

INDEPENDENT AUDITORS' REPORT

**Audit Report to
The Board of Directors of
Kellton Tech Solutions Limited**

1. We have audited the accompanying statement of standalone financial results of **Kellton Tech Solutions Limited** ("Company") for the quarter ended Mar 31, 2022 and year to date from April 1, 2021 to Mar 31, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("The Regulation"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our audit.

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

3. Based on our audit conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For ANANT RAO & MALLIK

Chartered Accountants

FRN : 006266S



V. ANANT RAO

Partner

M.No. : 022644

UDIN : 22022644AJXEZD4927



Place : Hyderabad

Date : 30-05-2022



KELLTON TECH SOLUTIONS LIMITED.

Statement of Audited Standalone Profit and Loss for the quarter and Year ended March 31st 2022

(All figures in lakh except EPS)

| | Quarter Ended | | | Year Ended | |
|---|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | 31/03/2022 (Audited) | 31/12/2021 (Unaudited) | 31/03/2021 (Audited) | 31/03/2022 (Audited) | 31/03/2021 (Audited) |
| I. Revenue from Operations | 3,348.81 | 3,181.18 | 4,448.26 | 12,318.16 | 11,924.91 |
| II. Other Income | 12.27 | 47.86 | 29.98 | 103.50 | 306.89 |
| III. Total Revenue (I+II) | 3,361.08 | 3,229.04 | 4,478.24 | 12,421.66 | 12,231.80 |
| IV. Expenses | | | | | |
| (a) Cost of Materials consumed | (557.57) | 362.57 | 1,112.35 | 246.19 | 1,462.14 |
| (b) Purchase of Stock-in-trade | - | - | - | - | - |
| (c) Changes in inventories or finished goods, work in progress and Stock-in-trade | - | - | - | - | - |
| (d) Employee benefits Expense | 2,806.87 | 1,966.35 | 1,944.77 | 8,541.08 | 6,685.15 |
| (e) Finance cost | 102.32 | 111.68 | 150.79 | 435.69 | 597.11 |
| (f) Depreciation and Amortization Expense | 133.37 | 127.95 | 125.62 | 497.16 | 575.70 |
| (g) Other Expenses | 440.51 | 284.46 | 539.63 | 1,250.65 | 1,384.01 |
| Total Expenses | 2,925.50 | 2,853.01 | 3,873.16 | 10,970.77 | 10,704.11 |
| V. Profit/(Loss) before exceptional and extraordinary items and Tax (III-IV) | 435.58 | 376.03 | 605.08 | 1,450.89 | 1,527.69 |
| VI. Exceptional Items | 1.10 | - | - | 1.21 | 2.37 |
| VII. Profit/(Loss) before extraordinary items and tax (V-VI) | 436.68 | 376.03 | 605.08 | 1,452.10 | 1,530.06 |
| VIII. Extraordinary Items | - | - | - | - | - |
| IX. Net Profit/(Loss) before tax (VII-VIII) | 436.68 | 376.03 | 605.08 | 1,452.10 | 1,530.06 |
| X. Tax expense | | | | | |
| 1. Current Tax | 130.74 | 85.00 | 203.00 | 375.74 | 435.00 |
| 2. Deferred Tax | (9.18) | 5.00 | 14.12 | 5.82 | 29.12 |
| 3. Earlier year Tax | (18.45) | - | (37.97) | (18.45) | (37.97) |
| XI. Net Profit/(Loss) for the period from continuing operations (IX-X) | 333.57 | 286.03 | 425.93 | 1,088.99 | 1,103.91 |
| XII. Net Profit/(Loss) for the period from discontinuing operations before tax | - | - | - | - | - |
| XIII. Tax expense from discontinuing operations | - | - | - | - | - |
| XIV. Net profit/(Loss) for the period from discontinuing operations after tax (XII-XIII) | - | - | - | - | - |
| XV. Net Profit/(Loss) for the period (XI+XIV) | 333.57 | 286.03 | 425.93 | 1,088.99 | 1,103.91 |
| Other Comprehensive Income | | | | | |
| A (i) Items that will not be reclassified to profit or loss | 22.61 | - | (3.00) | 22.61 | (3.00) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 6.58 | - | (0.87) | 6.58 | (0.87) |
| 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 | 29.19 | - | (3.87) | 29.19 | (3.87) |
| XVI. Total Comprehensive Income/(Loss) after taxes, minority interest and share of profit/(loss) of associates | 362.76 | 286.03 | 422.06 | 1,118.18 | 1,100.04 |



