



KELLTON TECH SOLUTIONS LIMITED.

To

The General Manager, Listing Department, BSE 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,

Subject: Transcript of Q3/H1 – FY 23 Earnings Call held on February 15, 2023

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Q3/ H1 – FY 23 Earnings Call held on Wednesday, February 15, 2023 at 05:00 hrs (IST).

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript is also available on the website of the Company at the following link:

<https://d3tj4wnms16o5e.cloudfront.net/s3fs-public/KTSL%20transcript.pdf>

This is for your information and record

Thanking You,
Yours faithfully,

For Kellton Tech Solutions Limited

Rahul Jain
Company Secretary and Compliance Officer
Date: February 17, 2023
Place: Hyderabad



KELLTON TECH SOLUTIONS LIMITED.

**Transcript of Q3/H1 – FY 23
Earnings Call held on
February 15, 2023**

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**Kellton Tech Solutions Ltd
Earnings Conference Call
Feb 15, 2023**

Moderator: Ladies and gentlemen, Good Day and Welcome to the Kellton Tech Solution Limited's Q3 and FY23 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touch-tone phone. I would like to thank you all for participating in the company's earnings call for the third quarter of the financial year 2023. Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today's con call may be forward-looking in nature, and such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made from the information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings conference call is purely to educate and bring awareness about the company's fundamental business and a financial quarter under review. Now, I would like to introduce you to the management participating with us in today's earnings call. We have with us Mr. Niranjana Chintam, Chairman and Whole- Time Director and Mr. Karanjit Singh, Chief Executive Officer (India).and Mr. Srinivas Potluri - Chief Executive Officer, US. I now hand over the conference to Mr. Niranjana Chintam. Thank you and over to you Sir.

Niranjana Chintam: Good evening, everyone. Thank you for joining our Q3 earnings call. Want to start off with the highlights of the financial highlights and then we'll talk about operational highlights and then we'll be happy to take any questions that you might have. So I'll start off with the financial highlights. For the Q3 FY23, the consolidated revenue was 231 crores with an EBITDA of 26 crores. And the profit of 16 crores, the earnings per share is 1.79 or 1.8 rupees, this revenue was a 5.3% year on year growth and about 2% quarter on quarter growth. For the nine months in review, we have a revenue of 676 crores, which is about close to 6.6% year on year growth with the EBITDA of 77 crores and the net profit of 49 crores. And earnings per share is 5.39 Rupees per share. Coming to the operational highlights, last quarter Kellton was raised in Genova Zone E R&D services rating. With this, the first foray into ratings related activity that Kellton has taken and we are happy to inform you that we've been made very well as a leading digital transformation.

On the other operational highlights, we have hired Vividh Baru to head our digital practice and I'll let Karanjit and Sriniv give you more details on this. What's the hire means and also is (Inaudible 3.46) zones. What it means to us as well as to the customer. The third highlight that we want to



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bring up is, we launched Elite. It's a new learning initiative for the internal company employees. So this is again, Karanjit will explain to you in detail on what is what that means to our company as well as our employees. With that, I want to first hand over to Srini to talk about Vividh Baru who is based out of California. So let Srini give a little bit color to what it means to the organization and what he brings to the table Srini.

Srinivas Potluri:

Thanks, Niranjana. Good evening everyone. My name is Srinivas Potluri and I'm joining the call from the US. Like Niranjana said Vividh Baru, Vividh has joined us in November of last year as the SVP and Global head of the digital practice, so he will be managing the digital practice at a global level. He comes to us from Harmon, a division of Samsung. He comes with over 20 years of industry experience and he's a technology business leader with an exceptional track record of delivering results and transformation, and his focus is on customer centricity, top line and bottom line growth, client acquisition and operations, so at Kellton we will fully leverage his industry experience, his network to focus on large accounts and large deals. We have had the planning sessions here in the US as well as in India with him and the rest of our teams. To figure out our go to market strategy in 2023, so we will be working very closely to make sure that we do some large account acquisitions and land some large deals this year that will be the focus on our activities with Vividh Baru. Thanks ranjan. Want me to add anything else be good on that.

