Directors	2	Nil	Nil	2	-

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



c) Attendance of each director at the Board meetings held during the year 2020-21 and at the last Annual General Meeting :

Name of the Director	Held during tenure	Attended	AGM –September 28, 2020
Mr. Niranjana Chintam	11	11	Yes
Mr. Krishna Chintam	11	11	Yes
Mr. Brijmohan Venkata Mandala	11	11	Yes
Mr. Srinivas Potluri	11	6	Yes
Mr. Karanjit Singh	11	8	Yes
Mr. P V V Srinivasa Rao	11	2	No
Ms. Kunda Kalpana	11	7	Yes
Mr. Srinivasa Vijay Kumar Appana	11	11	No

d) No. of Board Meetings held and dates on which they were held during the year 2020-21:

Quarter	Number of Meetings	Date on which meeting held
1st Quarter	3	16.04.2020, 08.05.2020, 16.06.2020
2nd Quarter	4	11.07.2020, 31.07.2020, 01.09.2020, 10.09.2020
3rd Quarter	2	09.11.2020, 21.12.2020
4th Quarter	2	12.02.2021, 22.03.2021

e) Disclosure of relationships between directors inter-se:

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

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

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

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

The Directors of the Company bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process. The following are the core skills, expertise and competencies for effective functioning of the Board which are currently available with all the Directors of the Company.

- a) Hands on experience in the Information Technology Industry and ITES Service industry, marketing and business development
- b) Accounting, Financial, Budget, Costing expertise
- c) Legal and HR expertise
- d) Experience in IT Services QA & Delivery
- e) Expertise in Corporate Governance
- f) Formulation of effective strategy



The Board members possess the following core skills/expertise/ competencies:

1. Mr. Niranjan Chintam - Chairman & Whole-Time Director – a,b,d,e and f of above
2. Mr. Krishna Chintam - Managing Director – a,b,d,e and f of above
3. Mr. Karanjit Singh - Whole-Time Director – a,b,c,d and f of above
4. Mr. Srinivas Potluri - Non-Executive Director - a,b,c,d and f of above
5. Mr. Brijmohan Venkata Mandala - Independent, Non-Executive Director – b,c,e and f of above
6. Mr. Srinivasa Vijay Kumar Appana - Independent, Non-Executive Director –b,e and f of above
7. Mr. P V V Srinivasa Rao - Independent, Non-Executive Director – b,c,e and f of above
8. Ms. Kunda Kalpana - Independent, Non-Executive Director – a,c,e and f of above

h) Confirmation about Independent Directors:

The Board is of the opinion that the independent directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

During the financial year 2020-21, one (1) meeting of the Independent Directors was held on July 11, 2020, inter alia to review the following and the meeting was attended by all the Independent Directors:

- (i) Review performance of non-independent directors and the Board of Directors as a whole;
- (ii) Review performance of the Chairperson of the Company;
- (iii) Assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

No Independent Director had resigned during the financial year 2020-21.

i) 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, 2021 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 V-B** to this Report.

j) 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 at https://kellton-revamp-prod.s3.amazonaws.com/s3fs-public/Code%20of%20conduct_0.pdf.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

A declaration signed by the CEO/CFO to this effect is enclosed as part of **Annexure V-B** to this Report

3. AUDIT COMMITTEE:

- a) The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Listing Regulations and Section 177 of the Companies Act, 2013.



b) Composition, Name of Members and Chairperson:

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

The Company Secretary of the Company acts as a Secretary of the Committee.

c) Meetings and attendance during the year 2020-21:

Name of the Member	Held during tenure	Attended
Brijmohan Venkata Mandala	6	6
Srinivasa Vijay Kumar Appana	6	6
Niranjan Chintam	6	6

e) Chief Financial Officer was also invited to all the meetings and the Company Secretary acts as the Secretary of the Audit Committee.

f) The Chairman of the Audit Committee attended last Annual General Meeting of the Company held on September 28, 2020.

4. NOMINATION AND REMUNERATION CUM COMPENSATION COMMITTEE:

a. 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 Listing Regulations

b. Composition, name of members and Chairperson:

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

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

c. Meetings and Attendance during the year 2020-21:

Name of the Member	Held during tenure	Attended
Srinivasa Vijay Kumar Appana	3	3
Brijmohan Venkata Mandala	3	3
Srinivas Potluri	3	0
Niranjan Chintam	3	3



d. The Chairman of the Nomination and Remuneration Committee has attended last Annual General Meeting of the Company held on September 28, 2020.

e. Performance evaluation criteria for the Independent Directors:

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

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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.

a. 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

b. Details of Committee meetings held during the year

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

c. Name, designation and address of the Compliance Officer:

Name: Ms. Surabi Jain

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

Contact Details: Tel: 040-44333030;

Fax: 040-23552358

E-mail ID: compliance@kelltontech.com



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

Sl. 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
Total		Nil	Nil	Nil

6. REMUNERATION OF DIRECTORS:

a. Details of remuneration to the directors:

Particulars	Executive Directors			Non-Executive Independent Directors				
	Niranjan Chintam	Krishna Chintam	Karanjit Singh	Srinivas Potluri	Srinivasa Vijay Kumar Appana	Brijmoha Venkata Mandala	P. V. V. Srinivasa Rao	Kund Kalpana
Salary	15,00,000	15,00,000	41,03,544	--	--	--	--	--
Commission	--	--	--	--	--	--	--	--
PF Contribution	--	--	21,600	--	--	--	--	--
Sitting fees	--	--	--	--	--	--	--	40,000
Total	15,00,000	15,00,000	41,25,144	--	--	--	--	40,000

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

b. Remuneration Policy:

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



7. GENERAL BODY MEETINGS

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

Financial Year	Location of the Meeting	Date and Time	Number of Special Resolutions passed	Details of Special Resolutions
2019-20	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	28.09.2020 11:00 A.M.	04	<ol style="list-style-type: none"> 1.To re-appoint Mr. Krishna Chintam as Managing Director of the Company. 2. To re-appoint Mr.Karanjit SinghChintam as Whole Time Director of the Company. 3. To re-appoint Mr. P. SrinivasaRao as an Independent Director of the Company. 4. To issue 80,000 convertible warrants on preferential basis.
2018-19	Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033	27.09.2019 11:00A.M.	04	<ol style="list-style-type: none"> 1. To re-appoint Mr. Krishna Chintam as Managing Director of the Company. 2.To re-appoint Mr. Brijmohan Venkata Mandala as an Independent Director of the Company. 3. To authorise Board of Director to pledge shares of subsidiaries for availing loans. 4. To authorise Board of Directors to give loan, provide Corporate Guarantee/ security and invest in the securities of other Body Corporate.
2017-18	Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033	28.09.2018 11.00 A.M.	03	<ol style="list-style-type: none"> 1. Pledging of shares of subsidiaries for availing loans. 2. Approval for giving loan and corporate guarantee. 3. Further Issuance of securities.

During the F.Y 2020-21, the Company did not have any Extra-ordinary General Meeting. In the financial year 2019-20, the Company had not conducted voting through Postal Ballot. Further, no Special Resolution is proposed to be passed through a Postal ballot at the ensuing Annual General Meeting.



8. MEANS OF COMMUNICATION:

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

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

9. GENERAL SHAREHOLDER' INFORMATION

a. Date, Time & Venue of Annual General Meeting	Date- 27 th September, 2021 Time- 9:00 A.M. Venue- The Company is conducting the Annual General Meeting through Video Conference /Other Audio-Visual Mode (VC/OAVM) pursuant to the MCA Circular dated 5th May, 2020 and as such there is no requirement to have a venue for the AGM.
b. Financial Year	01 st April, 2020 to 31 st March, 2021.
c. Dividend payment date	On or Before (add 25 days)
d. Listing on Stock Exchanges	1. BSE, Phirozejeejeebhoy Towers - Dalal Street, Fort, Mumbai - 400 023 2. National Stock Exchange of India Ltd (NSE) - Exchange Plaza, 5 Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Further, Listing fees for the year have been paid to the Stock Exchanges.
e. Stock Code/Symbol	BSE- 519602 & KELLTONTEC NSE- KELLTONTEC



f. Market Price Data
High, Low during each
month in last Financial
year

BSE

Month	High	Low	Close
April, 2020	16.17	7.25	16
May, 2020	16.6	12.1	15.55
June, 2020	17	13.5	15.8
July, 2020	22.85	14.55	20.75
August, 2020	31.2	18.35	31.2
September, 2020	51.65	31.15	39.25
October, 2020	52.85	41.2	50.3
November, 2020	55.45	46.55	53.5
December, 2020	85.5	51.65	74.2
January, 2021	86.45	66.85	72.1
February, 2021	86.2	66	75.85
March, 2021	76.9	61.65	71.95

NSE

Month	High	Low	Close
April, 2020	16.2	14.85	15.95
May, 2020	15.75	14.5	15.4
June, 2020	15.9	15.2	15.6
July, 2020	22.45	20.4	20.9
August, 2020	31.25	28.55	31.25
September, 2020	39.05	35.35	39.05
October, 2020	50.5	47.85	50.4
November, 2020	54.35	51.85	53.5
December, 2020	78.8	73.05	74.15
January, 2021	75.1	72	72.05
February, 2021	76.8	75.2	75.75
March, 2021	72.8	70	72



<p>g. Performance in comparison to BSE Sensex</p>	
<p>Performance in comparison to NSE Nifty 50</p>	
<p>h. Suspension of shares</p>	<p>None of the securities of the Company were suspended from trading during the year.</p>
<p>i. Registrar and Transfer Agents</p>	<p>M/s XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: mail@xlsoftech.com</p>
<p>j. Share Transfer System</p>	<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. The Company has signed a tripartite agreement with NSDL/CDSL and M/s. XL Softech Systems Limited to facilitate dematerialisation of shares. The Members may contact for the redressal of their grievances to either M/s XL Softech Systems Limited or the Company Secretary of the Company.</p>



k. Distribution of Shareholding as on 31st March, 2021 was as follows -

a) Categories of Shareholding-

Category	No. of shares held	Percentage of shareholding
Promoters	23,94,384	2.48
Promoters Body Corporate	5,14,37,740	53.37
Mutual funds / UTI	-	-
Financial Institutions /Banks	50	0
Foreign Institutional Investors	12,90,000	1.34
Alternative Investment Funds	2,93,400	0.30
Venture Capital Funds	-	-
Bodies Corporate	97,05,718	10.07
Foreign Bodies Corporate		
Retail individuals/NRIs/Trusts /others	3,12,61,176	32.44

b) Distribution of Shareholding-

Sl. No	Category (Shares)	No. of Holders	% To Holders	No.of Shares	% To Equity
1	1 - 5000	16146	74.44	2231792	2.32
2	5001 - 10000	2343	10.80	1868663	1.94
3	10001 - 20000	1338	6.17	2089245	2.17
4	20001 - 30000	466	2.15	1182827	1.23
5	30001 - 40000	286	1.32	1038438	1.08
6	40001 - 50000	188	0.87	877810	0.91
7	50001 - 100000	385	1.77	2808452	2.91
8	100001 and above	539	2.48	84285241	87.45
	Total	21691	100	96382468	100

l. Dematerialisation of shares and Liquidity

As on 31st March, 2021, 95762902 shares representing 99.36% of shareholding have been dematerialised. The balance 619566equity shares representing 0.64% were in physical form

The Company's shares are compulsorily traded in dematerialized form and are regularly traded on NSE and BSE. The ISIN Number allotted for the Equity shares is INE164B01022.

m. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

As on March 31st, 2021, there were no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.

n. Commodity price risk or foreign exchange risk and hedging activities;

Not Applicable



o. Plant locations/offices;	The Company operates from : Plot No. 270, UdyogVihar Phase -2, Gurgaon, Haryana- 122016, India and Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033, Telangana.		
p. Registered Office/ address for correspon- dence	Investor correspondence may be addressed to: M/s. XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: mail@xlsoftech.com	For Correspondence to the Com- pany: Kellton Tech Solutions Limited Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 , Telangana Tel No - 040-44333030 Email-id: compliance@kelltontech. com Website: www.kelltontech.com	
q. Credit ratings ob- tained by the entity along with any revisions thereto during the rel- evant financial year	Indian Ratings BBB+/ Stable		

10. 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
1	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.kelltontech.com>

b. 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.

c. 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. The Company has complied with all the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015 and is in the process of implementing the non-mandatory requirements.

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

f. Disclosure of commodity price risks and commodity hedging activities. – Not Applicable

g. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): The Company has not raised any funds through preferential allotment or qualified institutions placement during the current financial year and hence not applicable.

h. 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- V(A)**

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

j. 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 2020-21.

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

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



11. 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.

12. 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.

13. 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-V(D)**.

14. DISCLOSURES:

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

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

15. MEASURES FOR PREVENTION OF INSIDER TRADING

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

16. 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, 2021 your Company has 4,94,050 equity shares in the unclaimed suspense account.

Sr. No	Particulars	Remarks
1.	Total number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2020	353 members and 497250 shares
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	02
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	02
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2021	351 members and 494050 shares



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

17. DEPOSITORY SERVICES:

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

National Securities Depository Ltd.

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

Central Depository Services (India) Ltd.

