



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 Q1/H1 – FY 24 Earnings Call held on August 16, 2023

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Q1/H1 – FY 24 Earnings Call held on Wednesday, August 16, 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://www.kellton.com/investor-call-transcript>

This is for your information and record

**Thanking You,
Yours faithfully,**

For Kellton Tech Solutions Limited

**Rahul Jain
Company Secretary
Date: August 22, 2023
Place: Hyderabad**



KELLTON TECH SOLUTIONS LIMITED.

**Kellton Tech Solutions Ltd
Earnings Conference Call
16 August 2023**

Moderator:

Ladies and gentlemen, good day and welcome to the Kellton Tech Solutions Limited's Q1 and FY24 earnings Conference call. As a reminder, all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing "*" and then "0" on your touch tone phone. I would like to thank you all for participating in the company's earnings call for the first quarter of the financial year 2024.

Before we begin I would like to mention a short cautionary statement. Some of the statements made in today's concall 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 the 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 the 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 of Kellton Tech, Mr. Karanjit Singh, Chief Executive Officer (CEO)-India and Mr. Srinivas Potluri, Chief Executive Officer (CEO)-US.

I now hand the conference over to Mr. Niranjana Chintam. Thank you and over to you, Sir.

Mr. Niranjana Chintam:

Thank you everyone for joining the Q1 FY24 financial earnings call. I just want to start off with some financial numbers. We'll go through some operational metrics and then we'll take Q&A as usual. So the financial numbers for the Q1 are about we made Rs. 249 crores as revenue for the last for the Q1, which is about 15% year on year growth with an increase of Rs. 27.9 crores and a PAT of 15.4 crores. The EPS for this quarter is 1.54 crores Rs. 5 for per share. Operational highlights like the previous quarter, we have some analyst ratings on our performance which is rated has very well and this quarter we have been featured as a product challenger when it comes to ISG in the SAP ecosystem. So we have our position as a product challenger ahead. This is the first foray into **(Inaudible 3.04)** and we have been treated very well, so we are very happy and excited about that.

In addition to that, Kellton also has got a goal in the Globe Awards when it comes to the IoT platform that on behalf of IoT platform. Also, Kellton has been doing a lot of good work when it comes to the generative AI, nowadays that is the buzz work with chat GPT and the bar and profits of the world. And we have some paid customers that we are working with multiple new cases with our customers so we're excited to inform you of that. Also Kellton has developed a holistic healthcare platform when it comes to the length. We also excited that we are able to fully and help our customer in this holistic



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lawn care services. Those are big highlights, I like previous quarters in our largest revenue segment has been digital transformation, which gave us about 82% of our revenue comes from there. Geography wise yes, we are still quite skewed towards the US markets. And as you are aware, Europe has not been too great. The most of the companies in our space, because of what's going on with Ukraine and we are also in a similar boat where we are stagnant when it comes to the European growth for this quarter too. Those are the revenue highlights that we have with that. I do want to open up for question one last quarter we won three new customers and these are very marketing customers. Let's karanjit talk about with three new customers that we have acquired last quarter. These come from very different environments and we're very excited that we're able to help our customers in those spirit. Can you talk about the three new customers?

Mr. Karanjit:

Yeah, sure. Thank you and hello everyone. We have acquired these customers, these are marketing customers where we are doing some very leading digital work. One of them we're happy and proud to be associated with the India digital staff now formally this is one of those companies where they're trying to basically create a digital stock for one of these services and we've been on boarded there to help them with certain parts of building that network where we're going to help them engage with their network players on board them and also streamline interactions. The other one is a leading steadily consulting company globally. They have done the digital consulting and now they're in the process of implementing and they have chosen us to be the partners for them to implement the digital platform, which is to do with the Methane regulatory regulation platform. This is a regulatory requirement in the US Now and so we are helping them build their whole data and reporting platform regarding these whole emissions.

Similarly, we are also engaged with the leading pharmaceutical company, which deals in the respiratory drug space and a lot of them are now building digital platforms where they want to engage with their customers. And so we're building that whole digital, the digital side for them to engage with their customers with help continuous care and also basically help them what the diagnosis is, if there's some undiagnosed patients and also predicting things on an anticipatory mode rather than just the whole doctor's visit kind of thing. So these are some of the leading stuff that you signed up this quarter. Thank you.

Mr. Niranjana Chintan:

Thank you, Karanjit. With that I want to open up calling for questions.

Moderator:

Thank you. We will now begin the question and answer session. The first question is from the line of PD Ranjit Kumar from Amirtha techs. Please go.

PD Ranjit Kumar:

Thanks for the opportunity. Congrats on steady set of numbers. My question is what is the reason for decrease in employee expenses quarter on quarter? Is it because of voluntary reduction of employees or any other reason?

Mr. Niranjana Chintam:

So there is a combination of reduction in decrease the numbers when it comes to employee, but the subcontracting has gone up. So what has happened is yes, there is some reduction not voluntary some involuntary and then a voluntary one was probably very less compared to the involuntary marking.

And at the same time you're seeing that the subcontractors have gone up. That is because of the certain skill set that we didn't have in house which we had to subcontract out. So while we are hiring people where there is a requirement and we're also relying on our



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partners to help us provide as a short term when it comes to immediate need for some of our skill sets that we don't have on our payroll.

PD Ranjit Kumar: OK. One more question also. Could you please share on the progress on European business operations?

Mr. Niranjan Chintam: So European business operation, I think we have for the last one year and some change has not been doing as we wanted it to be or not meeting our expectations. That is the combination of two things. One, the economy as we are aware in Europe, I think I just was reading somewhere that Netherlands has joined Germany when it comes to recession. There is a big recession impact that is going on. Customers are not starting projects while the pipeline is startup projects is not taking place, so everybody is on a wait and watch mode. Whatever we signed up with customers, there's delays in starts that is happening much more prevalent in Europe, while in US also we are facing similar new starts getting delayed while there are some stocks that are happening, but some of our customers have signed on the agreement, but they're saying can you delay it by quarter or a month, it just goes like that. So there is everybody is worried about what is going to happen, so there are holding cash and they're saying let's just hold off a little bit longer while immediate priority is important ones, we're still doing it. People are spending money on trying to figure out what the AI side of their, what they want to do on the AI side. So there are projects on a small scale they're kicking off while we see some customers spending big money on the AI side, we are seeing many customers are also saying okay let me try. Because there is a bug going on let me try. That's where this is going on.

PD Ranjit Kumar: Many thanks for your valuable explanation.

Moderator: As we have no further questions, I would now like to hand the conference over back to management for closing comments. Over to you Sir.

Mr. Niranjan Chintam: Thank you everyone for joining the call. I know today is a busy day. Regret that there are not too many questions but we would love to answer any questions that you might have a later date or reach out to us directly and we will be happy to answer. Soon we do have an AGM coming around and also the next quarter is a next call. Hopefully they'll be better participation than what we have today but thank you very much. Again looking forward to seeing you soon. Thank you.

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