Niranjana Chintam:

Now that's for now, unless we have some questions that come about little bit, we'll answer question. Thank you, Srini. Karanjit, can you talk about what general zones and what lead does to our organization and as well as our customers?

Karanjit Singh:

This is Karanjit. I'm the CEO for Asia Pacific based out of Gurugram. So as you all know, with respected industry analyst and they assess a lot of IT companies and the various categories. And we feature participated for the first time in the zones we are in the survey report under the small and medium service providers and we were directly concerned in the leaders leadership zone, also very typical organizations will participate and then you know move from their nurture zone to break out to execution. But we have directly been featured in the leadership zone. Along with the likes of all the big companies like Cognizant or Infosys or Persistent. Everyone is there now. This basically reflects our kind of track record and maturity that we have developed over these years and this is the first time we participated and we directly were listed in the report in the leadership zone. What this does is it gives a good validation and comfort to the customers on our capabilities where a leading analyst kind of races that work. So that will help in our growth journey kind of and the digital growth that we are targeting that we talked about. On the LEAP initiative now this is what we call. There's an internal initiative that we created and it's a fascinating world on the digital side. So we have created a learning experience in two years. That's kind of what it stands for. And if I were to give a simple parallel, we have modeled it. On something like I call it an internal TEDx for Kellton. So what



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we have is our various experts across the globe there's a particular format. So they kind of come speak about certain topics or topics and then there is a Q&A format as well. So this is a leap is a mission kind of that enables. Our employees to leverage collaborative learning and knowledge sharing amongst the peers. Those are the two things.

Niranjan Chintam: Thank you, Karanjit. Operator, we are ready for questions. So can you form that queue please?

Moderator: We will now begin the question and answer session. We have our first question from the line of Ankur Agrawal from R C Wealth Solutions. Please go ahead.

Ankur Agrawal: So my two questions are there. Firstly, why the promoter reducing state from last two years continuously? And second, why they are not giving any dividend.

Niranjan Chintam: So, I think there was a onetime reduction. I think that is something that happened last year during the time of COVID. And I did explain at that time that this was more towards having some liquidity for the family as well as for the corporation. That's the reason why we did that, we have not been reducing any share reduction that you're seeing is an impact of employees stock options that have been giving. So when the employee stock options have been rolled out proportionately our shares have come down, but not because of dilution. It was a onetime dilution and we did talk about this extensively just around the COVID and after the COVID. Talking about dividend, we did give out dividend ones and then we wanted to conserve cash given the uncertainty that is going on within the industry as well as the economy. And our growth strategy, we have decided that we want to conserve cash and use the cash within the Organization for growth of the organization versus giving out where the largest share of the dividend is going to go for the promoters. Which we felt it did not make sense. We will revisit this thing as and when the economy and the world over the uncertainty stabilizes. And when we are able to feel that the cash question that we have is enough we would be happy to relocate. And provide dividends again, but at this point, I think last year we didn't do that the prior we did and this year also we do not have any plans to give out dividends and we'll be waiting on what's mode as to how the economy will stabilize.

Moderator: Thank you. We have our next question from the line of Purushotam Savlani, an individual investor. Please go ahead.

Purushotam Savlani: I have couple of questions. One is I wanted to understand see I keep track of other mid cap and small cap IT organizations also. And the geographies we also operate. So I wanted to understand while there is a discussion about slowdown, recession etcetera, but in fact if you look at all the peer level competitors of ours, they have delivered 25% odd sales growth at the same time OMS also over around say around 25 odd now we operate in the domains of digital transformation, enterprise



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solution consulting and all which should fetch nothing less than 25% to 30% OM, which is what the industry norm is. What we are delivering is generally what the infra services or staffing players or for that matter BPS players would deliver. So one I wanted to understand where are we struggling and what is the path to improve this OM to industry level. And second, I wanted to particularly understand the newest technologies like blockchain, AI, etc. What is the demand outlook we are seeing per say in India particularly, I want you to understand.