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



CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

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

I have examined the following documents:

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

As submitted by the Directors of Kellton Tech Solutions Limited ('the Company') bearing CIN: L72200T-G1993PLC016819 and having its registered office at Plot No 1367, Road No- 45 Jubilee Hills Hyderabad 500033, to the Board of Directors of the Company ('the Board') for the Financial Year ended 31st March, 2021. I have considered non-disqualification to include non debarment by Regulatory / Statutory Authorities.

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

Based on our examination of relevant documents made available to me by the Company and such other verifications carried out by me as deemed necessary and to the extent possible, in our opinion and to the best of our information and knowledge and (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and according to the explanations provided by the Company, its officers and authorized representatives, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No	Name of Director	Director Identification Number (DIN)
1.	Krishna Chintam	01658145
2.	Niranjan Chintam	01658591
3.	Brijmohan Venkata Mandala	00295323
4.	Srinivas Potluri	03412700
5.	Karan Jit Singh	06898258
6.	Pydisetty Veera Venkata Srinivasa Rao	06805347
7.	Srinivasa Vijay Kumar Appana	00299638
8.	Kunda Kalpana	07328517

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2021.

Sd/-
for **N.V.S.S. Suryanarayana Rao**
Company Secretaries
Membership Number: 5868
Certificate of Practice Number: 2886

Place: Hyderabad
Date: 14.08.2021



CEO & CFO DECLARATION

To
The Board of Directors
Kellton Tech Solutions Limited

We, Krishna Chintam, Managing Director cum CEO and Niranjan 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, 2021 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.



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 2020-21.

Sd/-

Krishna Chintam

Managing Director

DIN: 01658145

Sd/-

Niranjan Chintam

Whole Time Director

DIN: 01658591

Place : Hyderabad

Date : 14.08.2021



CERTIFICATE

TO
THE MEMBERS OF
Kellton Tech Solutions Limited

I have examined the compliance of conditions of Corporate Governance by Kellton Tech Solutions Limited ("the Company"), for the year ended on March 31, 2021, as per Regulation 17-27 and clause (b) to (i) of Sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 1st April, 2020 to 31st March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, by the Directors, Officers and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulation 17-27 and clause (b) to (i) of Sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except:

1. As per SEBI Circular CIR/CFD/CMD1/27/2019 Company could not submit the report for the financial year ended 31st March, 2020.

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2021.

Place: Hyderabad
Date: 14.08.2021

Sd/-
for **N.V.S.S. Suryanarayana Rao**
Company Secretaries
Membership Number: 5868
Certificate of Practice Number: 2886



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

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"). 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, audit (and due to lockdown on account of novel covid-19 pandemic and restriction imposed by the Central and State Governments such verification is carried out through the electronic means only), I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2021, ("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, 2021 according to the provisions of:

I. The Companies Act, 2013 (the "Act") and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (Not Applicable to the Company during the year under review)

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act");

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

2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the year under review)
 6. 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;
 7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the year under review) and
 8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the year under review)
 9. The Securities and Exchange Board of India (Listing and Obligations and Disclosure requirements) Regulations, 2015.
- (i) Other laws applicable to the Company.

I have also examined compliance with the applicable clauses of the following: Secretarial Standard-1 and Secretarial Standard-2, with respect to Board and General Meetings respectively, issued by The Institute of Company Secretaries of India.

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

1. As per regulation 31 there was a delay of 7 days in one trench and 13 days in another trench about the intimation of creation on charge on the promoter shares as per Regulation 31 of SEBI(SAST) Regulation, 2011.
2. Company could not submit the report as per SEBI Circular CIR/CFD/CMD1/27/2019 for the financial year ended 31st March, 2020
3. There were some clerical errors in Form MGT-7 filed in pursuance of Section 92 of the Companies Act, 2013 for the financial year 2019-20.
4. M/s. Anant Rao & Malik, was appointed as statutory auditor of the company in place of M/s. Pary & Co., who has resigned without signing the limited review report for quarter ended 30th June, 2020 as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.

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 change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings 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.

I further report the following events occurred during the audit period under review:

1. Company has passed the special resolution for issue of warrants on 28th September, 2020, however company was unable to apply for pre-listing application with the stock exchange nor allotted warrants within 15 days from date of passing special resolution as per SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2018.
2. During the period under review, company has filed revised Shareholding pattern for the quarter ended 31st March, 2020
3. Company has clerical mistaken the date of board meeting as 19.06.2020 instead of 16.06.2020 in Corporate Governance Report filed for the quarter ended 30th September, 2020.
4. Company has filed few forms under the Company Fresh Start Scheme, 2020 (CFSS) of Ministry of Corporate Affairs during the period under review.

Sd/-

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

ACS Membership Number: 5868
Certificate of Practice Number: 2886
UDIN: A005868C000767596

Place : Hyderabad

Date : 11th August, 2021

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



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

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

a. 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.

b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

d. Where ever required, I have obtained Management Representation about the compliance, laws, rules and regulations and happening of events etc.

e. 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 basis.

f. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

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

ACS Membership Number: 5868
Certificate of Practice Number: 2886
UDIN: A005868C000767596

Place : Hyderabad

Date : 11th August, 2021



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L72200TG1993PLC016819
2	Name of the Company	Kellton Tech Solutions Limited
3	Registered address	Plot No 1367, Road No- 45, Jubilee Hills, Hyderabad – 500033, Telangana
4	Website	https://www.kelltontech.com/
5	E-mail id	compliance@kelltontech.com
6	Financial Year reported	01 April, 2020 to 31 March, 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Other Information Technology and Computer Services activities
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> • Information Technology services and solutions • Platform IP • Technology Infrastructure and Services
9	Total number of locations where business activity is undertaken by the Company – (a) Number of international locations- (b) Number of national locations: The Company is undertaking business activities across India and locations are given at page no .	USA (6 Locations), United Kingdom, Ireland, Poland, India (5 Locations), Singapore
10	Markets served by the Company – Local/State/National/ International	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital:Rs.48,19,12,340
2. Total Turnover:Rs. 1,22,31,79,760
3. Total profit after taxes:Rs. 11,03,90,177
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: The Company has spent Rs. 25.88 lakhs towards CSR in the year 2020-21 and this is 2.34 % of profit after tax for the year 2020-21.
5. List of activities in which expenditure in 4 above has been incurred:For details kindly refer **Annexure VIII** – ‘Annual Report on CSR Activities’ to the Board’s Report.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	As on 31 st March, 2021, the Company had4 subsidiaries.
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company?	The overseas subsidiary companies have autonomy in operations. They abide by the principles of Business Responsibility (BR) and Environment Social & Governance (ESG), as per the local laws applicable to them.



3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does-business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No
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SECTION D: BR INFORMATION

1. Details of Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy/policies:
Mr. Niranjana Chintam, Chairman and Whole Time Director, DIN: 01658591

b) Details of BR head: Mr. Niranjana Chintam, Chairman and Whole Time Director, DIN: 01658591

2. The operating principles adopted by the Company supplement the requirements under the National Voluntary Guidelines-

Principle 1 : Ethics, Transparency and Accountability [P1]

Principle 2 : Products Lifecycle Sustainability [P2]

Principle 3 : Employees' well-being [P3]

Principle 4 : Stakeholder Engagement [P4]

Principle 5 : Human Rights [P5]

Principle 6 : Environment [P6]

Principle 7 : Policy Advocacy [P7]

Principle 8 : Inclusive Growth [P8]

Principle 9 : Customer Value [P9]

Details of compliance (Reply in Yes/No)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.kelltontech.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y



9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

3. Governance related to Business Responsibility: Business Responsibility Report is part of the Annual Report. It is also available on the Company Website. It is proposed to be assessed annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1:

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The Company has separate policies for Directors/employees and third parties. The Company has a third Party Code of Conduct for all its stakeholders. The same is posted on the website of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Complaints	Received	Attended to	Pending
Non-receipt of dividend	0	0	0
Non-receipt of Annual report	0	0	0
Others	0	0	0
Total	0	0	0

PRINCIPLE 2:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

Since the Company is in the business of Information technology. The Company does not manufacture physical products but create and offer IT solutions and services. Thus product policies are not applicable to the Company. All the laws applicable to the Company under the environmental laws are duly complied with.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? **Not Applicable.**

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year? **Not Applicable.**



iii. Does the Company have procedures in place for sustainable sourcing (including transportation)? **Not Applicable**

iv. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? **Not Applicable.**

v. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. **Not Applicable**

PRINCIPLE 3:

1. Total number of employees – **1,582**
2. Total number of employees hired on temporary/contractual/casual basis - **219 as on 31st March, 2021**
3. Number of permanent women employees - **290**
4. Number of permanent employees with disabilities - **1**
5. Do you have an employee association that is recognized by management? – **Yes for Hyderabad and Gurgaon. No for US, Poland, Planet Pro, UK –Ireland.**
6. What percentage of your permanent employees is members of this recognized employee association? **Yes for Indian Companies. No for US, Poland, Planet Pro, UK –Ireland**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

S.No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Particulars	Safety training	Skill upgradation training
Permanent Employees	95%	100%
Permanent Women Employees	95%	100%
Casual/Temporary/Contractual Employees	0	0
Employees with Disabilities	0	0

PRINCIPLE 4:

1. Has the Company mapped its internal and external stakeholders? Yes/No **Yes.**
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders. **Yes.**
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Kellton Tech's CSR initiative includes marginalized, deprived and vulnerable sections of the society. Our CSR activities mentions these segments as our beneficiaries and leads our emphasis and action towards these sections of the society. Improving education of the differently abled and digital learning enabled platforms are the key initiatives under the wings of our CSR themes.



PRINCIPLE 5:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? **No**.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? **The Company has not received any complaint regarding violation of human rights.**

PRINCIPLE 6:

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others. **It covers to the Company and extends to the Group(SSL/SITL/ SSSL and other Joint Ventures).**
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. **No**
3. Does the Company identify and assess potential environmental risks? Y/N **Yes**.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? **No**.
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. **Yes. The Company has taken measure to ensure energy efficiency by incorporating energy saving solutions (LED Solutions) for various infrastructures that we work out of.**
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? **Yes**.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. **No show cause/ legal notices have been received from CPCB/ SPCB.**

PRINCIPLE 7:

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: **NASSCOMM and TIE.**
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) **No**.



PRINCIPLE 8:

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. **The Company has specified programs and initiatives related to Principle 8. Some of them are detailed below:**

a) **Improving education at Primary and Secondary schools through Digital Learning Platforms;**

b) **Improving Livelihood of Artisans and Craftsmen by providing them an eCommerce portal to sell their products as a part of our CSR programs;**

c) **Scholarships for economically challenged students to Pursue Technical education;**

d) **Grant to differently abled students for wellbeing;**

e) **Grant for Technology support for exhibiting, interpreting and preserving growing collection of art and cultural artefacts;**

f) **Grant to Support quality education for the Girl Child who are from economically challenged families;**

2. Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/any other organization? Through NGO's and NPO's externally.

3. Have you done any impact assessment of your initiative? **Not yet.**

4. What is your Company's direct contribution to community development projects- **Amount in INR and the details of the projects undertaken. Kellton Tech's contribution towards community development- projects has been around 25,00,000.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. **Yes, the Company's CSR initiatives are rolled out through its foundation which ensures that the CSR initiatives are well reached. The Corporate Social Responsibility Committee, at its meetings, reviews the programs/initiatives/projects undertaken and spending of money in relation thereto.**

PRINCIPLE 9:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. **Nil.**

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information) **Not applicable.**

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. **No.**

4. Did your Company carry out any consumer survey/ consumer satisfaction trends? **No.**



REPORT ON CORPORATE SOCIAL RESPONSIBILITY

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2021

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

1	Brief outline on CSR Policy of the Company.	The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programmes / activities, excluding activities in its normal course of business.
2	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	https://www.kelltontech.com/
3	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
4	Details of CSR meeting held for during the FY 2020-21	March 22, 2021
5	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. 2017-18 – Not Applicable 2. 2018-19 – Not Applicable 3. 2019-20 - Not Applicable
6	Average net profit of the company as per section 135(5).	Rs. 9,92,90,622
7	a) Two percent of average net profit of the company as per section 135(5)	Rs. 19,85,812
	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	Nil
	d) Total CSR obligation for the financial year (7a+7b-7c).	Rs. 19,85,812



7. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	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. 19,85,812	Not Applicable.		Not Applicable.		

b) Details of CSR amount spent against ongoing projects for the financial year:

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	Project Duration	Amount allocated for the project (in `)	Amount spent in the current financial Year (in `)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
										Name	CSR Registration number
NOT APPLICABLE											



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 (In Lakhs)	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	47,500	Yes	Narayana Educational Institute	-
2	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	10,000	Yes	Sri Venkateshwarra college of Architecture	-
3	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	9,000	Yes	Narayana Educational Institute	-
	Scholarships to meritorious students below poverty line	Promoting Education among Children	Yes	Hyderabad, Telangana	21,820	Yes	SaiHarsha Educational	
	Sustainable Livelihood and Financial Inclusion	Promoting Employment and growth	No	Khazpura, Patna	25,00,000	Yes	Samman Foundation	



- d) Amount spent in Administrative Overheads: Nil
 e) Amount spent on Impact Assessment, if applicable: Nil
 f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 19,85,812
 g) Excess amount for set off, if any

S.No	Particular	Amount (In Rs.)
1	Two percent of average net profit of the company as per section 135(5)	19,85,812
2	Total amount spent for the Financial Year	25,88,320
3	Excess amount spent for the financial year [2-1]	6,02,508

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)	Amount spent in the reporting Financial Year (in `)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the fund	Amount	Date of transfer	
1	2017-18	Nil	Nil	Nil			Nil
2	2018-19	Nil	Nil	Nil			Nil
3	2019-20	Nil	Nil	Nil			Nil

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S.No	Project ID	Name of the project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
NOT APPLICABLE								



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

a) Date of creation or acquisition of the capital asset(s).	NOT APPLICABLE
b) Amount of CSR spent for creation or acquisition of capital asset	NOT APPLICABLE
c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NOT APPLICABLE
d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NOT APPLICABLE

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). -NOT APPLICABLE

12. COMPOSITION OF CSR COMMITTEE

The CSR Committee of the board is tasked with the responsibility of keeping a close eye on the adherence of activities to Kellton Tech's CSR objectives and supervising the execution of its CSR policy. The committee remarks the activities on which the funds are to be expended and evaluates the progress and resultant benefits accrued from them. The CSR committee comprises two independent directors and the MD. The members of the CSR committee are :

Sr. No	Name	Category of Director	Designation
1.	Mr. Srinivas Vijay Kumar Appana	Non-Executive Independent Director	Chairman
2.	Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
3.	Mr. Krishna Chintam	Executive Director	Member

Sd/-
Krishna Chintam
 Managing Director
 DIN: 01658145

Sd/-
Srinivas Vijay Kumar Appana
 CSR Committee Chairman
 DIN: 00299638

Place : Hyderabad

Date : 14.08.2021



Report of Independent Auditor on
Standalone Financial
Statement



INDEPENDENT AUDITOR'S REPORT

To The Members of Kellton Tech Solutions Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of KELLTON TECH SOLUTIONS LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2021, 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, 2021 ;
- 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 for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SI No	Key Audit Matter	Auditor’s Response
	<p>Fixed price contracts using the percentage of completion method</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 contract</p>	<p>Principal Audit Procedures</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"> • 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. • 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.