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CIN : L72200TG1993PLC016819



KELLTON TECH SOLUTIONS LIMITED.

| | | | | | |
|--|----------|----------|----------|----------|----------|
| XVII. Earnings Per Equity Share (Before Extra-Ordinary Items) (of Rs.5 each) (not annualized) | | | | | |
| (a) Basic | 0.38 | 0.29 | 0.43 | 1.16 | 1.14 |
| (b) Diluted | 0.38 | 0.29 | 0.44 | 1.16 | 1.14 |
| XVIII. Earnings Per Equity Share (After Extra-Ordinary Items) (of Rs.5 each) (not annualized) | | | | | |
| (a) Basic | 0.38 | 0.29 | 0.43 | 1.16 | 1.14 |
| (b) Diluted | 0.38 | 0.29 | 0.44 | 1.16 | 1.14 |
| Paid up equity share capital (Face Value of Rs. 5 each). | 4,824.79 | 4,822.99 | 4,819.12 | 4,824.79 | 4,819.12 |
| Total Reserves | - | - | - | 9,286.98 | 8,456.64 |

Notes:

1. Figures of the corresponding previous periods are regrouped and reclassified wherever considered necessary to correspond with current period's presentation.

2. The Statutory Auditors of the Company have audited the financial results for the quarter and year ended March 31st 2022 pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and have given an unqualified opinion in their report. These financial results have been reviewed by the Audit Committee and thereafter approved by Board of Directors at their respective meetings held on May 30th, 2022.

3. The figures of the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2021, being the date of the end of the third quarter of the previous financial year which were subjected to limited review

4. The Company does not have multiple segments for Standalone financials.

5. 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 FY 21-22 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 FY 21-22. 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.

Place: Hyderabad
Date: 30.05.2022

For Kellton Tech Solutions Limited

Niranjan Chintam
Chairman
DIN: 01658591





KELLTON TECH SOLUTIONS LIMITED.

Kellton Tech Solutions Limited Standalone Statement of Assets and Liabilities

| S.No | Particulars | Rs. in Lacs | Rs. in Lacs |
|------|---------------------------------|------------------|------------------|
| | | 31.03.2022 | 31.03.2021 |
| | | Audited | Audited |
| 1 | ASSETS | | |
| | Non-current assets | | |
| | Property, Plant and Equipment | 1,006.84 | 934.98 |
| | Capital work-in-progress | - | - |
| | Right to use Assets | 392.38 | 191.84 |
| | Goodwill | 962.50 | 962.50 |
| | Other Intangible assets | - | 36.99 |
| | Financial Assets | | |
| | (i) Investments | 8,692.18 | 8,692.18 |
| | (ii) Loans | - | - |
| | (iii) Others | 67.01 | 72.72 |
| | Deferred tax assets (net) | 142.74 | 141.98 |
| | Other non-current assets | 382.10 | 561.86 |
| | Total Non-Current Assets | 11,645.75 | 11,595.05 |
| 2 | Current assets | | |
| | Inventories | 1.20 | 1.20 |
| | Financial Assets | | |
| | (i) Trade receivables | 5,383.03 | 4,891.80 |
| | (ii) Cash and cash equivalents | 300.37 | 906.83 |
| | (iii) Loans | - | - |
| | Others financial assets | 2,262.83 | 1,655.37 |
| | Current Tax Assets (Net) | 101.47 | - |
| | Other current assets | 938.19 | 969.06 |
| | Total Current Assets | 8,987.09 | 8,424.26 |
| | Total Assets | 20,632.84 | 20,019.31 |
| | EQUITY AND LIABILITIES | | |
| | Equity Share capital | 4,824.79 | 4,819.12 |
| | Other Equity | 9,286.98 | 8,456.64 |
| | Total Equity | 14,111.77 | 13,275.76 |





KELLTON TECH SOLUTIONS LIMITED.

| LIABILITIES | | | |
|-------------|--------------------------------------|------------------|------------------|
| 1 | Non-current liabilities | | |
| | Financial Liabilities | | |
| (i) | Borrowings | 1,320.72 | 1,378.45 |
| (ii) | Provisions | 344.64 | 301.93 |
| (iii) | Other non-current liabilities | 137.23 | 168.15 |
| | Lease Liabilities | 398.41 | 277.67 |
| | Deferred Tax Liabilities | - | - |
| | Total Non-Current Liabilities | 2,201.00 | 2,126.20 |
| 2 | Current liabilities | | |
| | Financial Liabilities | | |
| (i) | Borrowings | 2,363.88 | 1,682.16 |
| (ii) | Trade payables | 360.13 | 570.92 |
| (iii) | Other financial liabilities | 557.44 | 209.81 |
| | Other current liabilities | 672.35 | 382.13 |
| | Provisions | 366.27 | 1,656.76 |
| | Current Tax Liabilities (Net) | - | 115.57 |
| | Total Current Liabilities | 4,320.07 | 4,617.35 |
| | Total Equity and Liabilities | 20,632.84 | 20,019.31 |

Place: Hyderabad
Date: 30.05.2022

For Kellton Tech Solutions Limited

Niranjan Chintam
Chairman
DIN: 01658591





KELLTON TECH SOLUTIONS LIMITED.

KELLTON TECH SOLUTIONS LIMITED AUDITED STANDALONE STATEMENT OF CASH FLOW

(In Lakh)

| | For the Year ended | |
|---|--------------------|-----------------|
| | March 31'2022 | March 31'2021 |
| Cash flow from Operating Activities | | |
| Profit for the Period | 1,452.10 | 1,530.06 |
| Adjustments for : | | |
| Depreciation and amortization expense | 497.16 | 575.70 |
| Expense on employee stock based compensation | (7.09) | 5.22 |
| Finance costs | 435.69 | 597.11 |
| Profit on disposal of property, plant and equipment | 1.21 | 2.37 |
| Trade receivables | (491.23) | (20.00) |
| Other assets | (457.76) | 891.90 |
| Trade payables | (210.79) | (367.47) |
| Other liabilities | 252.72 | (1,346.28) |
| Provisions | (1,218.60) | (640.86) |
| Net cash provided by operating activities before taxes | 253.41 | 1,227.75 |
| Income taxes paid | 574.33 | 307.97 |
| Net cash provided by operating activities | (320.92) | 919.78 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | (305.71) | (174.07) |
| Net cash (used in) or provided by investing activities | (305.71) | (174.07) |
| Cash flow from financing activities | | |
| Proceeds from Issue of share capital under ESOP scheme | 32.55 | - |
| Dividend paid | (240.97) | - |
| Finance costs paid | (435.69) | (597.11) |
| Change in loans and borrowings | 971.62 | 229.39 |
| Repayment of Lease liabilities | (307.34) | (421.30) |
| Net cash used in financing activities | 20.17 | (789.02) |
| Net increase in cash and cash equivalents | (606.46) | (43.31) |
| Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period | 906.83 | 950.14 |
| Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period | 300.37 | 906.83 |

Place : Hyderabad
Date : 30-05-2022

For Kellton Tech Solutions Limited

Niranjan Chintam
Chairman
DIN : 01658591