Niranjan Chintam:

I'll take the first question and let Karanjit the technical expert answer the second part of your question. You are right, our growth has been not been as great compared to the peers. You can argue that if you look at from an absolute number perspective now what you're not looking at is along the way we reversed some of our companies that we had, we did a major consolidation re org and how we do business and that has also required us to pause last year to come up with that what we call the one Kellton initiative. And that initiative is now complete. We are in the far end of change in brand strategy. All that we are probably one quarter away from finishing off the one Kellton initiative. So we believe that given let's say a steady state of the economy, because there are headwinds that you are probably have heard about well, there were other than India where in for example Europe, right, Europe is struggling when it comes to growth, US there are some headwinds we are seeing through the economy as well as inflation related to that. So the growth numbers for next projected year with just uncertain at this point. But we believe that we are now currently geared towards after all this restructuring, having lost some of the businesses for leapfrogging and getting to that 20%-25% growth that we've wanted to get to, and we will be getting to that probably starting 2024 calendar year should see growth again. Like I said, with the caveat that the economy will never stabilizes and we are on a steady state back before what we were in COVID times. OK, now coming to the second question on the blockchain Karanjit, can you answer the new age technology what we are saying with the customers.

Purushotam Savlani:

Pardon me and my other part of the first question was with regard to struggling OM see the domain, what we operate in digital transformation enterprise solution consulting should fetch nothing less than 25%-30% to OM, which is what we see. I mean the kind of OM what we are delivering. Is generally delivered by staffing companies or for that matter infra services or BTS kind of organizations. So why are we struggling while one can understand demerger and because of that sales growth has not happened and other stuff, but as far as the OM percentage is concerned, why are we operating so low?

Niranjan Chintam:

Compared to the peers, for us to look at on site, off-site delivery method. We do lot of onsite journalists what you see in other companies is that offshore is where most of the delivery happens for us it's queued the other way round we have while I'm talking purely from a dollar terms probably about 80% of our delivery from a dollar term happens in the US and Europe. That is the reason why



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you see the operating margin level which is lower for us. We are trying to change that given the size of the organization that we have, it is become a little bit of a challenge, but we are gearing towards that too, which is the what I call the one Kellton initiative, where earlier we had pockets of delivery, pocket of excellence, of delivery happening from different geos and that is now a global delivery that have form and that which should leverage these benefits of I'm going to call the low cost centers like India and also Poland, we are better geared towards that than what we were earlier. So that that's why I for 2023, even the revenue as an operating margin would see a jump.

Purushotam Savlani: OK. So are we saying that once we have these offshore centers, we'll be able to get our margins to around 25 odd percent?

Niranjan Chintam: We already have those side. It's just that we were not leveraging the way now are we are doing that is something that we have changed that model completely. So we should be getting better margin. We would get to that 25 incrementally, but we're going to get there, Karanjit, do you want to answer the second part of the question where the blockchain, the new wage, AI related stuff that what we're doing and what how many customers kind of related stuff?

Karanjit Singh: So if you've been with on our previous calls, uh, we would have spoken about, we have actually developed complete Platform NFT based platform which is based on blockchain and crypto and crypto wallet which created that about a year back. And so we have deep capabilities there. In fact, we have a sizable team as well that was trained on various block chains and cryptos. And we had a couple of customers which are kind of leveraging that capability and developing further on from there. We actually even created our own platform for people which leverage blockchain and NFT so that you know they can have rapid deployment and of course. Much more economical in terms of the pricing to them. Continue to work in that area. So right now the sentiment on the status which really use a lot of that these technologies is a little low in terms of funding. So there's been kind of going along with whatever the market demand is. Coming to your question on AI, obviously AI it can be leveraged in various areas. But one use case that we find frequently is basically application of AI to basically data engineering. So that is something that keeps the case and we kind. I have been working with various customers on applying AI for insights. All of them have captured a lot of data and everybody wants to now use leverage AI to develop insights and then personalized products or personalized things for their customers. The other thing that I'm sure if you track that is creating a lot of, right now excitement in the market is charge equity and obviously this is just about come here in the last two months. We have to put our teams to kind of examine that. In fact we are doing a lot of internal initiatives including Hackathon, which is like we're gamifying some idea generation and application of chat GPT in solving real life.