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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;



iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For ANANT RAO & MALLIK

Chartered Accountants

FRN: 006266S

Sd/-

V.ANANT RAO

Partner

M.No.022644

UDIN: 21022644AAAAPI9357

Place: Hyderabad

Date: 14-06-2021



(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Tech Solutions Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Kellton Tech Solutions Limited ('the Company') as of March 31, 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ANANT RAO & MALLIK

Chartered Accountants

FRN: 006266S

Sd/-

V.ANANT RAO

Partner

M.No.022644

UDIN: 21022644AAAAPI9357

Place: Hyderabad

Date: 14-06-2021



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Tech Solutions Limited of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. In respect of the Company's fixed assets :

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. The Company is in the business of providing software services and has physical inventories. As explained to us, physical verification of inventories has been conducted by the Management at reasonable intervals during the year. No material discrepancies were noticed.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.



vii. According to the information and explanations given to us, in respect of statutory dues :

a. The Company by and large is regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According to information and explanation given to us the company is not registered under the provisions of Employees State Insurance Act, 1948.

b. There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

c. According to information and explanation given to us the dues of Income Tax which have not been deposited as on 31st March, 2021, on account of disputes is as follow:

Name of the Statute	Nature of Dues	Amount involved (in Rs. Lakhs)	Amount deposited (in Rs. Lakhs)	Balance (in Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Demand u/s 143(3)	907.00	NILL	907.00	AY 2018-19	CIT (Appeals)

viii. According to the information and explanations given to us and based on the records of the company examined by us, the Company has availed loans or borrowings from multiple Banks, the repayments of which during the year have been prompt, without any default.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a nidhi company and hence, reporting under Clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.



xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For ANANT RAO & MALLIK

Chartered Accountants

FRN: 006266S

Sd/-

V.ANANT RAO

Partner

M.No.022644

UDIN: 21022644AAAAPI9357

Place: Hyderabad

Date: 14-06-2021



STANDALONE BALANCE SHEET AS AT 31.03.2021

(Amount in Rs)

	NOTE	As At Mar 31 '2021	As At Mar 31 '2020
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	9,34,98,476	9,55,89,339
Right to use Assets	5.2	1,91,84,473	6,58,82,306
Goodwill	6	9,62,50,000	9,62,50,000
Other intangible assets		36,99,195	1,09,66,710
Financial assets			
Investments	7	86,92,18,034	86,92,18,034
Other financial assets	8	72,71,915	1,54,61,230
Deferred tax assets (net)	9	1,41,98,291	1,71,97,741
Other non-current assets	10	5,61,86,493	6,51,69,633
		1,15,95,06,877	1,23,57,34,993
Current assets			
Inventories	28	1,20,332	5,65,332
Financial assets			
Trade receivables	11	48,91,80,399	48,71,80,010
Cash and cash equivalents	12.1	4,78,02,664	30,28,850
Bank balances other than cash and cash equivalents	12.2	4,28,80,259	9,19,85,116
Other financial assets	13	16,55,36,688	23,87,66,961
Other current assets	14	9,69,05,735	9,41,78,760
		84,24,26,077	91,57,05,028
TOTAL ASSETS		2,00,19,32,954	2,15,14,40,022
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	48,19,12,340	48,19,12,340
Other equity	16	84,56,64,048	73,40,70,203
		1,32,75,76,388	1,21,59,82,543
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	13,78,44,840	9,03,22,355



Other non-current liabilities	18	1,68,15,147	6,01,44,226
Provisions	19	3,01,92,994	2,45,83,211
Lease Liabilities	20	2,77,67,314	8,55,52,529
		21,26,20,295	26,06,02,321
Current liabilities			
Financial liabilities			
Borrowings	21	16,82,16,498	20,15,52,553
Trade payables	22	5,70,91,962	9,38,38,585
Other financial liabilities	23	2,09,81,455	1,22,29,113
Other current liabilities	24	3,82,12,703	12,95,98,851
Provisions	25	16,56,76,287	23,49,84,828
Current tax liabilities (Net)		1,15,57,366	26,51,227
		46,17,36,271	67,48,55,157
		67,43,56,566	93,54,57,479
TOTAL EQUITY AND LIABILITIES		2,00,19,32,954	2,15,14,40,022

The Accompanying notes 1 to 46 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 : 21022644AAAAPI9357

Sd/-
Niranjan Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

Place : Hyderabad
Date : 14-06-2021

Sd/-
Surabi Jain
Company Secretary
M No. A49557



STANDALONE STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH 2021 (Amount in Rs)

	Note	For the Year ended	
		31-Mar-21	31-Mar-20
Revenue from operations	26	1,19,24,90,679	1,26,79,92,228
Other income	27	3,06,89,081	3,70,78,911
Total income		1,22,31,79,760	1,30,50,71,139
Expenses			
Cost of materials consumed	28	14,62,13,577	22,80,76,178
Employee benefits expense	29	66,85,15,300	66,04,70,280
Finance costs	30	5,97,11,158	5,08,85,414
Depreciation and amortization expense	31	5,75,70,398	6,34,14,659
Other expenses	32	13,84,00,943	15,38,54,426
Total expenses		1,07,04,11,376	1,15,67,00,957
Profit / (Loss) before Exceptional items and tax		15,27,68,384	14,83,70,182
Exceptional Items		2,37,390	-
Profit / (Loss) before tax		15,30,05,774	14,83,70,182
Tax expense:			
Current tax		4,35,00,000	4,78,53,186
Tax/(credit) in respect to earlier years		(37,96,513)	9,21,491
Deferred tax		29,12,110	(1,30,19,283)
Profit (Loss) for the period from continuing operations		11,03,90,177	11,26,14,788
Profit/(loss) for the period		11,03,90,177	11,26,14,788
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		(3,00,139)	(13,59,385)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(87,340)	(3,95,581)
B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		(3,87,479)	(17,54,966)
Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		11,00,02,698	11,08,59,822
Earnings per equity share (for continuing operation):			
Basic	33	1.14	1.15
Diluted		1.14	1.13



The Accompanying notes 1 to 46 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 : 21022644AAAAPI9357

Sd/-
Niranjan Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

Place : Hyderabad
Date : 14-06-2021

Sd/-
Surabi Jain
Company Secretary
M No. A49557



STANDALONE STATEMENT OF CASH FLOW

(Amount in Rs)

	For the Year ended	
	March 31'2021	March 31'2020
Cash flow from Operating Activities		
Profit for the Period	15,30,05,774	14,83,70,182
Adjustments for :		
Depreciation and amortization expense	5,75,70,398	6,34,14,659
Expense on employee stock based compensation	5,21,753	16,37,215
Finance costs	5,97,11,158	5,08,85,414
Changes in operating assets and liabilities		
Trade receivables	(20,00,389)	(1,11,69,450)
Other assets	8,91,90,146	(16,72,33,738)
Trade payables	(3,67,46,623)	(5,68,66,654)
Other liabilities	(13,46,27,887)	(25,52,818)
Provisions	(6,40,86,237)	19,47,05,159
Net cash provided by operating activities before taxes	12,25,38,093	22,11,89,969
Income taxes paid	3,07,97,347	4,52,35,831
Net cash provided by operating activities	9,17,40,746	17,59,54,138
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,71,69,843)	(2,34,19,207)
Investment in subsidiaries	-	(13,27,26,701)
Net cash (used in) or provided by investing activities	(1,71,69,843)	(15,61,45,908)
Cash flow from financing activities		
Finance costs paid	(5,97,11,158)	(5,08,85,414)
Change in loans and borrowings	2,29,38,771	8,81,19,320
Repayment of Lease liabilities	(4,21,29,561)	(3,80,13,559)
Net cash used in financing activities	(7,89,01,948)	(7,79,653)
Net increase in cash and cash equivalents	(43,31,044)	1,90,28,577
Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period	9,50,13,967	7,59,85,390
Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period	9,06,82,923	9,50,13,967

The Accompanying notes 1 to 46 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 : 21022644AAAAP19357

Sd/-
Niranjan Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

Place : Hyderabad
Date : 14-06-2021

Sd/-
Surabi Jain
Company Secretary
M No. A49557



KELLTON TECH SOLUTIONS LIMITED

Statement of changes in equity for the year ended March 31, 2021

Particulars	Amount
(a) Equity share capital (Balance at the April 1, 2020)	9,63,82,468
Add: Shares capital issued	-
Balance at the March 31, 2021	9,63,82,468

(b) Other equity

Particulars	Reserves and Surplus (refer note 16)					Total
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	
Balance as at April 1, 2019	5,67,350	1,35,51,494	13,07,79,404	1,87,84,686	47,61,90,698	63,98,73,632
Impact of adoption of Ind AS 116*					(2,06,20,204)	(2,06,20,204)
<i>Changes in accounting policy or prior period errors</i>						-
Total Comprehensive Income for the year comprising of:						-
Profit for the period					11,08,59,822	11,08,59,822
Other Changes (Specified as under) :						-
Issue of equity shares						-
Issue of share capital						-
Compensation cost related to employee share based payment				39,56,953		39,56,953
Restatement of other financial liability					-	-
Balance as at March 31, 2020	5,67,350	1,35,51,494	13,07,79,404	2,27,41,639	56,64,30,316	73,40,70,203



Balance as at April 1, 2020	5,67,350	1,35,51,494	13,07,79,404	2,27,41,639	56,64,30,316	73,40,70,203
Impact of adoption of Ind AS 116*						-
Changes in accounting policy or prior period errors						-
Total Comprehensive Income for the year comprising of:						-
Profit for the period					11,00,02,698	11,00,02,698
Other Changes (Specified as under) :						-
Compensation cost related to employee share based payment				15,91,147		15,91,147
Share issued against share application money						
Balance at the March 31, 2021	5,67,350	1,35,51,494	13,07,79,404	2,43,32,786	67,64,33,014	84,56,64,048

(* Refer Note 36)

The Accompanying notes 1 to 46 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

Sd/-
Niranjani Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

UDIN : 21022644AAAAPI9357

Sd/-
Surabi Jain

Company Secretary
M No. A49557

Place : Hyderabad
Date : 14-06-2021



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS ACCOUNTING POLICIES FOR STANDALONE STATEMENTS 31ST -MARCH 2021

1) Corporate Information

Kellton Tech Solutions Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is global company and offers services in digital transformation, ERP and other IT services.

2) Basis of preparation

a) The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the institute of chartered accountants of India and requirements of the Companies Act 2013 and on a going concern concept other than Share based payment transactions and Defined benefit and other long-term employee benefits.

b) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Statement of compliance

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

3) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes



a) Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of the initial application and the comparative information is not restated in the condensed consolidated interim statement of profit and loss. The effect on adoption of the said standard was insignificant on these financial statements.

b) Income tax

The Company' tax jurisdictions are India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions

c) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

4) Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

b) Foreign currency transactions and balances

i. Initial Recognition

Foreign currency transactions are recorded at the rates prevailing date of transactions.



ii. Exchange Differences

Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

iii. Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iv. Translational

Any exchange gain/loss consequent to translating financial statements from functional currency to presentation currency the resultant exchange difference is recognized in OCI and part of foreign currency translation reserve until eventual disposal of investment.

c) Investments

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

d) Financial instruments

Company does not has any financial instruments

e) Inventories

Inventories are valued at lower of the cost or net realizable value whichever is lower on weighted average basis.

f) Property, plant and equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.



Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

g) Intangible Assets

The Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization.

Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Goodwill is subject to impairment testing on an annual basis. However, if indicators of impairment are present, the company will review goodwill for impairment when such indicators arise. The company performs an annual review and no impairment was recorded. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

h) Depreciation

Depreciation on fixed assets [Tangible and Intangible assets] is provided on Straight line method on pro-rata basis at the rates prescribed in schedule XIV of the Companies Act, 2013 as amended from time to time.

i) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Preliminary expenditure: To write off preliminary expenses in ten equal yearly installments.



j) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged in statement of profit and loss.

k) Leases

Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. Company uses significant judgement in assessing the lease term and the applicable discount rate.

Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

l) Revenue Recognition

i. Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

ii. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

iii. Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

iv. Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.



v. Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

m) Employee Benefits

The Company has the following employee benefit plans:

i. Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

ii. Gratuity

The Company has a scheme for payment of gratuity to all its employees as per provisions of the Payment of Gratuity Act 1972. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under gratuity plan are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur.

iii. Leave encashment.

Leave encashment claims are settled on year to year basis.

n) Share based payments

In accordance with Ind AS 102 –“Share Based Payments”, Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.



o) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income

i. Current Income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred Income Tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.



p) Segment reporting

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

r) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

s) Contingent Liabilities

Subject to IND AS 109, contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

t) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original, which are subject to an insignificant risk of changes in value.



u) Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Borrowing cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

w) Related parties Transactions:

Related party transactions including purchases, services, fund and non-fund-based agreements are disclosed separately.



KELLTON TECH SOLUTIONS LIMITED

Significant accounting policies and notes to the accounts
For the year ended **March 31, 2021**

Note No 5.1 Property, plant and equipment

Particulars	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value							
At April 1, 2020	25,38,995	48,29,691	4,86,54,782	5,37,28,534	5,24,51,923	2,32,67,997	18,54,71,921
Additions	1,13,672	2,80,923	1,24,38,699	43,36,550	-	-	1,71,69,843
Disposals / adjustments			(33,09,025)	(13,900)			(33,22,925)
At March 31, 2021	26,52,666	51,10,613	5,77,84,456	5,80,51,184	5,24,51,923	2,32,67,997	19,93,18,839
Accumulated depreciation							
At April 1, 2020	11,68,299	40,26,149	3,92,54,019	1,26,96,252	1,67,59,555	1,59,78,308	8,98,82,582
Depreciation expense	3,10,229	4,55,300	57,85,504	53,70,277	49,52,985	23,86,410	1,92,60,706
Disposals / adjustments			(33,09,025)	(13,900)			(33,22,925)
At March 31, 2021	14,78,528	44,81,449	4,17,30,498	1,80,52,629	2,17,12,540	1,83,64,718	10,58,20,363
Net block March 31, 2021	11,74,138	6,29,164	1,60,53,958	3,99,98,555	3,07,39,383	49,03,279	9,34,98,476
Net block March 31, 2020	13,70,696	8,03,541	94,00,763	4,10,32,282	3,56,92,368	72,89,689	9,55,89,339



Note No 5.2 Right of use assets

	Office premises
Gross block (at cost)	
As at April 1, 2020	10,29,45,884.00
Additions (transitional impact on adoption of Ind AS 116)	-
Adjustment on account of lease modification	(1,56,55,655)
As at March 31, 2021	8,72,90,229
Accumulated depreciation	
As at April 1, 2020	3,70,63,578
Charge for the year	3,10,42,178
As at March 31, 2021	6,81,05,756
Net block	
As at March 31, 2021	1,91,84,473
As at March 31, 2020	6,58,82,306

Note No 6. Other Intangible assets

	Good Will	Other Intangible Assets
Gross carrying value		
At April 1, 2020	9,62,50,000	2,63,23,662
Additions		
Disposals / adjustments	-	-
At March 31, 2021	9,62,50,000	2,63,23,662
Accumulated depreciation		
At April 1, 2020	-	1,53,56,952
Amortisation expense	-	72,67,514
Disposals / adjustments	-	-
At March 31, 2021	-	2,26,24,467
Net block March 31, 2021	9,62,50,000	36,99,195
Net block March 31, 2020	9,62,50,000	1,09,66,710



NON-CURRENT ASSETS FINANCIAL ASSET

Note No 7. Investments

Particulars	As at March 31'2021	As at March 31'2020
1) Investment in equity instruments (unquoted) Wholly owned subsidiaries (At Cost)		
8,323,765 (March 31, 2020: 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, 2020: 547,068) fully paid equity shares in Kellton Tech Inc	31,18,36,382	31,18,36,382
2,380 (March 31,2020: 2380) fully paid equity shares in Kellton Tech Solution Inc	51,68,02,359	51,68,02,359
0 (March 31, 2020: 0 fully paid equity shares in Kellton Tech Limited	-	-
Total	86,92,18,034	86,92,18,034

Note No 8. Other Financial Assets

Particulars	As at March 31'2021	As at March 31'2020
Security deposits		
Unsecured considered good	72,71,915	1,54,61,230
Total	72,71,915	1,54,61,230

Note No 9. Deferred tax assets (net)

Particulars	As at March 31'2021	As at March 31'2020
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	36,50,493	35,48,387
Total Deferred tax liabilities	36,50,493	35,48,387
Deferred tax assets		
Provision for doubtful debts	4,49,608	5,20,208
Provision for gratuity and leave encashment	79,38,062	74,01,177
Right of use asset and lease liability	21,60,128	57,27,969
Mat Credit	-	-
Total Deferred tax assets	1,05,47,798	1,36,49,354
Deferred tax assets after set off	1,41,98,291	1,71,97,741



Note No 10. Other non-current assets

Particulars	As at March 31'2021	As at March 31'2020
Security Deposit	59,54,286	56,88,547
Prepaid expenses	-	9,94,209
Other non-current assets	3,80,57,164	4,73,81,228
Other non current assets-ESOPS	1,21,75,043	1,11,05,649
Total	5,61,86,493	6,51,69,633

FINANCIAL ASSETS

Note No 11. Trade receivables

Particulars	As at March 31'2021	As at March 31'2020
(Unsecured)		
Considered good	49,09,66,827	48,89,66,438
Less: Allowance for doubtful debts	(17,86,428)	(17,86,428)
Total	48,91,80,399	48,71,80,010

Note No 12.1 Cash and cash equivalents

Particulars	As at March 31'2021	As at March 31'2020
Cash on hand	2,26,555	3,29,226
Balances with banks in current accounts	4,75,76,109	26,99,624
Cash and cash equivalents as per balance sheet	4,78,02,664	30,28,850

Note No 12.2 Bank balances other than cash and cash equivalents

Particulars	As at March 31'2021	As at March 31'2020
Fixed Deposit with banks	4,28,80,259	9,19,85,116
Total	4,28,80,259	9,19,85,116

Note No 13. Other current financial assets

Particulars	As at March 31'2021	As at March 31'2020
Advances to employees	31,48,787	40,19,193
Accrued Revenue	16,20,20,290	22,77,23,598
Other Advances	3,67,611	70,24,169
Total	16,55,36,688	23,87,66,961



Note No 14. Other current assets

Particulars	As at March 31'2021	As at March 31'2020
Prepaid expenses	1,87,30,014	1,84,37,129
Deposits	94,68,445	74,36,450
Others	6,87,07,276	6,83,05,181
Total	9,69,05,735	9,41,78,760

Note No 15. Equity share capital

a)

Particulars	As at March 31'2021	As at March 31'2020
Authorised		
12,00,00,000 (March 31, 2020: 12,00,00,000) equity shares of Rs 5/- each	60,00,00,000	60,00,00,000
Issued, subscribed and paid-up capital		
9,63,82,468 (March 31, 2020: 9,63,82,468) equity shares of Rs 5/- each fully paid	48,19,12,340	48,19,12,340
	48,19,12,340	48,19,12,340

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 31'2021		As at March 31'2020	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,63,82,468	48,19,12,340	9,63,82,468	48,19,12,340
Add: Shares issued on exercise of employee stock options	-	-	-	-
Add: Bonus shares issued *	-	-	-	-
Number of shares outstanding at the end of the period	9,63,82,468	48,19,12,340	9,63,82,468	48,19,12,340

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 31'2021		As at March 31'2020	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1.Matnic Finvest LLP	4,25,04,356	44.09	4,31,71,900	44.79
2.Kellton Wealth Management LLP	89,33,384	9.27	1,28,00,000	13.28

* 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, 2021:

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

Note No 16. Other equity

Particulars	As at March 31'2021	As at March 31'2020
a) Capital reserve		
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) Security premium		
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.	13,07,79,404	13,07,79,404
c) General reserve		
This represents appropriation of profit by the Company.	1,35,51,494	1,35,51,494
d) Retained earnings		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	67,64,33,014	56,64,30,316
e) Share option outstanding account		



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.	2,43,32,786	2,27,41,639
Total	84,56,64,048	73,40,70,203

NON- CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 17. Borrowings

Particulars	As at March 31'2021	As at March 31'2020
(Long Term and Secured)		
Vehicle Loans		
a) ICICI Bank Ltd	6,80,274	11,93,581
Loan - Indusind Bank	1,75,69,119	5,12,66,186
Loan - Livfin India Pvt Ltd	-	1,70,68,482
Bandhan term Loan	4,00,00,000	-
IndusInd Term Loan	99,89,744	-
Kotak Term Loan	6,96,05,703	-
(Long Term and Unsecured)		
Other Loan	-	2,07,94,106
Total	13,78,44,840	9,03,22,355

Secured long term borrowings represent the amounts received from Banks as summarised below

Lender	Rate of Interest	Security	Terms of repayment	Amount Overdue
ICICI Banks	9.5%	Vehicle	60 Months	Nil
Indusind Bank	1 Year MCLR+ 0.70%	Pari Pasu charge with Axis bank	Multi years	Nil

Note No 18. Other non-current liabilities

Particulars	As at March 31'2021	As at March 31'2020
Other liabilities	1,68,15,147	6,01,44,226
Total	1,68,15,147	6,01,44,226



Note No 19. Provisions : Other Long Term Provisions

Particulars	As at March 31'2021	As at March 31'2020
Provision for employee benefits		
Gratuity	3,01,92,994	2,45,83,211
Total	3,01,92,994	2,45,83,211

Note No 20. Lease Liabilities

Particulars	As at March 31'2021	As at March 31'2020
Opening balance	8,55,52,529	-
Additions (transitional impact on adoption of Ind AS 116)	-	12,35,66,092
Add: Interest recognised during the year	62,46,373	1,17,32,889
Adjustment on account of lease modification	(2,15,05,862)	-
Less: Payments made	(4,25,25,726)	(4,97,46,452)
Total	2,77,67,314	8,55,52,529

CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 21. Borrowings

Particulars	As at March 31'2021	As at March 31'2020
Working Capital Loan : Axis Bank Limited	-	20,15,52,553
Working Capital Loan : Bandhan Bank	16,82,16,498	-
Total	16,82,16,498	20,15,52,553

Note:

Lender	Nature of facility	Sanction amount	Rate of interest	Security	Amount Overdue
Bandhan Bank	Cash Credit	25,00,00,000	9.85% 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"	Nil



Note No 22. Trade Payables

Particulars	As at March 31'2021	As at March 31'2020
Trade Payables for goods and services	5,70,91,962	9,38,38,585
Total	5,70,91,962	9,38,38,585

* Company has no information on amount due to Micro, Small and Medium Enterprises under Section 22 of Micro, Small & Medium Enterprises Development Act 2006(MSMED Act).

Note No 23. Other current financial liabilities

Particulars	As at March 31'2021	As at March 31'2020
Current maturities of long-term debt*	2,09,73,529	1,20,11,867
Interest accrued but not due on borrowings*	7,926	2,17,246
Total	2,09,81,455	1,22,29,113

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 31'2021	As at March 31'2020
Statutory dues payable	3,68,31,112	12,79,33,921
Others	13,81,591	16,64,930
Total other current liabilities	3,82,12,703	12,95,98,851

Note No 25. Provisions : Other Short Term Provisions

Particulars	As at March 31'2021	As at March 31'2020
Provisions for employees benefits	6,63,17,118	7,36,53,277
Accrued Expenses	9,90,59,169	16,10,31,551
Audit fee payable	3,00,000	3,00,000
Total	16,56,76,287	23,49,84,828

Note No 26. Revenue from operations:-

Particulars	As at March 31'2021	As at March 31'2020
Revenue from operations (net)		
Software Services	1,13,38,94,603	1,22,77,57,788
Hardware Services	-	5,18,955
Maintenance Services	5,85,96,076	3,97,15,485
Total	1,19,24,90,679	1,26,79,92,228



Note No 27. Other income:

For the year ended

Particulars	As at March 31'2021	As at March 31'2020
Foreign exchange gain/ (loss)	1,70,39,612	2,93,82,781
Interest income on financial as- sets at amortised cost	15,16,985	13,57,541
Interest received	57,02,287	58,08,996
Miscellaneous Income	64,30,197	5,29,593
Total	3,06,89,081	3,70,78,911

Note No 28. Cost of Material Consumed:

For the year ended

Particulars	As at March 31'2021	As at March 31'2020
Purchase of Stock in trade	14,57,68,577	20,20,06,874
Opening Stock	5,65,332	2,66,34,636
(Less): Closing stock	(1,20,332)	(5,65,332)
Total	14,62,13,577	22,80,76,178

Note No 29. Employee benefits expense:

For the year ended

Particulars	As at March 31'2021	As at March 31'2020
Salaries and wages	62,64,15,674	60,84,84,804
Gratuity Expenses*	98,81,952	86,02,049
Contribution to provident and other funds	1,88,98,978	1,79,71,180
Employee stock compensation expenses	5,21,753	16,37,215
Staff welfare expenses	1,27,96,943	2,37,75,032
Total	66,85,15,300	66,04,70,280

* Refer note 34

Note No 30. Finance costs

For the year ended

Particulars	As at March 31'2021	As at March 31'2020
Interest expense	3,44,31,309	2,81,53,863
Finance Cost on Lease	62,46,373	1,17,32,889
Other borrowing cost	1,90,33,476	1,09,98,662
Total	5,97,11,158	5,08,85,414

Note No 31. Depreciation and amortization expense

For the year ended

Particulars	As at March 31'2021	As at March 31'2020
On property, plant and equipment	1,92,60,706	1,90,80,967
On other intangible assets	72,67,514	72,70,115
On Right-of-use assets	3,10,42,178	3,70,63,578
Total	5,75,70,398	6,34,14,659



Note No 32. Other expenses:

Particulars	As at March 31'2021	As at March 31'2020
Professional Fee	4,43,10,645	3,97,02,759
Rent	31,26,144	28,78,254
Travelling and Conveyance	66,54,010	3,26,84,495
Internet and webhosting	19,27,348	40,08,895
Repairs and maintenance	1,60,51,454	2,91,89,535
Sales and Marketing	49,10,559	67,39,166
Printing & Stationery	44,25,903	7,44,863
Rates and taxes	63,93,007	1,26,056
CSR Contributions	25,88,320	26,15,525
Subscription fees and licences renewal cost	91,33,348	79,10,561
Exchange fluctuations Loss	2,20,40,674	89,81,201
Other Miscellaneous expenses	1,65,39,531	1,79,73,117
Auditor Remuneration:-		
a) Statutory Audit fee	2,50,000	2,50,000
b) Taxation	50,000	50,000
Total	13,84,00,943	15,38,54,426

Note No 33. Earningsper Share

Particulars	31-Mar-2021	31-Mar-2020
Numerator for EPS		
Net Profit after tax (A)	11,00,02,700	11,08,59,822
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,63,82,468	9,63,82,468
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options)(C)*	9,65,69,784	9,83,14,722
Basic and diluted Earnings Per Share (A)/(B)	1.14	1.15
Diluted Earnings Per Share (A)/(C)	1.14	1.13

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



Note No 34. Gratuity

a) Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 6.89% (31-March-2021-6.89% and 31-March-2020 - 6.78%). 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-2021	31-Mar-2020
Present Value of Obligation as at beginning	2,54,16,130	1,85,02,927
Current Service Cost	42,38,380	42,63,428
Interest Expense or Cost	15,85,650	12,90,390
Change in financial assumptions	3,00,139	13,59,385
Present Value of Obligation as at the end	3,15,40,299	2,54,16,130

Bifurcation of Net Liability

Particulars	For the period ending	
	31-Mar-2021	31-Mar-2020
Current Liability Short-term)	13,47,305	8,32,919
Non-Current Liability (Long-term)	3,01,92,994	2,45,83,211
Total Liability	3,15,40,299	2,54,16,130

b) Leave Encashment:-

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

Note No 35. Financial risk management

The Company has exposure to the following risks arising from the financial instruments

Market Risk
Liquidity Risk
Credit Risk

i) Risk management framework

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments and investment of excess liquidity.

ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.



a) Foreign currency risk

The Company has export revenue and is exposed to foreign currency rate risk through operating activities. The foreign currency risks from financial instruments are as follows:

As at 31-March 2021	USD	GBP	EURO	CAD
Trade Receivable	33,88,550	27,946	3,04,217	-
Cash and Cash equivalent	-	-	-	-
Investments-(In WOS)	1,25,22,300	-	-	-
Total	1,59,10,850	27,946	3,04,217	-
Financial liabilities	-	-	-	-
Financial Guarantee	27,50,000	-	-	-
Trade payable	-	-	-	-

As at 31-March 2020	USD	GBP	EURO	CAD
Trade Receivable	43,33,595	13,535	1,91,395	3,159
Cash and Cash equivalent	-	-	-	-
Investments-(In WOS)	1,25,22,300	-	-	-
Total	1,68,55,895	13,535	1,91,395	3,159
Financial liabilities	-	-	-	-
Financial Guarantee	34,08,714	-	-	-
Trade payable	-	-	-	-

b) Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term investment programmers mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet

(c) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management

Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with the assessment and outstanding customer receivables are regularly monitored.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.



Note No 36. Leases

The Company's lease asset classes primarily consist of leases for land and buildings. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition: Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.1,029.46 Lacs' and a lease liability of Rs.1,235.66 Lacs'. The cumulative effect of applying the standard, amounting to Rs.206.20 Lacs was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The changes in the carrying value of ROU assets for the year ended are as follows

(Amount in Lacs)

Particulars	31-Mar-2021	31-Mar-2020
Balance at the beginning	658.82	-
Reclassified on account of adoption of Ind AS 116	-	1,029.46
Adjustment on account of lease modification	(156.56)	-
Depreciation	(310.42)	(370.64)
Balance at the end	191.84	658.82

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

(Amount in Lacs)

Particulars	31-Mar-2021	31-Mar-2020
Balance at the beginning	855.53	-
Reclassified on account of adoption of Ind AS 116	-	1,235.66
Finance cost accrued during the period	62.46	117.33
Adjustment on account of lease modification	(215.06)	-
Payment of Lease Liabilities	(425.26)	(497.46)
Balance at the end	277.67	855.53



Note No 37. Related Party Disclosures

I) RELATED PARTIES WHERE CONTROL EXISTS

Names of the parties	Description of relationship
Kellton Tech Inc	Wholly owned Subsidiary
Kellton Dbydx Software Private Limited	Wholly owned Subsidiary
Kellton Tech Solutions Inc	Wholly owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly owned Subsidiary
Evantage Solutions Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Vivos Professional LLC	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Prosoft Technology Group Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Intelligencepeople Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Kellton Tech (UK) Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Lenmar Consulting ,Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
SID Computer Group, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Talent Partners, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Planetpro Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Planetpro Canada Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Planetpro Asia Pte Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Tivix Europe SP Z O O	Step Down Subsidiary (wholly owned subsidiary of Kellton Tech Limited)

II) KEY MANAGERIAL PERSONNEL

- a) Mr. Niranjan Chintam - Director and CFO
- b) Mr. Krishna Chintam - Managing Director and CEO
- c) Mr. Karanjit Singh- Executive Director
- d) Ms. Surabi Jain-Company Secretary

III) RELATIVE OF KEY MANAGERIAL PERSONNEL

Ms. SreeVidya Chintam- Wife of Mr. Niranjan Chairman



IV) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of transactions	Name of Entity	31-Mar-2021	31-Mar-2020
Sale of Services	Subsidiaries		
	Prosoft Technology Group Inc	13,64,03,607	14,53,57,802
	Kellton Tech Limited	3,73,69,383	7,60,79,195
	Lenmar Consulting Inc	1,36,69,249	92,09,212
	PlanetproInc	29,40,332	53,45,550
	Planetpro Asia Pte Limited	-	17,81,850
	Kellton Dbydx Software Private Limited	3,41,25,640	8,18,40,132
Rent paid for office building	Relative of Key Management personnel		
	SreeVidya Chintam & Niranjan Chintam	1,82,32,608	1,73,64,384

V) REMUNERATION OF KEY MANAGERIAL PERSONNEL:

Particulars of Remuneration	For the year ended	
	31-Mar-2021	31-Mar-2020
Short Term employee benefits	77,11,404	1,19,22,387
Share-based payment transactions	Nil	Nil
Total compensation paid to key management personnel	77,11,404	1,19,22,387

* 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-Mar-2021	31-Mar-2020
Trade Receivable	Prosoft Technology Group Inc	10,91,20,373	9,65,61,711
	Kellton Tech Limited	2,61,92,814	1,58,95,306
	Lenmar Consulting Inc	73,30,771	Nil
	Kellton Dbydx Software Private Limited	3,32,42,999	-
	PlanetproInc	-	14,15,282
Equity Investment in Subsidiaries			
	Kellton Dbydx Software Private Limited	4,05,79,293	4,05,79,293
	Kellton Tech Inc	31,18,36,382	31,18,36,382
	Kellton Tech Solutions Inc	51,68,02,359	51,68,02,359
Security Deposit	Sree Vidya Chintam	25,85,000	25,85,000



Note No 38. Employee stock option plan (ESOPS)

The company instituted Kellton Tech Solutions employee stock option, which was approved by shareholders at 19th AGM i.e 27-Dec-2013. The options granted under the ESOP scheme of the Company shall vest only if till the employee serves the Company. Company has made 10 grants under this scheme as of now.

Details of the grant/issue are given below

Particulars	31-Mar-2021	31-Mar-2020
	No of option	No of option
Options outstanding at the beginning of the year	584696	591362
Granted during the year	-	-
Vested during the year	33333	84337
Exercised during the year	-	-
Lapsed or Forfeited during the years	60668	6666
Options outstanding at the end of the year	524028	584696
Options vested and exercisable at the end of the year	490695	518030

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

Note No 39. Segment Reporting

On standalone basis segmental revenue is 99% from Digital transformation services 1% from others.

Note No 40. Contingent liabilities

Contingent liabilities as at 31-March-2021 are Nil (previous year- Nil).

a. The company has received faceless assessment order u/s.143(3) for AY 2018-19 of Income tax Act, 1961, in which a demand of Rs.907 Lacs which was completely baseless, and order passed without consideration of basic explanations and documentary evidence submitted by the company. The company has already filed an appeal before CIT(Appeals) of Income tax against this order and The Company, based on facts of the case believes no liability will arise and no provision is necessary in the financial statements.

b. The company is in arbitration in commercial matters that arise from time to time in the ordinary course of business. The Company, based on independent legal opinion obtained in respect of issues related to this matter, believes that the liability is not likely to arise and therefore, no provision is considered necessary in the financial statements.

Note No 41. In the opinion of the management the sum of Rs 6,38,95,787 due from Enterprise Consulting Partner, Inc is overdue but good and recoverable, since the said entity is also having due of sum of Rs 5,88,00,000 (USD 800000) in Kellton Tech Inc, subsidiary company. The balance due of Rs.50,95,797 is good and recoverable.

Note No 42. Inventory consists of only bought out items pertaining computer peripherals required for execution of projects.



Note No 43. Impairment of goodwill as an asset has been considered by management and it is of view that there is no impairment in view of business continuity post acquisition of tekriti.

Note No 44. Corporate social responsibility

The Company has incurred an expenditure of Rs.25.88 Lacs during the financial year (Previous year Rs.26.16 lacs) on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013.

Note No 45. Previous year's figures have been regrouped where necessary to conform to current year's classification

Note No 46. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has evaluated the likely impact of the COVID-19 on the overall business of the Company. The impact of the pandemic has been minimal and mitigated with prudent policies adopted by the Company, with a strong focus on the Digital Transformation segment targeting specific industry segments for growth. The Company was impacted during Q1 & Q2 of FY21 due to the ongoing pandemic, during this challenging time the Company has been able to retain existing clients and add new clients during Q3 & Q4 of FY21. The Company as at the date of the approval of these financials, has used various available sources of information to analyze the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Company's financial statements may differ from the estimate as on the date of the approval of the financial statements.



Independent Auditors Report on the
Consolidated Financial
Statements



Independent Auditors' Report To The Members of Kellton Tech Solutions Limited

Report on the Consolidated Financial Statements

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, 2021, 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, 2021 ;
- 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 for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial

statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



SI No	Key Audit Matter	Auditor's Response
	<p>Fixed price contracts using the percentage of completion method</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>Principal Audit Procedures</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"> • 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. • 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.

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 Re-



port including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the IndAS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of 4 subsidiaries, for the year ended on that date, as considered in the consolidated financial statements. As disclosed in Note No.45 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

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a)** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements.
- b)** In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c)** The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
- d)** In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e)** On the basis of the written representations received from the Directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on the auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :

i. The consolidated financial statements disclose

the impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India.