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Niranjan Chintam:

Let me add to what Karanjit has said, so we work with a number of startups and like Karanjit was pointing out we have built blockchain platforms. For NFT, NFT was arrived and now it is not anymore. But that platform can be leveraged to provide other blockchain solutions to our customers. And the AI part, yes, AI is new bulk work that is happening all over the world, especially with chat GPT. AI is like people are talking about is a specific. Task related AI is doing extremely well and we are working with our customers and like Karanjit was mentioning our niche area that we are focusing on. Is on the data side of it extracting meaningful? I guess intelligence out of the tons and tons of data that is being generated every day, every year I think. It's going at an. Exponential rate, so that is something that we are extensively working on. There are a few platforms that we have built internally that we're leveraging to provide faster solutions to our customer. So that, they can get meaningful information very quickly. What is taking a normal software development cycle without that, they're able to leverage that. Those are the solutions that we're providing now Chat, GPT coming to Chat GPT. It's probably a lot of curiosity on Chat GPT. There are a lot of use cases, specifically the language related and activities around it. We have formed hackathon like Karanjit has mentioned. And we are trying to come up with use cases, some use cases we already have a few additional use cases that we're coming up with so that we can talk to our customers about these use cases while Internet has a few use cases that they've already. We have published above but we are trying to get to industry specific use cases within our customer base so that we can talk meaningfully to them and say OK, hey, this is something that we can do today. This is something that would require Chat GPT plus something else to get you to what you want to do. So those are the different things initiatives that we are working on.

Purushotam Savlani:

In fact, I'm our new investors. So all that helps me understand what exactly we are doing. My question is specific was with regard to India, are we seeing the demand outlook for blockchain AI in India? How's the demand pipeline from India person looking like because I'm aware I mean blockchain demand in Dubai or all these US etc is there.

Niranjan Chintam:

So I guess I misunderstood your question there then Karanjit can you talk about that? Your voice was breaking up Karanjit India especially. Can you talk about blockchain in India?

Karanjit Singh:

So to specifically to that question, we have not had, if I were to ask you, the demand that we have seen for blockchain in India has not been the kind that we see, let's say in the US or Dubai as you mentioned. So it's been here, it still continues to be people focusing on their, customers focusing on building their digital product, which is essentially the whole digital side mobility. And all that thing, the blockchain. No, not too much demand in India per say.

Moderator:

Thank you. We have our next question from the line of Bhowmik Shah, an individual investor. Please go ahead.



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Bhowmik Shah: My question is you spoke about I think I was there on a last to last con call as well. I think that you spoke about this one Kellton initiative and today's con call you mentioned that I think it's finishing line and we are one quarter away to just get it completely rollout. So just wanted to understand from you one quarter means you are talking about this quarter ending this March or first quarter of next financial year?

Niranjan Chintam: This March quarter ending is what we're talking about.

Bhowmik Shah: OK and once this initiative is rolled out fully, how we are planning to take the leverage on to our companies overall performance and all. So can you just briefly elaborate on this?