For ANANT RAO & MALLIK

Chartered Accountants

FRN: 006266S

Sd/-

V.ANANT RAO

Partner

M.No.022644

UDIN: 21022644AAAAPJ7631

Place: Hyderabad

Date: 14-06-2021



(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, 2021, 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, 2021, based on the internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For ANANT RAO & MALLIK

Chartered Accountants

FRN: 006266S

Sd/-

V.ANANT RAO

Partner

M.No.022644

UDIN: 21022644AAAAPJ7631

Place: Hyderabad

Date: 14-06-2021



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(Amount in Rs)

	NOTE	As At Mar 31 2021	As At Mar 31 2020
ASSETS			
Non-current assets			
Property, plant and equipment	6.1	10,02,24,623	10,36,14,728
Right to use Assets	6.2	6,06,81,176	12,36,80,260
Good will	7	1,61,54,41,982	2,25,66,62,861
Other intangible assets		28,82,92,825	29,39,77,101
Financial assets			
Other financial assets	8	79,21,864	1,69,43,469
Other non-current assets	9	11,83,74,350	20,55,39,955
		2,19,09,36,820	3,00,04,18,374
Current assets			
Inventories	29	1,20,332	5,65,332
Financial assets			
Trade receivables	10	2,05,84,84,855	2,02,58,68,120
Cash and cash equivalents	11.1	33,42,06,924	19,61,49,536
Bank balances other than cash and cash equivalents	11.2	5,39,67,841	10,33,56,199
Other financial assets	12	1,13,19,48,725	1,15,50,59,021
Other current assets	13	54,92,69,809	70,29,59,478
		4,12,79,98,486	4,18,39,57,686
TOTAL ASSETS		6,31,89,35,306	7,18,43,76,060
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	48,19,12,340	48,19,12,340
Other equity	15	3,72,35,07,809	3,68,15,88,590
		4,20,54,20,149	4,16,35,00,930
Liabilities			
Non-current liabilities			
Borrowings	16	22,65,44,053	28,57,36,529
Other financial liabilities	17	9,47,26,758	36,31,90,902
Other non-current liabilities	18	1,68,15,147	6,01,44,226
Provisions	19	3,01,92,994	2,45,83,211
Deferred tax liabilities (Net)	20	2,25,61,681	1,60,52,903
Lease Liabilities	21	7,96,51,066	15,48,87,480



		47,04,91,699	90,45,95,251
Current liabilities			
Financial liabilities			
Borrowings	22	64,89,04,709	66,89,44,468
Trade payables	23	16,17,32,986	39,23,52,357
Other financial liabilities	24	13,66,11,655	20,77,30,159
Other current liabilities	25	10,67,15,751	15,51,49,354
Provisions	26	41,24,96,339	45,43,24,570
Current tax liabilities (Net)		17,65,62,018	23,77,78,970
		1,64,30,23,458	2,11,62,79,878
		2,11,35,15,157	3,02,08,75,130
TOTAL EQUITY AND LIABILITIES		6,31,89,35,306	7,18,43,76,060

The Accompanying notes 1 to 49 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 : 21022644AAAAPJ7631

Sd/-
Niranjan Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

Place : Hyderabad
Date : 14-06-2021

Sd/-
Surabi Jain
Company Secretary
M No. A49557



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in Rs)

	Note	For the year ended	
		31-Mar-21	31-Mar-20
Revenue from operations	27	7,75,63,21,107	7,70,67,93,265
Other income	28	4,67,48,556	3,94,06,996
Total income		7,80,30,69,663	7,74,62,00,261
Expenses			
Cost of materials consumed	29	14,62,13,577	22,80,76,178
Employee benefits expense	30	3,85,67,51,805	3,70,38,76,973
Finance costs	31	12,84,94,270	16,43,18,080
Depreciation and amortization expense	32	12,92,30,892	12,81,12,154
Other expenses	33	2,67,53,47,640	2,65,10,66,828
Total expenses		6,93,60,38,184	6,87,54,50,213
Profit / (Loss) before Exceptional items and tax		86,70,31,479	87,07,50,048
Exceptional Items		2,37,390	-
Profit / (Loss) before tax		86,72,68,869	87,07,50,048
Tax expense:			
Current tax		15,65,06,789	17,73,92,744
Tax/(credit) in respect to earlier years		(33,48,491)	9,21,491
Deferred tax	20	28,75,494	(1,28,77,460)
Profit (Loss) for the period from continuing operations		71,12,35,077	70,53,13,273
Profit/(loss) for the period		71,12,35,077	70,53,13,273
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)		(3,00,139)	(13,59,385)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(87,340)	(3,95,581)
B) (i) Items that will be reclassified to profit or loss		(32,74,219)	3,89,08,147
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total other comprehensive income		(36,61,698)	3,71,53,181
Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		70,75,73,379	74,24,66,454
Earnings per equity share (for continuing operation):			
Basic	34	7.34	7.70
Diluted		7.33	7.55

KELLTON TECH SOLUTIONS LIMITED



The Accompanying notes 1 to 49 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 : 21022644AAAAPJ7631

Sd/-
Niranjan Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

Place : Hyderabad
Date : 14-06-2021

Sd/-
Surabi Jain
Company Secretary
M No. A49557



CONSOLIDATED STATEMENT OF CASH FLOW

	For the Year ended	
	March 31'2021	March 31'2020
Cash flow from Operating Activities		
Profit for the Period	86,72,68,869	87,07,50,048
Adjustments for :		
Depreciation and amortization expense	12,92,30,892	12,81,12,154
Expense on employee stock based compensation	15,91,147	39,56,943
Allowance for doubtful debt	4,59,27,700	-
Finance costs	12,84,94,270	16,43,18,080
Foreign currency translation	(32,74,219)	3,89,08,147
Changes in operating assets and liabilities		
Trade receivables	(7,85,44,435)	(22,19,40,499)
Other assets	27,34,32,175	(35,07,78,581)
Trade payables	(23,06,19,371)	2,76,55,509
Other liabilities	(9,17,62,682)	3,38,75,915
Provisions	(3,62,18,448)	71,04,388
Net cash provided by operating activities before taxes	1,00,55,25,898	70,19,62,104
Income taxes paid	(21,07,41,966)	(13,71,68,273)
Net cash provided by operating activities	79,47,83,932	56,47,93,831
Cash flow from investing activities		
Purchase of property, plant and equipment	(5,71,57,427)	(26,75,70,982)
Goodwill and capital reserve	64,12,20,879	(26,65,49,907)
Earnout payments-(net)	(26,84,64,144)	14,34,70,364
Net cash (used in)or provided by investing activities	31,55,99,308	(39,06,50,525)
Cash flow from financing activities		
Finance costs paid	(12,84,94,270)	(16,43,18,080)
Change in loans and borrowings	(15,03,50,739)	(7,14,81,575)
Changes in Reserves	(66,76,32,786)	15,53,43,403
Repaymet of Lease Liabilities	(7,52,36,415)	(5,27,04,611)
Net cash used in financing activities	(1,02,17,14,210)	(13,31,60,863)
Net increase in cash and cash equivalents	8,86,69,030	4,09,82,443
Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period	29,95,05,735	25,85,23,292
Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period	38,81,74,765	29,95,05,735

The Accompanying notes 1 to 49 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 : 21022644AAAAPJ7631

Sd/-
Niranjan Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

Place : Hyderabad
Date : 14-06-2021

Sd/-
Surabi Jain
Company Secretary
M No. A49557



KELLTON TECH SOLUTIONS LIMITED
Statement of changes in equity for the year ended March 31, 2021

Particulars	Amount (Rs)
(a) Equity share capital (Balance at the April 1, 2020)	9,63,82,468
Add: Shares capital issued	-
Balance at the March 31, 2021	9,63,82,468

(b) Other equity

Particulars	Reserves and Surplus (refer note 15)					Total
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	
Balance as at April 1, 2020	19,60,99,931	1,17,97,477	13,07,79,404	2,27,41,639	3,28,30,16,958	3,68,15,88,590
Total Comprehensive Income for the period comprising of:						
(i) Profit for the period					71,12,35,077	71,12,35,077
(ii) Other comprehensive income (net of taxes)	62,30,119				5,49,76,083	(4,08,14,879)
Impact of adoption of Ind AS 116 *						-



Goodwill Impairment				(69,12,98,328)	(69,12,98,328)
Compensation cost related to employee share based payment		15,91,147		15,91,147	
Balance as at March 31, 2021	20,23,30,050	1,17,97,477	13,07,79,404	2,43,32,786	3,35,79,29,790
				(36,61,698)	3,72,35,07,809

(* Refer Note:36)

The Accompanying notes 1 to 49 form an integral part of the financial statements
As per our report of even date

For **ANANT RAO & MALLIK**

Firms' Registration Number: 0062665
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
V.ANANT RAO
Partner
M No. 022644

UDIN : 21022644AAAAAPJ7631

Sd/-
Niranjan Chintam
Director & CFO

Sd/-
Krishna Chintam
Managing Director & CEO

Sd/-
Surabi Jain
Company Secretary
M No. A49557

Place : Hyderabad
Date : 14-06-2021



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ACCOUNTING POLICIES FOR CONSOLIDATED STATEMENTS 31ST-MARCH 2021

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, 2018 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together, the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.



The excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the subsidiary over the cost of investment in the subsidiary is treated as capital reserve in the consolidated financial statements

4) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes

a) Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of the initial application and the comparative information is not restated in the condensed consolidated interim statement of profit and loss. The effect on adoption of the said standard was insignificant on these financial statements.

b) Income tax

The Company' tax jurisdictions are India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions

c) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.



d) Intangible assets and contingent consideration in business combinations

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

5) Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

b) Foreign currency transactions and balances

i) Initial Recognition

Foreign currency transactions are recorded at the rates prevailing date of transactions.

ii) Exchange Differences

Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

iii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iv) The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognized in other comprehensive income and is presented under equity in the foreign currency translation reserve.



c) Investments

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

d) Financial instruments

Company does not has any financial instruments

e) Inventories

Inventories are valued at lower of the cost or net realizable value whichever is lower on weighted average basis.

f) Property, plant and equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

g) Intangible Assets

The Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.



Software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization.

Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Goodwill is subject to impairment testing on an annual basis. However, if indicators of impairment are present, the company will review goodwill for impairment when such indicators arise. The company performs an annual review and no impairment was recorded. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

h) Depreciation

Depreciation on fixed assets [Tangible and Intangible assets] is provided on Straight line method on pro-rata basis at the rates prescribed in schedule XIV of the Companies Act, 2013 as amended from time to time.

i) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Preliminary expenditure: To write off preliminary expenses in ten equal yearly installments.

j) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged in statement of profit and loss.

k) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term and the applicable discount rate.



The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

l) Revenue Recognition

i) Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

ii) In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis.

iii) Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

iv) Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

v) Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

m) Employee Benefits

The Company has the following employee benefit plans:

i) Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.



ii) Gratuity

The Company has a scheme for payment of gratuity to all its employees as per provisions of the Payment of Gratuity Act 1972. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under gratuity plan are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur.

iii) Leave encashment.

Leave encashment claims are settled on year to year basis.

n) Share based payments

In accordance with Ind AS 102 – “Share Based Payments”, Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

o) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income

i) Current Income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.



ii) Deferred Income Tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

p) Segment reporting

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

r) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation

t) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original, which are subject to an insignificant risk of changes in value.

u) Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Borrowing cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

w) Related parties Transactions:

Related party transactions including purchases, services, fund and non-fund-based agreements are disclosed separately.



KELLTON TECH SOLUTIONS LIMITED
 Significant accounting policies and notes to the accounts
 For the year ended March 31, 2021

Note No 6.1 Property, plant and equipment

Particulars	Leasehold improvements	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value								
At April 1, 2020	61,75,208	25,50,343	8,16,98,031	6,07,34,005	5,37,28,534	6,30,11,739	3,28,76,999	30,07,74,860
Additions	-	1,13,672	2,80,923	1,47,56,694	43,36,550	-	-	1,94,87,839
Disposals / adjustments				(33,09,025)	(13,900)			(33,22,925)
Translation exchange difference	(1,54,810)	-	(18,81,989)	40,958	-	(2,45,886)	(1,65,416)	(24,07,143)
At March 31, 2021	60,20,398	26,64,015	8,00,96,965	7,22,22,632	5,80,51,184	6,27,65,853	3,27,11,583	31,45,32,631
Accumulated depreciation								
At April 1, 2020	61,75,208	11,79,093	8,06,63,829	4,97,53,241	1,26,96,252	2,72,83,365	1,94,09,144	19,71,60,132
Depreciation expense	-	3,10,785	6,80,302	74,03,520	53,70,277	49,77,618	40,42,905	2,27,85,407
Disposals / adjustments				(33,09,025)	(13,900)			(33,22,925)
Translation exchange difference	(1,54,810)	-	(18,53,338)	(12,480)	-	(2,45,886)	(48,092)	(23,14,606)



At March 31, 2021	60,20,398	14,89,878	7,94,90,793	5,38,35,256	1,80,52,629	3,20,15,097	2,34,03,957	21,43,08,008
Net block March 31, 2021	-	11,74,137	6,06,173	1,83,87,376	3,99,98,555	3,07,50,756	93,07,626	10,02,24,623
Net block March 31, 2020	-	13,71,250	10,34,203	1,09,80,764	4,10,32,282	3,57,28,374	1,34,67,855	10,36,14,728

Note No 6.2 Right of use assets

								Office premises
Gross block (at cost)								
As at April 1, 2020								17,59,78,033
Additions								-
Adjustment on account of lease modification								(1,56,55,655)
Translation exchange difference								(18,30,890)
As at March 31, 2021								15,84,91,488
Accumulated depreciation								
As at April 1, 2020								5,22,97,773
Charge for the year								4,60,35,909
Translation exchange difference								(5,23,370)
As at March 31, 2021								9,78,10,312
Net block								
As at March 31, 2021								6,06,81,176
As at March 31, 2020								12,36,80,260



Note No 7. Other Intangible assets

	Good Will	Other Intangible Assets
Gross carrying value		
At April 1, 2020	2,25,66,62,861	50,26,67,594
Additions	7,35,00,000	4,79,16,488
Disposals / adjustments	(69,12,98,328)	-
Translation exchange difference	(2,34,22,551)	18,28,963
At March 31, 2021	1,61,54,41,982	55,24,13,044
Accumulated depreciation		
At April 1, 2020	-	20,86,90,493
Amortisation expense	-	6,04,09,576
Disposals / adjustments	-	-
Translation exchange difference	-	(49,79,849)
At March 31, 2021	-	26,41,20,220
Net block March 31, 2021	1,61,54,41,982	28,82,92,825
Net block March 31, 2020	2,25,66,62,861	29,39,77,101

Note No 8. Other financial assets

Particulars	As at March 31'2021	As at March 31'2020
Security deposits		
Unsecured considered good	79,21,864	1,69,43,469
Total	79,21,864	1,69,43,469

Note No 9. Other non-current assets

Particulars	As at March 31'2021	As at March 31'2020
Security Deposit	59,79,286	67,07,756
Other non-current assets	3,80,57,164	4,73,81,228
Other non current assets*	7,43,37,900	15,14,50,971
Total	11,83,74,350	20,55,39,955

*Sale Consideration



FINANCIAL ASSETS

Note No 10. Trade receivables

Particulars	As at March 31'2021	As at March 31'2020
(Unsecured)		
Considered good	2,06,44,58,467	2,03,19,28,623
Less: Allowance for doubtful debts	(59,73,612)	(60,60,503)
Total	2,05,84,84,855	2,02,58,68,120

Note No 11.1 Cash and cash equivalents

Particulars	As at March 31'2021	As at March 31'2020
Cash on hand	3,12,554	4,15,226
Balances with banks in current accounts	33,38,94,370	19,57,34,310
Cash and cash equivalents as per balance sheet	33,42,06,924	19,61,49,536

Note No 11.2 Bank balances other than cash and cash equivalents

Particulars	As at March 31'2021	As at March 31'2020
Fixed Deposit with banks	5,39,67,841	10,33,56,199
Total	5,39,67,841	10,33,56,199

Note No 12. Other current financial assets

Particulars	As at March 31'2021	As at March 31'2020
Advances to employees	75,04,924	85,50,907
Accrued Revenue	1,05,05,34,421	1,05,38,45,811
Other Advances	7,39,09,380	9,26,62,303
Total	1,13,19,48,725	1,15,50,59,021

Note No 13. Other current assets

Particulars	As at March 31'2021	As at March 31'2020
Prepaid expenses	6,39,37,163	6,09,87,414
Deposits	1,47,12,289	1,24,58,427
Others	47,06,20,357	62,95,13,637
Total	54,92,69,809	70,29,59,478



Note No 14. Equity share capital

a)

Particulars	As at March 31'2021	As at March 31'2020
Authorised		
12,00,00,000 (March 31, 2020: 12,00,00,000) equity shares of Rs 5/- each	60,00,00,000	60,00,00,000
Issued, subscribed and paid-up capital		
9,63,82,468 (March 31, 2020: 9,63,82,468) equity shares of Rs 5/- each fully paid	48,19,12,340	48,19,12,340
	48,19,12,340	48,19,12,340

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 31'2021		As at March 31'2020	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,63,82,468	48,19,12,340	9,63,82,468	48,19,12,340
Add: Shares issued on exercise of employee stock options	-	-	-	-
Add: Bonus shares issued *	-	-	-	-
Number of shares outstanding at the end of the period	9,63,82,468	48,19,12,340	9,63,82,468	48,19,12,340

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 31'2021		As at March 31'2020	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1.Matnic Finvest LLP	4,25,04,356	44.09	4,31,71,900	44.09
2.Kellton Wealth Management LLP	89,33,384	9.27	1,28,00,000	12.38



* 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, 2021:

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

Note No 15. Other equity

Other equity	As at March 31'2021	As at March 31'2020
a) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	20,23,30,050	19,60,99,931
b) Security premium		
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.	13,07,79,404	13,07,79,404
c) General reserve		
This represents appropriation of profit by the Company.	1,17,97,477	1,17,97,477
d) Retained earnings		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	3,35,79,29,790	3,28,30,16,958
e) Share option outstanding account		
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.	2,43,32,786	2,27,41,639
f) Other items of other comprehensive income	(36,61,698)	3,71,53,181
Total	3,72,35,07,809	3,68,15,88,590



NON- CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 16. Borrowings

Particulars	As at March 31'2021	As at March 31'2020
(Long Term and Secured)		
Vehicle Loans		
a) ICICI Bank Ltd	6,80,274	11,93,581
b) Bank of America	12,34,237	22,61,123
Loan - Indusind Bank	1,75,69,119	5,12,66,186
Loan - Livfin India Pvt Ltd	-	1,70,68,482
Loan-Axis Bank Limited (UK)	8,74,64,976	16,04,83,745
Loan -Alostar	-	3,26,69,307
Bandhan term Loan	4,00,00,000	-
IndusInd Term Loan	99,89,744	-
Kotak Term Loan	6,96,05,703	-
(Long Term and Unsecured)		
Other Loan	-	2,07,94,106
Total	22,65,44,053	28,57,36,529

*Secured long term borrowings represent the amounts received from Banks as summarised below

Lender	Rate of Interest	Security
ICICI Banks	9.5%	Vehicle
Bank of America	6.5%	Vehicle
Axis Bank -UK	Libor + 2bps	"Stand by Letter of credit"
Indusind Bank	1 Year MCLR+ 0.10%	Pari Pasu charge with Axis bank
Alostar	LIBOR + 3.50% P.A	Receivables of the Company-Subsidiary

Note No 17. Other financial liabilities

Particulars	As at March 31'2021	As at March 31'2020
Acquisition contingent payout	9,47,26,758	36,31,90,902
Total	9,47,26,758	36,31,90,902

Note No 18. Other non-current liabilities

Particulars	As at March 31'2021	As at March 31'2020
Other liabilities	1,68,15,147	6,01,44,226
Total	1,68,15,147	6,01,44,226



Note No 19. Provisions : Other Long Term Provisions

Particulars	As at March 31'2021	As at March 31'2020
Provision for employee benefits		
Gratuity	3,01,92,994	2,45,83,211
Total	3,01,92,994	2,45,83,211

Note No 20. Deferred tax liability (net)

Particulars	As at March 31'2021	As at March 31'2020
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	(39,32,538)	(37,78,118)
"Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets (overseas)"	3,71,91,000	3,43,77,840
Total Deferred tax liabilities	3,32,58,462	3,05,99,722
Deferred tax assets		
Provision for doubtful debts	(4,49,608)	(5,20,208)
Provision for gratuity and leave encashment	(80,69,929)	(75,65,858)
Right of use asset and lease liability	(21,77,244)	(57,27,969)
Mat credit	-	(7,32,784)
Total Deferred tax assets	(1,06,96,781)	(1,45,46,819)
Deferred tax liability after set off	2,25,61,681	1,60,52,903

Note No 21. Lease Liabilities

Particulars	As at March 31'2021	As at March 31'2020
Opening balance	15,48,87,480	-
"Additions (transitional impact on adoption of Ind AS 116)"	-	20,75,92,371
Add: Interest recognised during the year	1,05,22,622	1,68,29,991
Less: Payments made	(6,26,64,620)	(6,86,56,014)
Adjustment on account of lease modification	(2,15,05,862)	
Translation exchange difference	(15,88,554)	(8,78,868)
Total	7,96,51,066	15,48,87,480



CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 22. Borrowings

Particulars	As at March 31'2021	As at March 31'2020
(Short Term and Secured)		
Working Capital Loan : Axis Bank Limited	-	20,15,52,553
Working Capital Loan : Bandhan Bank	16,82,16,498	-
Working capital Line of Credit: Alostar	48,06,88,211	46,73,91,915
Total	64,89,04,709	66,89,44,468

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

Lender	Nature of facility	Rate of interest
Bandhan Bank	Cash Credit	9.85% p.a
Alostar	Working Capital	LIBOR + 2.75%

Note No 23. Trade Payables

Particulars	As at March 31'2021	As at March 31'2020
Trade Payables for goods and services	16,17,32,986	39,23,52,357
Total	16,17,32,986	39,23,52,357

* Company has no information on amount due to Micro, Small and Medium Enterprises under Section 22 of Micro, Small & Medium Enterprises Development Act 2006(MSMED Act)

Note No 24. Other current financial liabilities

Particulars	As at March 31'2021	As at March 31'2020
Current maturities of long-term debt*	13,66,03,729	20,75,12,913
Interest accrued but not due on borrowings*	7,926	2,17,246
Total	13,66,11,655	20,77,30,159

*The details of interest rates,repayment and other terms are disclosed under note 16

Note No 25. Other current liabilities

Particulars	As at March 31'2021	As at March 31'2020
Statutory dues payable	3,64,28,968	11,77,31,826
Advances received from customers	39,91,050	51,89,095
Others	6,62,95,733	3,22,28,433
Total other current liabilities	10,67,15,751	15,51,49,354



Note No 26. Provisions : Other Short Term Provisions

Particulars	As at March 31'2021	As at March 31'2020
Provisions for employees benefits	20,53,94,338	18,36,01,110
Accrued Expenses	20,71,02,001	27,07,23,460
Total	41,24,96,339	45,43,24,570

Note No 27. Revenue from operations

for the year ended

Particulars	March 31,2021	March 31,2020
Revenue from operations (net)		
Software Services	7,69,15,96,708	7,66,65,58,825
Hardware Services	-	5,18,955
Maintenance Services	6,47,24,399	3,97,15,485
Total	7,75,63,21,107	7,70,67,93,265

Note No 28. Other income

Particulars	March 31,2021	March 31,2020
Foreign exchange gain/ (loss)	1,75,63,644	3,00,47,729
Interest income on financial assets at amortised cost	15,16,985	13,57,541
Interest received	57,02,287	58,08,996
Miscellaneous Income	2,19,65,640	21,92,730
Total	4,67,48,556	3,94,06,996

Note No 29. Cost of Material Consumed

Particulars	March 31,2021	March 31,2020
Purchase of Stock in trade	14,57,68,577	20,20,06,874
Opning Stock	5,65,332	2,66,34,636
(Less): Closing stock	(1,20,332)	(5,65,332)
Total	14,62,13,577	22,80,76,178

Note No 30. Employee benefits expense

Particulars	March 31,2021	March 31,2020
Salaries and wages	3,70,42,69,130	3,48,28,26,993
Gratuity Expense	98,81,952	86,02,049
Contribution to provident and other funds	1,89,30,428	1,80,17,277
Employee stock compensation expenses	15,91,147	39,56,943
Staff welfare expenses	12,20,79,148	19,04,73,711
Total	3,85,67,51,805	3,70,38,76,973



Note No 31. Finance costs

Particulars	March 31,2021	March 31,2020
Interest expense	8,54,03,086	10,52,73,919
Finance Cost on Lease	1,05,22,622	1,68,29,991
Other borrowing cost	3,25,68,562	4,22,14,170
Total	12,84,94,270	16,43,18,080

Note No 32. Depreciation and amortization expense

Particulars	March 31,2021	March 31,2020
On property, plant and equipment	2,27,85,407	2,14,51,713
On other intangible assets	6,04,09,576	5,52,74,012
On Right-of-use assets	4,60,35,909	5,13,86,429
Total	12,92,30,892	12,81,12,154

Note No 33. Other expenses

Particulars	March 31,2021	March 31,2020
Professional Fee	14,73,53,966	13,36,02,319
Subcontracting Expenses	2,19,80,63,930	2,22,30,37,536
Rent	3,77,93,094	2,68,45,166
Travelling and Conveyance	3,50,01,356	8,42,26,410
Internet and webhosting	1,53,14,038	1,47,99,780
Repairs and maintenance	6,85,37,122	5,41,74,837
Sales and Marketing	1,73,54,040	3,09,87,524
Printing & Stationery	45,56,512	-
Rates and taxes	63,96,519	1,28,556
CSR Contributions	25,88,320	26,15,525
Subscription fees and licences renewal cost	1,44,06,770	1,40,43,540
Exchange fluctuations Loss	2,25,03,099	1,25,26,368
Provision for doubtful debts	4,59,27,700	-
Other Miscellaneous expenses	5,91,76,174	4,77,04,275
Audior Remuneration for subsidiary companies	75,000	60,74,992
Audior Remuneration		
a) Statutory Audit fee	2,50,000	2,50,000
b) Taxation	50,000	50,000
Total	2,67,53,47,640	2,65,10,66,828



Note No 34. Earnings per Share

Particulars	31-Mar-2021	31-Mar-2020
Numerator for EPS		
Net Profit after tax (A)	70,75,73,378	74,24,66,454
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,63,82,468	9,63,82,468
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options)(C)*	9,65,69,784	9,83,14,722
Basic and diluted Earnings Per Share (A)/(B)	7.34	7.70
Diluted Earnings Per Share (A)/(C)	7.33	7.55

Note No 35.

a) Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 6.89% (31-March-2021-6.89% and 31-March-2020-6.78%). 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-2021	31-Mar-2020
Present Value of Obligation as at beginning	2,54,16,130	1,85,02,927
Current Service Cost	42,38,380	42,63,428
Interest Expense or Cost	15,85,650	12,90,390
Change in financial assumptions	3,00,139	13,59,385
Present Value of Obligation as at the end	3,15,40,299	2,54,16,130

Bifurcation of Net Liability

Particulars	As on 31-Mar-2021	As on 31-Mar-2020
Current Liability (Short-term)	13,47,305	8,32,919
Non-Current Liability (Long-term)	3,01,92,994	2,45,83,211
Total Liability	3,15,40,299	2,54,16,130

b) Leave Encashment:-

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



Note No 36. Leases

The Company's lease asset classes primarily consist of leases for land and buildings. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition: Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of `1,759.78 Lacs' and a lease liability of `2,075.92 Lacs'. The cumulative effect of applying the standard, amounting to `316.14 Lacs' was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The changes in the carrying value of ROU assets for the year ended are as follows

(Amount in Lacs)
for the year ended

Particulars	31-Mar-2021	31-Mar-2020
Balance at the beginning	1,236.80	-
Reclassified on account of adoption of Ind AS 116	-	1,759.78
Adjustment on account of lease modification	(156.56)	-
Depreciation	(460.35)	(513.87)
Translation exchange difference	(13.08)	(9.11)
Balance at the end	606.81	1236.80



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

(Amount in Lacs)
for the year ended

Particulars	31-Mar-2021	31-Mar-2020
Balance at the beginning	1,548.87	-
Reclassified on account of adoption of Ind AS 116	-	2075.92
Finance cost accrued during the period	105.23	168.30
Adjustment on account of lease modification	(215.06)	-
Payment of Lease Liabilities	(626.65)	(686.56)
Translation exchange difference	(15.88)	(8.79)
Balance at the end	796.51	1548.87

Note No 37. Related Party Disclosures

I) RELATED PARTY WITH WHOM TRANSACTIONS HAVE TAKEN PLACE

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

II) KEY MANAGEMENT PERSONNEL

- a) Mr Niranjan Chintam - Chairman and CFO
- b) Mr Krishna Chintam - Managing Director and CEO
- c) Mr Karanjit Singh- Executive Director
- d) Surabi 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-2021	31-March-2020
Rent paid for office building	Relative of Key Management personnel	1,82,32,608	1,73,64,384

V) REMUNERATION OF KEY MANAGERIAL PERSONNEL:

Particulars of Remuneration	For the year ended	
	31-March-2021	31-March-2020
Short Term employee benefits	77,11,404	1,19,22,387
Share-based payment transactions	Nil	Nil
Total compensation paid to key management personnel	77,11,404	1,19,22,387

* The above post-employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.