Niranjan Chintam: So I think we talked about this moment in the previous call. So I'll that karanjit can you also jump in and now they can add more value than I can on. This the initiative is meant for earlier, like we talked about, we were selling in specific what we call verticals. In technology as a separate business unit. Is what we've been. Doing so, what that was doing was they were only selling their bids and not the complete Kellton capabilities that are available to our teams. So that walls have been broken. Now everybody is on the same page as well as they understand all the capabilities that Kellton brings to the table in stock, we now that particular vertical that earlier that people. So we are now able to provide a complete end to end solution seamlessly to an enterprise compared to what we were earlier. That is one from a customer point of view. The second point is from the employees. The employees are now able to grow in the Kellton organization versus the BU that they were growing. So there's a renewed effort of the employee retention perspective, career growth perspective, people are seeing, hey, I can grow from let's say I'm just making stuff up from India to Europe to US or other way around where people are coming from US, who want to relocate to India, they're saying, OK, this is great, we can do similar work. Now wherever you are in the global organization or new roles that they can get within the organization and customer is getting a complete end to end solution which was yes we were saying that but we were not doing it. Now we are saying and we're doing it is what the on Kellton initiative is. Karanjit, Srini anything you want to add to that.

Srinivas Potluri: I think you covered it pretty adequately. I think the one Kellton initiative is threefold. Like Niranjan mentioned, one is customer centricity. It improves end to end solutions possible to the customer. From a perspective of portfolio of services and from a growth perspective it removes all the barriers, whether it be Geo based or BU base. And then thirdly, the employees, it makes a lot of sense for the employees to be part of our organization. There is consolidated and that has opportunities at a global levels. I think those are the three main points that we started off on the one Kellton journey basically to remove any barriers that might be there from a growth perspective?



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Moderator: Thank you. We have our next question from the line of Rajesh Mundra from Anubhav. Please go ahead.

Rajesh Mundra: What is timeline for completing to achieve revenue of 1500 crore rupees?

Niranjan Chintam: So I don't want to be in that game of giving you some timelines there, Rajesh. Appreciate you're asking that question. We do want to get to that 1500 crores sooner than later. Currently we are working on smaller targets. Looks like what they call in cricket. Right, so let's. Work on the next 10 or runs or something like that. So we are working on the next 100 million and our target for 100 million is you within the next three years or less is what we are targeting for getting there. This is pure organic along the way. If there's something in organic we'll definitely look at that, but we're not actively looking for in organic growth. So our current goal is to get the 200-300 million is what we have put the targets on and then we'll start working and building on that. As we are building more and more muscle we would be more and more confident into taking larger customers revenues today we are working on 10 million plus revenues, but we want to get to a stage where we can get probably 30 million plus revenue per customer and we need to build up scale. For that and building up. That scale in not only requires a lot of capital muscle power when it comes to leadership level as well as another staff that is able to deliver to that kind of capability. So yes, we are to get to the next billion company, but we do are mindful of having smaller targets to achieve them and then work on a larger one you know, we might lose focus. And might be doing something that we should probably shy away from or resist that temptation.

Moderator: Thank you. We have our next question from the line of Shahnawaz, an individual investor. Please go ahead.

Shahnawaz: I have two basically questions because I will not ask when we are going to increase the bottom line. Because bottom line I'm not sure how it's going to happen because last for five quarters it is flat and my question is like as of now in December as of December how is our healthiness of cash flow, how much cash in hand is there and my second question what is the order book we have as on 31st December.

Niranjan Chintam: So I'm going to take the second question first, because I'm going to wait. I need to pull up the cash because we don't we I don't have it handy. I'll pull it up or I'll get my team to pull up the cash position to you shortly. But to answer your order book site, so typically we have 8 to 9 months of order book. Revenue wise, so if you're looking at, let's say, I'm just making numbers of roughly over 800 crores is what we will achieve or close to 900 crores we're out to achieve for this year. So of that 8 to 9 months of this is what we have or three quarter of a year revenue is what we will have an order



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book. So that is the thing. But I'll answer your question because our team is showing up the cash numbers as we go on. I'll answer that question to you.

Shahnawaz:

Can I ask one more question? Ratio of employee like I was listening to you, you said the employee we have on field more and off field less that's why the PAT is always we are seeing the pressure. So now Sir from previous year to this year how is the ratio change and what is the total strength of manpower we have and what is the future like you are looking any forward guidance you are looking you want to hire as because there is a slowdown. I was reading always a newspaper that people are tracking people in Facebook, Google and Amazon. So whether in your case also you're going to, I mean be hire the are people or it's like you want to increase and what is the strength and how is the ratio now what is in US and what is in India and how you see like future like where you want to plot that so as an investor I always will wish if my hair price would go up like as a Kellton as a whole whoever is available here. And the cost will bought. They will, they will be happy if the share price goes up and the share price goes up only when the bottom line goes up and everybody in the call, I feel like eagerly want to understand and want to know how because one of the other company axis caps, I was I was attending the call yesterday, so they have given a guidance to 440 to 500 basis point of EBITDA margin, they want to improve. They have the intent to improve in. They have this intent to improve in next two to three years. So is there any kind of commitment or I mean like any kind of target, I mean at least wish list that you want to have it Sir.

Niranjan Chintam:

OK, sure. Let me first answer the question related to the number. Today we are over 1800 employees and of them, 1400 are in India, rest of the 400 are spread all over the world. Of that, 400 is in the US and then Europe and then some in Asia Pacific. To answer your question about hires, we are very selective. While we have probably, I would say about 200 open positions that we have today, we are looking and listening to not the street, but what the industries are saying. While there is no slowdown in some of the initiatives that we see in US and India, but we are seeing. 10 things right. Where the customers are saying, hey, 2023, we would like to talk to you about possibly looking at bubbly re engaging. Or slowing down on the initiatives that we have. So we are. Being very careful, selective and hiring with that side, our recruitment team is actively hiring people. What the number is I don't want to say today probably a quarter from now I would be have probably when we have our call in May I would be able to give you a better assessment because by that time you will get some indicator of what is going on in US, while Europe probably is going to be a difficult story and India is on the on the hiring our and our revenue wise India is growing for us, we're also seeing that the margins wise, right, employee costs have gone up? Dramatically, and that is something that also is putting the pressure on our margins. For some of the questions that the. Earlier, callers have asked. So that is something that we are very careful. So coming to the margin side right at this point, I don't want to predict and say, OK, this is what it is. Our ambition is to get to an EBITA of closer to 20%. By probably 2024 is what we are thinking. I'm talking financial year



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2024. We would like to be closer to the 20% than what we have today. We were at one point in a higher number. But we have lately pulled back. That is a reflection of increase in our labor costs. Yes, we are hiring also, but for the projects in anticipation and that is continuing on. We do see. Some slowdowns in some pockets, but not. As a general rule, everywhere. OK, I hope I've answered your question, but beyond that right I cannot give you specific because I'm still on a wait and watch mode of what is happening. In the industry.

Shahnawaz:

And how is quarter 4 you are looking for? Is it like at least now we are in mid of Feb?

Niranjn Chintam:

I cannot give that information out because I will be in trouble with the exchanges if I give some information like that.

Moderator:

Thank you. We have our next question from the line of Nikita Bansal, an Individual Investor. Please go ahead.

Nikita Bansal:

So I had two questions. The first one is how is your Europe strategy going? And the second one is earlier you had talked about writing of goodwill and shrinking the balance sheet. So have you decided on a strategy for this?

Niranjn Chintam:

Let me first answer the 1 Europe in our last calendar year has been a challenge for us. We have recently made some leadership changes there that would improve our March. In Europe as well as we're looking at to continue to grow there, while 2023, like I said earlier is going to be a challenge 2024 onwards, we are anticipating that it will be on the growth momentum than what it was and this was a change in strategy because some of the initiatives that we did not work out. Last year, but hopefully by for 2024 calendar. Year 2023 is going to be challenging 20. 24 onwards you know we. Should start seeing the implementation of the plan that we had earlier. Also, a question about the balance sheet shrinkage. This is something that we struggle with every year where we say, OK, hey, what do we do with the goodwill? Goodwill is sitting heavy on the balance sheet and also our balance sheet has bloated a little bit. So we have hired a consultant to help us with come up with a strategy. So we are in active discussions to see if we can do onetime write off of goodwill and any other things that are on the balance sheet that are causing this bloatedness of the balance sheet. We are actively talking to our CPAs all over the world to get their feel for what we can do without causing major problems to the existing. Banking relationships and our component that we have. So we are actively talking to them. So we would be in a better position by probably a month or two from now to make a decision. So but to answer your question, yes, we are leaning very heavily towards a onetime hit on the balance sheet to clean it up and not clean it up more than clean up in order to reduce or shrink the balance sheet size so that some of the ratios and the questions that all of you have asked me many, many times on why not just take a one time hit and write off the



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goodwill so that we're looking at what we are looking at is probably what is more from taking a below the line kind of a hit versus above the line hit. So those are some of the things that our consultants have been talking to us. And we will definitely make a decision this time and shrink the balance sheet as much as possible so that the coming years we will have a better ratios when it comes to ROE and ROCE. So those are the things that we are looking at. So just wait and watch is what I would say. But we are definitely leaning towards taking a hit.

Moderator: Thank you. We have our next question from the line of Sanjay K, an individual. Investor, please go ahead.

Sanjay K: So I'm seeing that quarter three was again because I want to hear that one Kellton initiative is a Fagin now almost at the end. As well as it was again the quarter where revolutionary, I mean it's over quarter for the IT Company. Still I'm saying that there is a 2 Percent increase in revenue. And yeah, and bottom line is almost same. But yeah I understand. So I want to just know that how you see, I mean I know you cannot give up your exact number, that's what you just said you cannot give a number, but are you saying that quarter four and the quarter one of next year, is that going to be better than Q3 and are you saying that it is going to be better than Q3 from the both perspective revenue and bottom line person perspective?

Niranjan Chintam: So you're right. And generally Q3 for us is cyclically not a great quarter when it comes to customizations and our revenue because of the slowdown in US and Europe. And also number of holidays that are there in the end of the year time frame in the US side. So to answer your question on the margins, we just did an appraisal in January of this year. This is a standard appraisal cycle for the calendar that we do for all our employees. Yes, our salaries have increased, so there will be some effect for this quarter too. When it comes to the margin side of it from a revenue perspective, I just can't give you some guidance at this point without getting into trouble. So I just don't want to do that, but in a the numbers wise probably I would say the margins would be around the same that is all I can predict at this point because of the increase in labor costs. But what we have talked the Srini and Karanjit have tasked sales people all over the world is while our labor cost is going up, our bill rate has not gone up proportionately. So they have taken that challenge of increasing the building and there are in active discussions with customers and are saying no to customers where in our margin is not to what our requirement is, but that is a work in progress it will not be one quarter. We're going to get all of it. But starting probably Q1 next year is when we would start seeing the margin improvement when it comes. And it's nothing to do with one Kellton initiative. It's just that the cycle of salary appraisals as well as the customer willingness to pay more given the headwinds that we're facing and the economy all over the world.



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Sanjay K: Sure and one more question about you just mentioned about you'll be having annual appraisals which would be for this quarter, but are you are you hiring pressures or how many pressures are do you hire in a year?

Niranjan Chintam: So to answer the question on the pressure headed. Yes, the salary appraisal has happened in month of January. So that is now passed. So we have done that and it's done, coming to hiring of pressures I'll let Karanjit answer that. But last year I think we were over 100 fresher is what we had. What is the plan for this year or let Karanjit answer Karanjit can you take that?

Karanjit Singh: Last year as Niranjan said we hired almost much more than what we usually do. So that was about 150 and we're still sort of absorbing on the projects and for this year, our plan is to be doing about somewhere between 50 to 75 as we progressed during the year.

Sanjay K: Last quarter every quarter generally you released the PR which has some information about what different wins and maybe highlight of the quarter. I haven't seen early the PR for last quarter on that. So the number of. Order wins in last quarter are those now better than the last Q2, I mean Q2. So how we are seeing the business going.

Niranjan Chintam: I think that was an oversight from our team to put that number in. We had seven new customers that were added there last quarter. It's just that we have not included that and generally like read this quarter or last quarter is not a great time to add new customers. Again activity slows down starting November and it will go back to normal starting February, when the customer starts opening up. So we would anticipate that it will start picking up this quarter again compared to what it was last quarter.

Sanjay K: Just I have last question. I'm seeing that definitely, I mean growth and it's consistent happening and it's not going down only now I know the share price is not in your control that is something market decides my question is about are you having any discussions or any investor meets because I'm not seeing anyone much of the meeting happening in another meeting happening and covering this company. So are you planning such meetings early? Are you having it or what's your plan to get more coverage from the investor analyst perspective?

Niranjan Chintam: So we have done a lot of analyst meetings in pre COVID time. We have not done post COVID. We do want to do that. That is one of the reasons why enough. First, we're trying to get some external validation. We know is 1 initiative. We are since with another rating or analysts, companies like Senova to get us. So there's a lot of we're going to start because now like COVID is now post COVID time travel has opened up. We will be actively getting involved back in the analyst/rating/other activity marketing related PR agencies. There's a lot of initiatives for this calendar year that we have



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restarted that we have stopped over the last. 2-3 years. So yes, you would start to see those taking place soon.

Moderator:

Thank you. We have a question from the line of Debidatta Gouda, an individual investor.

Debidatta Gouda:

So I read your annual report back. You mentioned like we will soon reach to \$200 million of revenue. But the way we are going I think we will take some more time to get there, right? The revenue even though we are every quarter we are our deal like increasing last quarter you told 10 clients this quarter also 7 clients. So how many don't you have repetitive customers? Or they are moving from here and there, that's why our revenue standstill since last I would say 3-4 years.

Niranjan Chintam:

So our strategy has always been through four, for us, 80% of our revenue comes from existing customers. So what Vivid and team have now been talked, used to get or increase the per customer revenue from X to Y or 2X is what we're talking about. So the 2X revenue from existing customers is where we are going to leverage and get more out of existing customers, while these new customers that we acquire is for the long term, part of it for the short term to increase revenue, we are working with the existing customers to get 2X revenue from the existing customers. In some cases what we call the named account. Our customer based marketing initiatives that we have started off, we have identified categorized the customers into multiple buckets where we believe we can get more revenue. We are doing aggressive client or customer base. Marketing could get more revenue out of there, so we are actively and aggressively pushing to increase the revenue from our customers. We're also looking at new customers because we do want to get additional customers. It will take anywhere from six months to a year to get to get significant revenue out of new customer, while it's easier to sell to our existing customers. So that initiative has already start. And there is renewed emphasis and focus this year from Srini, Vivid and Karanjit to get increase per customer revenue. From X to 2X.

Moderator:

Thank you. As there are no further questions, I hand over the call to the management for closing comments. Over to you Sir.

Niranjan Chintam:

Thank you everyone for joining our Q3 earnings call. We'd love to meet and talk to you on more looking forward to seeing you on the next call and or if your path takes anywhere to Hyderabad or Gurgaon, please do look us up and we will be happy to give you more information. And also for you to come and meet our employees and understand us more. Really appreciate all of you for your continued interest in Kellton. We would be doing much better. Just bear with us. Thank you for your patience and then now we would be doing much better starting Q1 of next year. Thank you everyone.



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Moderator: Thank you. On behalf of Kellton Tech Solution Limited that concludes this conference. Thank you for joining us, and you may now disconnect your lines.