VI) OUTSTANDING BALANCES

Particular	Name of Party	31-Mar-2021	31-Mar-2020
Security Deposit	Sree Vidya Chintam	25,85,000	25,85,000

Note No 38. Employee stock option plan (ESOPS)

The company instituted Kellton Tech Solutions employee stock option, which was approved by shareholders at 19th AGM i.e 27-Dec-2013. The options granted under the ESOP scheme of the Company shall vest only if till the employee serves the Company. Company has made 10 grants under this scheme as of now.

Details of the grant/issue are given below

Particulars	For the year ended	
	31-March-2021	31-March-2020
Options outstanding at the beginning of the year	584696	591362
Granted during the year	-	-
Vested during the year	33333	84337
Exercised during the year	-	-
Lapsed or Forfeited during the years	60668	6666
Options outstanding at the end of the year	524028	584696
Options vested and exercisable at the end of the year	490695	518030

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

Note No 39. Segment Reporting

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

Revenue	31-March-2021	31-March-2020
Digital Transformation	6,15,40,35,069	5,78,47,43,376
Enterprise Solutions	1,18,30,43,893	1,48,75,32,372
Consulting	41,92,42,145	43,45,17,517
Total	7,75,63,21,107	7,70,67,93,265
Identifiable expense		



Digital Transformation	3,88,09,33,884	3,62,51,37,560
Enterprise Solutions	85,46,36,011	1,11,84,41,892
Consulting	29,83,55,213	30,68,43,974
Total	5,03,39,25,108	5,05,04,23,426
Segmental result		
Digital Transformation	2,27,31,01,185	2,15,96,05,816
Enterprise Solutions	32,84,07,882	36,90,90,480
Consulting	12,08,86,932	12,76,73,543
Total	2,72,23,95,999	2,65,63,69,839
Unallocable Expenses	1,77,36,18,806	1,66,07,08,707
Operating income	94,87,77,193	99,56,61,132
Finance Charges	12,84,94,270	16,43,18,080
Other Income	4,69,85,946	3,94,06,996
Profit before taxes	86,72,68,869	87,07,50,048
Taxes	15,60,33,792	16,54,36,775
Profit after taxes	71,12,35,077	70,53,13,273

Note No 40. Acquisitions and Disinvestment

During the year there is no acquisitions and disinvestments.

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

Note No 42. Contingent liabilities

Contingent liabilities as at 31-March-2021 is Nil (previous year- Nil).

a. The company has received faceless assessment order u/s.143(3) for AY 2018-19 of Income tax Act,1961, in which a demand of Rs.907 Lacs which was completely baseless, and order passed without consideration of basic explanations and documentary evidence submitted by the company. The company has already filed an appeal before CIT(Appeals) of Income tax against this order and The Company, based on facts of the case believes no liability will a raise and no provision is necessary in the financial statements.

b. The company is in arbitration in commercial matters that arise from time to time in the ordinary course of business. The Company, based on independent legal opinion obtained in respect of issues related to this matter, believes that the liability is not likely to arise and therefore, no provision is considered necessary in the financial statements.

Note No 43. Goodwill represents the excess of the purchase price of an acquired business over the fair value of the underlying net tangible and intangible assets. Goodwill is evaluated for impairment annually and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable.



Note No 44. In the opinion of the management the sum of Rs 6,38,95,787 due from Enterprise Consulting Partner, Inc is overdue but good and recoverable, since the said entity is also having due of sum of Rs 5,88,00,000 (USD 800000) in Kellton Tech Inc, subsidiary company. The balance due of Rs 50,95,797 is good and recoverable.

Note No 45. Kellton Tech Solutions Inc (USA), Kellton Tech Inc (USA) are 100% subsidiaries of Kellton Tech Solutions Ltd (India) have been audited by other auditors as on 31st Dec.2020. Financial statement have prepared considering audited figures up to 31st Dec.2020 and unaudited figures from Jan.2021 to Mar.2021. And Kellton Dbydx Private Limited are 100% subsidiaries of Kellton Tech Solutions Ltd (India) have been audited by other auditors as on 31st Mar.2021.

In addition, Kellton Tech Limited (Ireland) a 100% subsidiary of Kellton Tech Solutions Ltd (India) audit has not been completed. This entities statements/financial information reflect a total assets of Rs. 1,96,83,18,272 total revenue of Rs 88,51,27,566 and net income of Rs 11,60,39,536 for the 12 month period ending Mar 31, 2021.

Note No 46. Corporate social responsibility

The Company has incurred an expenditure of Rs.25.88 Lacs during the financial year (Previous year Rs.26.16 lacs) on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013.

NOTE NO 47. Inventory consists of only bought out items pertaining computer peripherals required for execution of projects.

NOTE NO 48. Previous year's figures have been regrouped where necessary to conform to current year's classification.

Note No 49. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has evaluated the likely impact of the COVID-19 on the overall business of the Company. The impact of the pandemic has been minimal and mitigated with prudent policies adopted by the Company, with a strong focus on the Digital Transformation segment targeting specific industry segments for growth. The Company was impacted during Q1 & Q2 of FY21 due to the ongoing pandemic, during this challenging time the Company has been able to retain existing clients and add new clients during Q3 & Q4 of FY21. The Company as at the date of the approval of these financials, has used various available sources of information to analyze the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Company's financial statements may differ from the estimate as on the date of the approval of the financial statements.

KELLTON TECH SOLUTIONS LIMITED



FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

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

Company: **KELLTON TECH SOLUTIONS LIMITED**

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : _____
DP ID / Client ID / Regd. Folio No. : _____
PAN No. : _____
E-mail Address : _____

Date :
Place :

(Signature of Member)



UPDATION OF PAN & BANK DETAILS FOR MEMBERS HOLDING SHARS IN PHYSICAL FORMAT

Dear Shareholder,

Ref: Shares held in KELLTON TECH SOLUTIONS LIMITED

SUB: UPDATION OF PAN & BANK DETAILS FOR MEMBERS HOLDING SHARES IN PHYSICAL FORMAT – REG

We draw your attention to the circular issued by securities and exchange Board of India (SEBI) No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20/04/2018. SEBI, in point no. 12 (ii) of the Annexure to its circular had directed all the listed companies to send a communication to all its shareholders through their Registrars and Transfer agents (RTA), who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first/ sole shareholder of the company.

These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTAs, Issuer Companies and Bankers to Issue.

To enable us to update the PAN and Bank account details, we, being RTA to the above referred company request you to kindly submit the following documents within 21 days of this letter:

- Copy of self-attested PAN card of the shareholders including joint holders, if any in the format attached
- Bank A/C details of the first/sole shareholder, as per the Bank Mandate format attached
- Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank

On receipt of the above documents, we will update the same in our records.

In case of dividend declarations by the company, all dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you. It is not out of place to mention here that under section 124 (6) of the Companies Act 2013, if dividends remain unpaid / unclaimed for a period of seven consecutive years then the underlying shares are also liable to be transferred to the A/c of IEPF authority. We request you to kindly arrange to send us the first/sole shareholders email Id for sending future communications as per the format attached. Hence we request you to kindly submit the documents sought immediately.



We refer to SEBI Notification no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 for amendment to SEBI(LODR) regulation that "NO PHYSICAL TRANSFER OF SHARES WITH EFFECT FROM December 5, 2018". All the transfers henceforth shall be through demat only. The duly filled up enclosed form with enclosures shall be sent to our Registrars & share transfer agents to the address as mentioned below:

XL Softech Systems Ltd.,

Unit: The Andhra Sugars Ltd.,
3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad – 500 034.

Thanking you,

Yours sincerely

For **Kellton Tech Solutions Limited**

Sd/-

Ms. Surabi Jain

Company Secretary



PAN MANDATE FORM

NAME OF THE COMPANY	KELLTON TECH SOLUTIONS LIMITED
FOLIO NO.	

First/Sole Shareholder Name	PAN1																		
First Jt. Holder Name	PAN2																		
Second Jt. Holder Name	PAN3																		

(SELF-ATESTED COPIES OF PAN CARD ENCLOSED HEREWITH)
NACH MANDATE FORM

Name of the Bank																			
Branch Name & Address																			
Bank A/c Type (SB A/c/ Current A/C)																			
Bank A/c No.																			
Bank MICR ECS code No																			
Bankers IFSC Code																			

(ORIGINAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHAREHOLDER PRINTED ATTACHED HEREWITH)

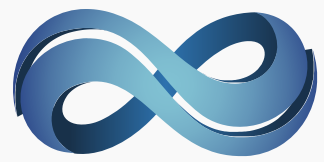
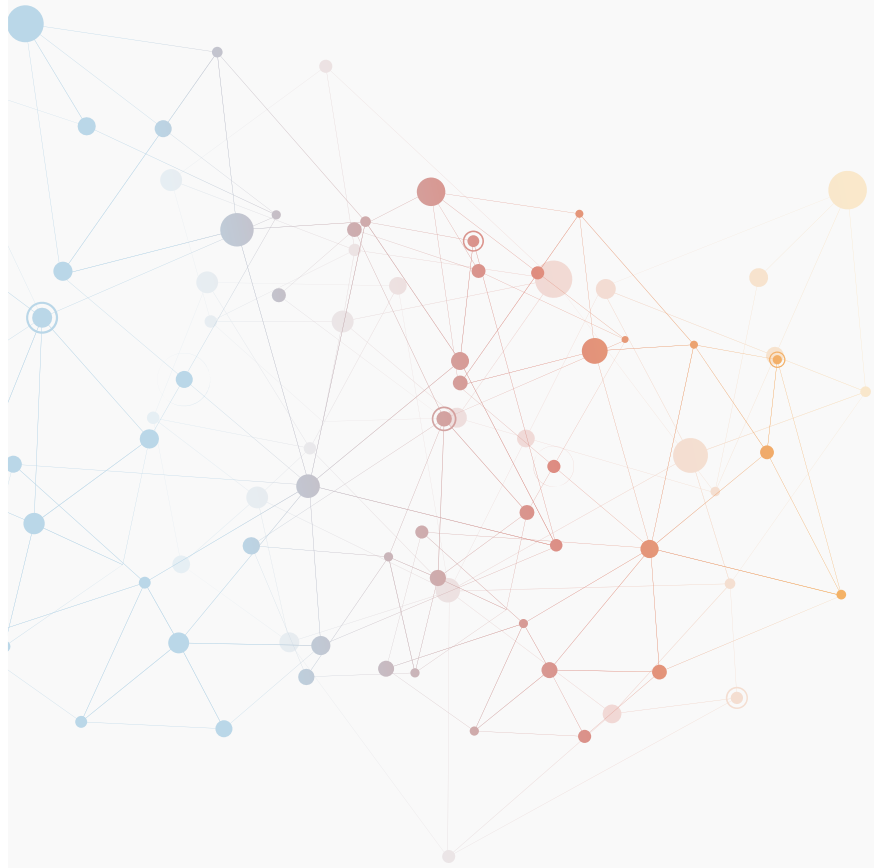
EMAIL REGISTRATION FORM

Email ID																			
Telephone No. / Mobile No.																			

I hereby

- State that the particulars of PAN and Bank account details are correct and complete/
- Authorize the company/RTA to credit my dividend on the shares held by me directly to my above bank account mentioned herein above.
- Convey my consent to receive all communications, Annual Report/ Notice of the Meetings and from the company through Email rather than hard copy.

SIGNATURE OF THE FIRST/SOLE SHAREHOLDER:



KELLTON TECH

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www.kelltontech.com

Stay Connected:

