



KELLTON TECH SOLUTIONS LIMITED.

Hyderabad, October 16th, 2017

To Bombay Stock Exchange Limited 25 th Floor, P J Towers Dalal Street, Mumbai – 400 001	To National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
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Dear Sir/Madam,

Sub: Annual Report of Kellton Tech Solutions Limited for the Financial Year 2016-17

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

Please find enclosed Annual Report of the Company for the Financial Year 2016-17 approved and adopted at the 23rd Annual General Meeting of the Company held on Wednesday, September 27th, 2017 for your information and records.

Thanking you

Yours sincerely

For **KELLTON TECH SOLUTIONS LIMITED**

PAWNI BHAVE
COMPANY SECRETARY
MEMBERSHIP NO. 48587



KELLTON TECH

2016-2017
**ANNUAL
REPORT**



INFINITE POSSIBILITIES
WITH TECHNOLOGY

www.kelltontech.com



CONTENTS OF ANNUAL REPORT 2017

S.No	Particulars	Page No
1	Letter to Shareholders	2
2	Highlights of the Year	5
3	Financial Highlights	10
4	Enhancing Capabilities	11
5	The Workforce	12
6	Global Offices	15
7	Management Discussion and Analysis Report	16
8	Corporate Information	20
9	Notice of 23 rd Annual General Meeting	23
10	Directors' Report	38
11	Report of Independent Auditor on Standalone Financial Statement	93
12	Standalone Balance Sheet	100
13	Standalone Statement of Profit & Loss	101
14	Cash Flow Statement	102
15	Report of Independent Auditor on Consolidated Financial Statement	118
16	Consolidated Balance Sheet	125
17	Consolidated Statement of Profit & Loss	126
18	Consolidated Cash Flow Statement	127
19	Form for Registration of Email ID	142
20	Proxy Form	143
21	Attendance Slip	145
22	Route Map	146



In the midst of the current global scenario, Kellton Tech continues to radiate strength and confidence through consistent top-line and bottom-line growth. In the year 2016-17, your company has made a significant mark on the market with a string of high-profile achievements.

Kellton Tech on the Ascendant

Today, Kellton Tech is a [CMMI Level 5 company](#), indicating that we have successfully scaled the pinnacle of global quality and process standards. This is a critical milestone, for it offers a prestigious validation of the inherent strength of our processes and the highest levels of quality we deliver to customers.

Your company won the "[The Best e-Governance Initiative of the Year](#)" award at Businessworld Digital India Summit 2017. In recognition of its enabling work culture that facilitates employee growth and development, Kellton Tech was featured in The CEO Magazine's "[Best Places to Work](#)". The company was ranked [19th and 193rd fastest growing technology company in India and Asia-Pacific](#) respectively by a Deloitte initiative.

Your company achieved the proud distinction of being among the three Indian companies to be featured on [Forbes Asia's 'Best under a Billion'](#), a list of top 200 public-traded companies in the Asia-Pacific region. We have been recognized for being a part of public companies that are reliable growth engines based on a comprehensive study of company's history, health indicators and potential.

As a torchbearer in digital transformation, Kellton Tech paved its way to conquer the next digital frontier of financial technologies through [acquisition of US-based Lenmar Group](#). Lenmar Consulting, the flagship company, has a commanding presence in banking and financial sector with marquee clients in this space.



The Genesis of Thought-Leadership

Seen independently, these achievements demonstrate that your company's continued success is built on strong fundamentals. But when juxtaposed against the prevailing scenario, the progression further elevates our leadership brand. It all started with a conscious decision and direction taken years ago.

When others traded their wares on status-quoist opportunities, we traversed the path of possibilities. Sensing the digital storm that was waiting to upend the world as we knew it, we embarked upon a journey to help businesses thrive amid digital disruption. According to Gartner, 75% of the business will be a digital business or will be preparing to become digital by 2020. Thus, digital transformation became our core focus, and all our efforts since have been directed towards propelling enterprises into future.

A significant share of our success comes from providing thought-leadership to the enterprises. Digital transformation is often confused with technological upgrade, and some sections still see it as something that can wait. But this is to grossly underestimate the far-reaching impact of digital, and how it is totally transforming the way in which businesses operate.

The nature of this digital beast is not fully apparent to many. Even enterprises whose performances warrant no re-look might be suddenly swept off their feet. On a related note, the lifespan of Fortune 500 companies is fast reducing, and so is their tenure. Sometimes, the strategic direction that an enterprise is required to take can cannibalize its current revenue streams. This is where Kellton Tech, as a global leader in digital transformation, can prescribe a bitter digital pill to future-proof the enterprise.

A case in point, this year we were engaged in building the digital arm of the largest Spanish-language television company in the US. We enabled them to disrupt their industry through mobility-powered video content-aggregator business model. We have helped deliver seamless digital customer experience through ready availability of on-demand and operator-agnostic content anytime, anywhere.

Leading the way to a future of “infinite possibilities”

We are at the cusp of a seismic shift that will change humanity more in the next 20 years than experienced in the past 300 years. Kellton Tech, by virtue of its leadership status, is best-placed to lead the change.

Instead of resting on past laurels, and present position of strength, your company is constantly striving to expand the realm of possibilities. The continuous drive for innovation has led us to build expertise in disruptive technologies like Artificial Intelligence, Cognitive Solutions, Blockchain, Big Data, Analytics, Cloud, Chatbots and Internet of Things among others.

Technology companies are fast becoming financial institutions. The future will see an increased overlap between these domains, to an extent where boundaries begin to blur. The Lenmar acquisition is part of the larger strategy to extend our transformational capabilities to financial domain. Our emphasis on blockchain that's set to revolutionize BFSI is another facet of the move. Blockchain is a public hyperledger that will enable internet transfers without a central third party, and thus carries immense transformative potential.



Augmented reality will throw open the door to new range of experiences never seen before. Internet of things is poised to be a definite game-changer, enabling the transformation of disconnected systems into intelligent and wired ones. Some speculate that self-driven cars might be a reality as early as 2025.

Chatbots will redefine customer service and digital commerce in a way that shall make human workers obsolete. Within three years, enterprise Intelligent Assistants (IAs) will be the primary point of contact to support real world commerce in the digital realm. Technology has reached a point where a digital lawyer-bot could skim through thousands of cases to give the likely result of a current case in a matter of seconds, which is more accurate than the consensus reached by a paralegal team comprising 40 humans working for three weeks.

These are not flights of fantasy taken from a science-fiction; they will be the reality we breathe very soon. Just as Kellton Tech's prescient focus on mobility well ahead of its trending, helped it acquire innovation-lead in this arena, its focus on the technologies of tomorrow will likewise give it a first-mover edge.

As in the past and present, Kellton Tech is uniquely-positioned to *propel enterprises into future*.

Kelltonites, the kickstarters of the revolution

The scale of achievements and recognitions earned during this year is the culmination of each Kelltonite's effort to bring excellence into everything we do. The drive to be different is deeply embedded in our work culture that empowers employees to excel and innovate.

One look at our oeuvre will make it clear that our pioneering projects require evolutionary skills of an unprecedented level, considering the sheer magnitude of cutting-edge innovation they entail. A major contributor to our success in the transformation space is the digital mindset instilled among Kelltonites, wherein people are trained to navigate through the highly fluid and disruptive business landscape.

Kellton Tech stands not just for "infinite possibilities with technology" but also "infinite opportunities for employees". Through our continuous training programs, we enable reskilling and upskilling of employees and help them stay abreast of the emerging technologies. We have been at the forefront of embracing new shifts and are playing a key role in reshaping the digital revolution.

At the tail end of this highly eventful year, we feel heartened and humbled by your trust in us, which has been instrumental in helping us reach greater heights of accomplishments. We are confident that with your continued support our future achievements will dwarf even the tall ones that we have scaled so far. This is beginning of an even more challenging journey of leading the way to a future of *"infinite possibilities"*.

Thank you.

Niranjan Chintam
Founder and Executive Chairman



HIGHLIGHTS OF THE YEAR

Kellton Tech is now a CMMI Level 5 Company

Kellton Tech has successfully been assessed at CMMI Level 5, thus scaling the pinnacle of global quality and process standards.

The leap to Maturity Level 5, the highest, indicates our performance is at 'optimizing' level. It reflects our enabling work culture that promotes continuous improvement & innovation, and uncompromising adherence to quality & process.



KELLTON TECH

We are Certified now as



Kellton Tech in Forbes Asia-Pacific 200 List

— Forbes Asia recognizes

Kellton Tech as one among the Asia's

"Best Under A Billion" company

We achieved the proud distinction of being one among the three Indian companies to be featured on Forbes Asia's 'Best under a Billion', a list of top 200 public-traded companies in Asia-Pacific.

We have boldly asserted ourselves among 18,000 companies through consistent top-end & bottom-line growth. We have been recognized a part of public companies that are reliable growth engines.

Kellton Tech featured in The CEO Magazine's "Best Places to Work"

In a standing testament to Kellton Tech's employee-centric work culture, The CEO Magazine has named the organization among "Best Places to Work".

The feature enunciates the organization's philosophy, and how employees are at the center of all decision-making. It demonstrates Kellton Tech's double-edged focus on successfully cultivating digital capabilities and talent, helping sustain its innovation-lead.

**BEST
PLACES TO
WORK**

Karanjit Singh
CEO
Kellton Tech





Kellton Tech wins 'Best e-Governance Initiative of the Year' at Digital India Summit 2017

We have been recognized for digitally transforming the delivery of public services to citizens, & playing a part in mission 'Digital India'. We have used ingeniously developed, homegrown innovations that are dovetailed to the unique needs and on-field environment of India.

Our experience-led expertise & technological arsenal coalesce to give us tremendous edge in e-Governance implementation.



Kellton Tech acquires Lenmar Group; Strengthens position in BFSI



We acquired US-based Lenmar Group, a conglomerate of IT services and solutions companies, with a commanding presence in banking and financial services space.

This acquisition will deepen Kellton Tech's BFSI IT capabilities and support its next phase of growth in existing markets of US, India and Europe and new markets in APAC region.

Kellton Tech ranked 19th & 193rd fastest growing tech company in India & Asia-Pacific

Kellton Tech was ranked 19th and 193rd in 2016 Deloitte Technology Fast 50 India and Fast 500 Asia-Pacific respectively.

Significantly, Kellton Tech holds the unique distinction of being only public-listed IT company to assert itself in this prestigious ranking.





EVENTS

Kellton Tech sponsors IBM Interconnect 2017



As a long-standing IBM business partner, Kellton Tech was at the event not just to absorb latest updates, but also as proud silver sponsors of the event.

At the Kellton Tech booth, it showcased its internal IBM Solutions portfolio, customer success stories and demos in the areas such as IBM API, Bluemix, Big Data & Analytics, Watson AI, BPM, ODM, IIB, Data Power, Cast Iron, Dev-Ops solutions, Digital Transformation and much more.

Kellton Tech Sponsors MuleSoft Connect 2017



This was Kellton Tech's first MuleSoft event as sponsor. As a bronze sponsor, it received a strategically-located booth which enabled it to showcase itself as a born-digital organization best-equipped to capitalize on MuleSoft's future-proof, low friction, and unified connectivity platform.

Kellton Tech is uniquely-qualified to help enterprises harness the power of Digital Disruption. Our expertise in enterprise integration platforms, particularly MuleSoft, has been perfected through years of experience.

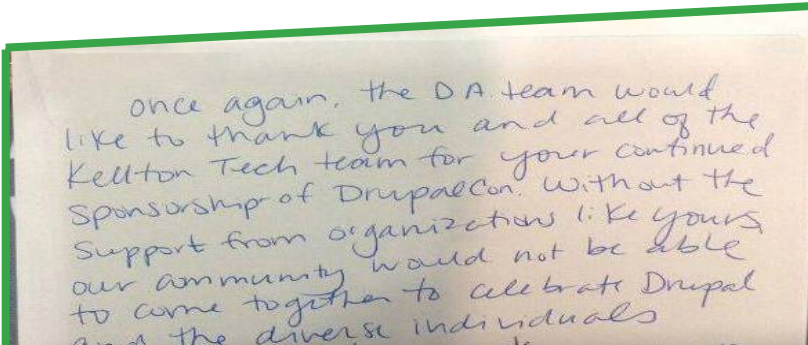
Kellton Tech sponsors SAP Sapphire Now & ASUG Annual Conference



Kellton Tech's relation with SAP, this time as a sponsor of its premium event SAPHIRE NOW, follows a logical progression. As certified gold partner with SAP and among top 3% of partners in North America to earn recertification of SAP PCoE (Partner Center of Expertise), Kellton Tech's association with SAP is marked with pioneering innovation.

Kellton Tech's domain expertise received a shot in the arm when SAP selected it to develop a step-by-step video guide to S/4 HANA migration, from SAP ECC to S/4HANA 1610. It emerged as a natural partner for this project, as it was one of the first companies to implement SAP S/4 HANA when it was introduced to the market in 2015.

Kellton Tech Sponsors DrupalCon Baltimore 2017



Kellton Tech was a Bronze Sponsor for DrupalCon Baltimore 2017. With over 10 years of Drupal Development experience, Kellton Tech executed over 150 projects and contributed over 50 modules.

Its long-standing association and investment in Drupal received a fitting recognition in the form of a handwritten note by the Drupal Association.

Kellton Tech organizes Drupal Meetup 2017 in Gurgaon



As a strong stakeholder in the Drupal Community, Kellton Tech organizes an annual event, Drupal Meetup, to bring together Drupal professionals in one platform.

This year, it comprised sessions and presentations, and culminated with a code sprint.

Kellton Tech Sponsors GIC Conclave 2017

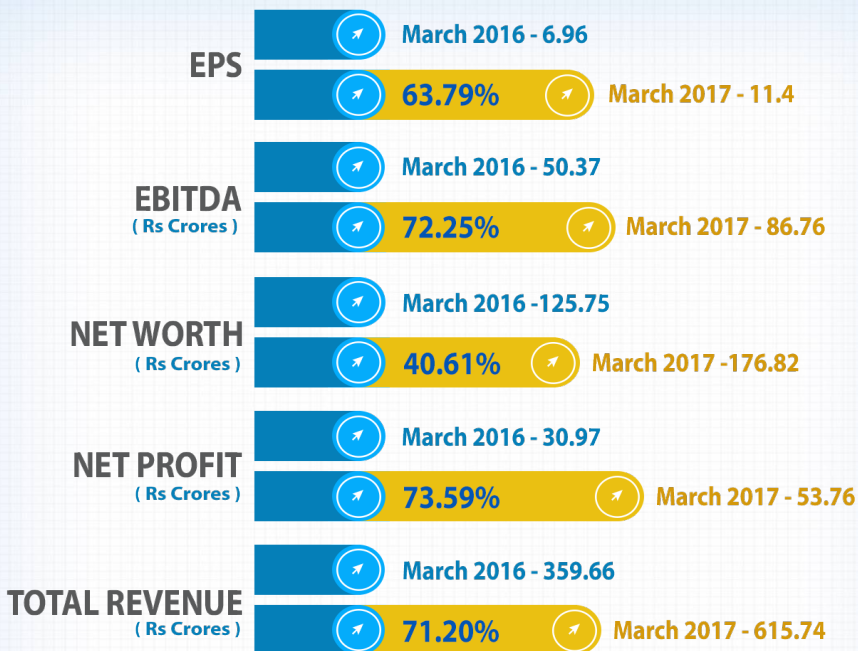


As a long-term mobile app partner for NASSCOM events, Kellton Tech has been developing user-friendly apps for the body's events in order to provide up-to-date information of the events to its participants.

This time we offered state-of-the-art Drupal 7 backed technology which caters to Location based Analytics (Footfalls, Heat Maps) as well as an added option of a location based game Scavenger Hunt which uses Beacon technology.



FINANCIAL HIGHLIGHTS



Note : This is a 12-month FY 2017 comparison with a 9-month FY 2016.

Kellton Tech had a truncated 9-month FY 2016 due to change in fiscal year-end.



ENHANCING CAPABILITIES

01

TECHNOLOGICAL EXPERTISE

Kellton Tech is amplifying its innovation lead in the digital by focusing on deep-tech like Artificial Intelligence, Cognitive Solutions, Blockchain, Big Data, Analytics, Cloud, Chatbots, Internet of Things among others.

The continuous innovation has led to development of IP-based platforms like an IoT platform, Mobility Framework, SehatSense (for cloud-enabled healthcare service), Chatbot Solution Framework, Media Solution Framework & DevOps Solution Framework among others.

Achieving CMMI 5 certification brings a whole new dimension to Kellton Tech's competitive edge; it's a prestigious acknowledgement of its uncompromising adherence to global quality and process standards.

02

WORKFORCE ADVANTAGE

With more than 1400 people across the globe, of which a significant number comes from US and Europe, Kellton Tech is fast spreading its presence in Asia-Pacific region. To support its ambitious growth plans, the company has brought industry veterans and mid-level managers into the organization.

The continuous training to upskill & reskill the employees has cultivated a strong digital talent in the company, which has in turn brought it a steady stream of recognitions. Being featured by The CEO Magazine among "Best Places to Work" offers external validation of our employee-centric work culture.

03

GLOBAL REACH

Anticipating the next wave of opportunities in the Asia-Pacific, Kellton Tech has forayed into this region through a new office at Singapore.

The Lenmar acquisition has afforded the company a deeper presence in Indian and US markets. With significant on-shore presence, Kellton Tech is better-positioned than ever to implement global projects. The CMMI Level 5 certification will open new vistas of opportunities in regions where the company brand has to further establish itself.

04

STRATEGIC ACQUISITIONS

The acquisition of Lenmar Group, which has commanding presence in banking and financial services space, will boost Kellton Tech's efforts to conquer the next digital frontier of financial technologies. This acquisition will deepen Kellton Tech's BFSI IT capabilities and support its next phase of growth in existing markets of US, India and Europe and new markets in APAC region.

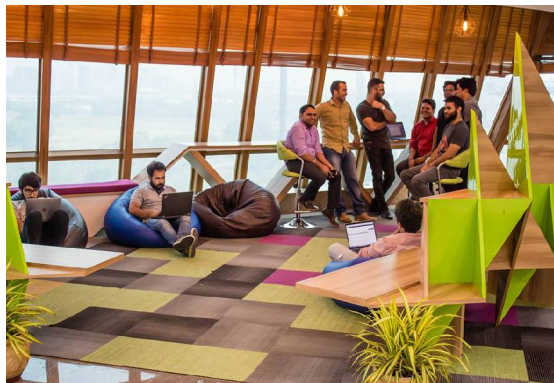
With a record of integrating acquired companies, Kellton Tech has already tasted success in brand consolidation of its earlier acquisitions. The seamless transition has enabled the company to realize symbiotic opportunities internally, and mount a strong, unified front in the market.



THE WORKFORCE

"Infinite Possibilities with Technology" is an integral part of our brand for a reason; it denotes our unquenchable thirst for exploration and insatiable appetite for excellence. The series of market trend-defying achievements by Kellton Tech this year come from the efforts of a resilient workforce that continues to push the boundaries of possibilities.

As Khursheed Banu from our HR Department says, "The Kellton Tech family comprises the curious, ambitious, tenacious, eccentric, sophisticated, detail-oriented, future-obsessed: people from all walks of life, who are different and unique, but united by the shared passion to make a mark on the world."



Work Culture

Thanks to our employees' unwavering commitment to quality and process standards, today, we are a CMMI Level 5 company. Our success in nurturing an enabling work culture that promotes continuous improvement and innovation is further exemplified by our ranking among The CEO Magazine's "Best Places to Work". To quote Karanjit Singh, our CEO, from the feature, "Working with us is not about being tasked with a series of projects, but a continuous journey wherein the organization and employee grow together."

Employees are given a free rein to specialize on what they are passionate about, even as their skills in their current area of work are strengthened through trainings. New talent is supported by mentors who help them get acquainted with the corporate systems.

This entrepreneurial culture empowers people to own their projects, fueling their inner drive to continuously optimize and improvise, and explore the full range of possibilities to bring the project to fruition.





Training

Through our upskilling and reskilling training programmes, we help employees to evolve in tandem with the market requirements. A unique feature of our training schema is one-to-one mapping, a special mentor-mentee relation that helps in personalized assistance and advice to all employees.

Teams are encouraged to conduct weekly meet-ups to explore new things outside the focus on their immediate work. This has laid the foundation for free exchange of ideas, improving the team-spirit and expanding the knowledge-base of all concerned. Further, fully-dedicated learning periods have been allotted for employees to help them gain hands-on expertise in niche, emerging technologies.

We always emphasize that Kellton Tech is one team, irrespective of various departments and geographical spread. The team synergy is an essential element contributing to our continued growth. We support reallocation of select employees to other departments and geographies, should the match between talent and opportunity arise.

Our philosophy is to expand employee role in lock-step with the company's growth, and elevate them up the corporate ladder through continuous training and mentorship.



Recreational Activities

At the relocated office in Gurgaon, there is a whole recreational section which is a confluence of fun and work. It's like a whiff of fresh air amid a corporate setting, helping people rejuvenate themselves amid challenging assignments.

In a style that befits a digital transformation leader, our Diwali celebrations were at a sports-centric immersive and interactive entertainment center offering virtual reality experiences, premier gaming zone where people immersed themselves into virtual reality and other sports.





For team building, we have employee-driven fun activities such as Potluck Lunch Party, Gift Exchange (Secret Santa Game), corporate outings, recreational club, cricket matches, group lunch/snacks for festive occasions and many more.

Many fun activities interspersed throughout the month build camaraderie among employees, also giving them the a break from work.

Kellton Tech stands not just for "infinite possibilities with technology" but also "infinite opportunities for employees".





Through Lenmar acquisition, we now have a new office at Jersey City, NJ, just across the Hudson River from the financial capital of world, New York City.

We have strengthened our Indian presence through a new office at Pune. We have forayed into APAC region through a new office at Singapore.

With our EMEA headquarters at Ireland showing great promise, we plan to strengthen our reach in Europe and beyond.



Industry Overview

Economy

The Global economy, which has been listless in the last couple of years, is now ready to rise, stretch and get moving upwards again. After a lackluster 2016, the economic activity is projected to pick up in 2017 and 2018. Buoyant financial markets, cyclical recovery of manufacturing activities and enhanced trade relations are expected to act as slingshot for the global economy.

According to the World Bank's June 2017 Global Economic Prospects, the global growth is projected to strengthen to 2.7% in 2017 and 2.9% in 2018-19 from 2.4% in 2016. The advanced economies are expected to grow at 1.9% in 2017, accelerating from 1.7% in 2016. In emerging market and developing economies (EMDEs), growth is predicted to recover to 4.1% in 2017 and reach an average of 4.6% in 2018-19 from 3.5% in 2016. Risks to the global outlook remain tilted to the downside. These risks include increased trade protectionism, elevated economic policy uncertainty, the possibility of financial market disruptions, and, over the longer term, weaker potential growth. A policy priority for EMDEs is to rebuild monetary and fiscal space that could be drawn on were such risks to materialize. The report said that over the longer term, structural policies that support investment and trade are critical to boost productivity and potential growth. India continues to remain the fastest growing economy in the world. According to World Bank's latest report, India's GDP growth is projected to rise at 7.2% in FY2018 and 7.7% in FY2019 from 7.1% in FY2017 led by strong economic fundamentals, reform momentum and improved investment scenario. The implementation of landmark Goods and Service Tax (GST) is on track and is expected to bring transparency through robust IT system. It will broaden the base and tax collections not only under indirect tax but under direct taxes too which will result into raising more revenues for the country in the long term.

IT Industry

Globally, the IT industry is at the center of a continuing wave of digital innovation. Over next few years, the trends and innovations that will shape the IT industry came into sharper focus in 2016. Cloud is now becoming the mainstream for many enterprises and the Internet of Things (IoT) is changing how both industrial and consumer-oriented vendors do business. Digital transformation such as automation, blockchain, virtual reality, chatbots, sophisticated digital assistants, machine learning (artificial intelligence), big data analytics are the list of technological megatrends growing at a faster pace.

According to NASSCOM, the Global IT – BPM market in 2016 was at \$1.2 trillion (excl. hardware), a growth of 3.9% over 2015. The IT services witnessed a growth of 2.5% aided by increase in demand for digital based projects. The BPM industry reflected a growth of 4.0% in 2016 driven by increased BPaaS adoption, Robotic Process Automation (RPA) and Analytics. Global IT-BPM is projected to increase to \$4 trillion by 2025, a CAGR of 3.6% between 2015 – 2025 driven by the adoption of digital technologies.

The Indian IT industry is going through transition phase with various global factors impacting its growth and performance. The key factors include the global protectionism, heightened political policy, currency volatility, H1B visa regulations and the emergence of new technologies such as automation and robotics. The Indian IT services sector is facing the brunt of pressing issues, such as pricing pressure, decrease in IT spending and the average deal size getting smaller.

According to NASSCOM, the Indian IT-BPM industry witnessed a growth of 8% in FY 2017 to \$154 billion from \$143 billion in FY 2016. For FY 2017, it has projected the industry to grow at 10-11% for domestic market and 7.8% in the export market in FY2018. Improving financial services and high potential in digital business are cited as a key driver for growth. It is estimated that the sector will clock in export revenue of ~\$125 billion and domestic revenue of ~\$26.5 billion in FY 2018. According to the guidance, India will continue to gain market share - 7% of global software and IT services and 56% of global sourcing. The Indian



IT-BPM industry will receive 14% revenues from digital solutions – four times growth since 2014. Software and IT services globally is set to grow at a healthy pace of 7.2% and 4.4% respectively in FY17. By FY2020, India's IT-BPM sector is projected to reach approximately \$200-\$225 billion revenue and \$350-\$400 billion by FY2025.

According to Gartner, worldwide IT spending is projected to total \$3.5 trillion in 2017, a 2.7% increase from 2016. However, this growth rate is down from earlier projections of 3%. The worldwide IT services market is forecast to grow 4.2% in 2017. Investments in IoT (Internet of Things), digitization, cloud technologies, intelligent automation, and services optimization and innovation continue to drive growth in the market, but cautioned step fueled by broad economic challenges remains a counter-balance to faster growth.

The Indian IT industry is increasingly innovating its value proposition to emerge as the hub for digital solutions. Upskilling for digital, acquiring competencies through acquisitions or partnerships, building platforms and products and leveraging centers of excellence in new technologies are some of the key priorities for the sector. With growing sentiment of digital transformation and immense support from the government, the push towards a Digital India, GST implementation will benefit heavily towards the Indian IT Industry. Constant innovation and improving trade sentiments has paved way for a brighter future for the Indian IT industry.

Business

Overview

In 2017, Kellton Tech acquired and has successfully integrated the US-based Lenmar Group of Companies with the Kellton Tech's operations. Lenmar is a IT services and solutions group with a commanding presence in banking and financial services space. The acquisition has honed the Kellton's focus on the next digital frontier of financial technologies. Lenmar will enhance the company's BFSI capability and global footprint to expand its technological and geographical reach. It is well-positioned to tap into synergies emerging from expanded digital technologies arsenal to provide cutting-edge solutions to its new and existing clients.

In 2016, Kellton Tech entered into Europe market and expanded its reach by establishing EMEA headquarter in Ireland. The company is seeing lot of traction in Europe, especially in Ireland and UK. This is the first time where company has ventured into a new geography organically and added few customers here, which include Hawk Safety, Foxtons, Allied Irish Bank, National Health Service (NHS) and Studio Graphene.

Strategy

Kellton Tech has two-fold inorganic growth strategy. It adopts inorganic route either for acquiring capability or to enter new market segment. It looks for prescient acquisition of enterprises with significant strength in a space where it sees a huge wave of future IT transformation. The acquisitions are an integral part of company's strategy which has enabled Kellton Tech to acquire capabilities and become a trusted digital partner of customers. Through this strategy, the company can easily attend its aim to expand its outreach and capitalize the cross – selling opportunities that would emerge organically.

Technology

The digital revolution is fundamentally changing the world. The occurrence of digitization is reaching an inflection point. The effects of an increasingly digitized world are now reaching into every corner of our lives because three forces – increased consumers adoption to the digital environment, disruptive technology and economic benefits – are powerfully reinforcing one another. The increasing need to improve customer experience and business sustainability has fueled the growth of digitization. Digitization helps an organization reduce costs and improve business productivity.

Digitization is disrupting business as never seen before. According to Gartner, 75% of the business will be a digital business or will be preparing to become digital by 2020. Kellton Tech's early mover advantage in



digital transformation affords it a unique depth of expertise in Internet of Things (IoT), Artificial Intelligence, Analytics & Big Data, Chatbots & Blockchain among other technologies fueling the innovation engine. Kellton Tech is expecting huge opportunities with companies looking for enterprise digital transformation, given its forecast of mass adoption in the very near future.

Kellton Tech has built several IPs that push the envelope of technology further, redefining the way in which business processes operate. These push enterprises in advanced world to unprecedented levels of digitization, even as they are primed to function in the heat and dust of developing economies through cutting-edge, cost-efficient innovations.

In FY17, Digital Transformation Business contributed ~55% of total revenue, while Enterprise applications accounted for 26%. The recent transformational project executed by Kellton Tech was for India's leading digital payments and wallet provider, India's largest airline, and a multinational insurance giant, helping them usher a revolution in digital payments scenario. With technology partners such as Mulesoft, Software AG, Microsoft Azure, SAP, IBM and IBM Watson to help in its growth strategy, Kellton Tech is very well positioned to grasp similar opportunities.

Kellton Tech foresaw the rise of digital technologies ahead of the curve and invested in building the requisite expertise well before it appeared on the horizon. Its sharp focus on I-SMAC (Internet of Things, Social, Media, Analytics, cloud) has enabled it to consolidate its hold in this market. Kellton Tech powers 30% of the \$21 billion eCommerce market in India through its clients.

Outlook

Over a period of time, the company has rightly strengthened its digital capabilities driven by two fold inorganic strategy. The company has invested significantly in building its expertise in various technologies and has achieved the right mix of traditional and IP-based digital capabilities. Now it is right time to reap the fruits and grow at a higher rate from hereon. Kellton Tech is well poised to gallop the digital wave and capitalize on the new opportunities globally.

Risks and Concerns

With digital transformation becoming a strong trend, many companies have jumped the bandwagon. Brand differentiation has become a critical factor, further compounded by near-identical offerings by many such new-entrants.

Commodization continues to erode traditional software margins, bolstered by innovative uptakes of emerging technologies. Many enterprises still seem affected by digital inertia and seem unwilling to do what it takes to futurize their business. For many, the way to future profit is paved with heavy losses in the present.

It is a testimony to Kellton Tech's resilience that not only has it withstood these tough conditions, but in fact has emerged stronger in the process. In terms of awards and recognitions, new client wins and continued rapid growth, it appears as if Kellton Tech is an outlier to the general market trends.

Kellton Tech's expertise-edge comes from its unwillingness to rest on past laurels, disdain for status-quo, and relentless push towards innovation. Even as mobility has been mainstreamed, Kellton Tech has upped the game and dived into future. Its present focus is in the technology of tomorrow like Artificial Intelligence, Cognitive Solutions, Blockchain, Big Data, Analytics, Cloud, Chatbots, Internet of Things among others.

Further, as a global leader in digital transformation, Kellton Tech considers it an essential part of its duty to educate enterprises about reimagining and reinventing the way business is done. A significant enabler of our success is our ability to put customer at the center of the technology offering, rather than a periphery of product experience. This unique blend of vision and capability puts Kellton Tech in a league of its own.



Discussion on financial performance with respect to operational performance

During the year under review, your company has earned an income of Rs. 615.74 crores and net profit of Rs. 53.8 crores. The growth was led by Lenmar consulting firm acquired by Kellton Tech in FY17. The Lenmar Consulting clocked revenues of ~\$11 million in FY17 with 10% EBITDA. It has 100 employees which serves 20 clients in BFSI space. The acquisition is an all-cash deal with both EPS and EBITDA accretive. Apart from the head office in the US, it has a back-office in Pune. The acquisition is in line with the company's growth philosophy. It is successfully integrated with the Kellton Tech operation.

Material Developments in Human Resources

As a global leader in digital transformation, Kellton Tech is deeply aware of the fact that that any task that is repetitive becomes an apt candidate for automation. Therefore, much of what the employees do is focused on what machines cannot.

This nurturing of creative and entrepreneurial spirit in the employees and an enabling work culture that promotes continuous improvement and innovation makes Kellton Tech uniquely-qualified in today's competitive landscape. The continuous training sessions help employees to be in lock-step with emerging technologies and enables Kellton Tech to be distinctly ahead of the competition.

The employee-centricity has been recognized directly (named in The CEO Magazine's "**Best Places to Work**"), though its indirect impact is all pervasive and perceivable too. At a time when market is rife with challenging scenarios, Kellton Tech's trend-defying string of achievements is a tribute to its indefatigable efforts and indomitable spirit.





CORPORATE INFORMATION

BOARD OF DIRECTORS

1.	Mr. Niranjan Chintam	-	Chairman & Whole-Time Director
2.	Mr. Krishna Chintam	-	Managing Director
3.	Mr. Karanjit Singh	-	Chief Executive Officer (Whole Time Director)
4.	Mr. Srinivas Potluri	-	Non-Executive Director
5.	Mr. Rajendra Vithal Naniwadekar	-	Independent, Non-Executive Director
6.	Mr. Brijmohan Venkata Mandala	-	Independent, Non-Executive Director
7.	Ms. Kunda Kalpana	-	Additional Director (Independent)
8.	Mr. P V V Srinivasa Rao	-	Director (Independent)

KEY MANAGERIAL PERSONNEL

Mr. Krishna Chintam	Managing Director
Mr. Niranjan Chintam	Chief Financial Officer
Mr. Karanjit Singh	Chief Executive Officer
Ms. Pawni Bhawe	Company Secretary

COMMITTEES OF THE BOARD

Audit Committee

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

Nomination & Remuneration Committee cum Compensation Committee

Name	Category of Director	Designation
Mr. Rajendra Vithal Naniwadekar	Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. Srinivas Potluri	Non-Executive Director	Member

Stakeholders Relationship Committee

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

Corporate Social Responsibility Committee

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



Risk Management Committee

Name	Category of Director	Designation
Mr. Rajendra Vithal Naniwadekar	Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. Niranjana Chintam	Executive Director	Member

Securities Issuance Committee

Name	Category of Director	Designation
Mr. Niranjana Chintam	Executive Director	Chairman
Mr. Krishna Chintam	Executive Director	Member
Mr. Rajendra Vithal Naniwadekar	Non-Executive Independent Director	Member

CORPORATE IDENTITY NUMBER : L72200TG1993PLC016819

CORPORATE OFFICE

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

STATUTORY AUDITORS

M/s. Mahesh, Virender & Sriram
Chartered Accountants,
6-3-788/36&37A,
Durganagar Colony, Ameerpet
Hyderabad – 500 040, Telangana
Email Id: mvshyd@yahoo.com
Tel No.: 040-23401738

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

BANKERS

Axis Bank | Corporate Banking Branch , Hyderabad
Standard Chartered Bank | Jubilee Hills Branch
HDFC Bank | Khairatabad Branch, Hyderabad
Karur Vysya Bank | Secunderbad – Branch
IndusInd Bank | Secunderbad – Branch

REGISTERED OFFICE

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

INTERNAL AUDITOR

Mr. Kiran Yeturu

SECRETARIAL AUDITOR

Mr. Manoj Kumar Koyalkar,
Practicing Company Secretary

WEBSITE

www.kelltontech.com

COMPLIANCE OFFICER

Ms. Pawni Bhawe
Company Secretary



IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of the notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the following addresses.

CORPORATE OFFICE	SHARE TRANSFER AGENTS & DEMAT REGISTRARS
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	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
SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with photocopy of both sides of PAN card, duly attested to the Demat Registrar and Share Transfer Agent of the Company, M/s XL Softech System Limited as above.	



NOTICE OF 23RD ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the members of Kellton Tech Solutions Limited will be held on Wednesday, September 27th, 2017 at 11.00 a.m at Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:

- The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, the Report of the Board of Directors and the Report of the Auditors thereon; and
- The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the Report of the Auditors thereon.

2. To appoint a director in place of Mr. Karanjit Singh (DIN: 06898258), who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a director in place of Mr. Krishna Chintam (DIN: 01658145), who retires by rotation and being eligible offers himself for re-appointment.

4. To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and as approved by the Board of Directors, the approval of members of the Company be and is hereby accorded for appointment of M/s. Sastri & Shah, Chartered Accountants (Firm Registration No. 003642S) as the Statutory Auditors of the Company, in place of the retiring auditors M/s. Mahesh Virender & Sriram, Chartered Accountants, to hold office from conclusion of this meeting till the conclusion of the 28th Annual General Meeting, for a period of five (5) years, and subject to ratification by members at every subsequent Annual General Meeting, at such remuneration as may be fixed by the Audit Committee and Board of Directors of the Company.”.

SPECIAL BUSINESS:

5. Appointment of Ms. Kunda Kalpana as Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Ms. Kunda Kalpana (DIN 07328517), who was appointed as an Additional Director of the Company with effect from March 7th, 2017 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a member, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company.”



6. Appointment of Ms. Kunda Kalpana as an Independent Director

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under (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, Ms.Kunda Kalpana (holding DIN 07328517), a 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, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 07.03.2017, not liable to retire by rotation."

7. Further issuance of securities

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

"RESOLVED THAT pursuant to the provisions of Sections 42 and 62(1)(c) read with the rules and regulations made thereunder and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) ("Companies Act"), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment, modification, variation or re-enactment thereof) ("ICDR Regulations") and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the ICDR Regulations, the applicable equity listing agreements entered into by the Company with the stock exchange(s) where the equity shares of the Company of face value of Rs. 5 each ("Equity Shares") are listed or are currently proposed to be listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/ or re-enactment thereof ("FEMA") and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident outside India) Regulations, 2000 including any amendments, statutory modification(s) and/ or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended ("FCCB Scheme") and the Depository Receipts Scheme, 2014 ("GDR Scheme") and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India ("GOI"), Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India ("RBI"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges"), the Securities and Exchange Board of India ("SEBI"), and/ or any other regulatory/ statutory authorities, in India or abroad from time to time, to the extent applicable and subject to the consents and approvals of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution), the Company be and is hereby authorised to offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, for such part of issue and for such categories of persons as may be permitted) such number of Equity Shares, global depository receipts ("GDRs"), American depository receipts ("ADRs"), foreign currency convertible bonds ("FCCBs") and/ or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or convertible preference shares or any security convertible into Equity Shares (hereinafter referred to as "Securities"), or any combination thereof, in one or more tranches, in the course of Indian and / or international offering(s) in one or more foreign markets, for cash, at such price or prices, at market price(s) or at a discount, as may be permissible under applicable law or premium to market price(s) in terms of the applicable regulations and as permitted under the applicable laws, in such



manner in consultation with the merchant banker(s) and/ or other advisor(s) or otherwise, for an aggregate amount up to Rs. 175 crores (Rupees One Hundred and seventy five crores only) by way of a public issue or a private placement, including a qualified institutions placement ("QIP") in accordance with the provisions of Chapter VIII of the ICDR Regulations, to such investors that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers ("QIBs") as defined in the ICDR Regulations, document(s), whether or not such investors are members of the Company, to all or any of them, jointly or severally through an offer/placement document and/or other letter or circular ("Offering Circular") as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at a price not less than the price calculated as per the applicable pricing formulae and as may be permitted by the relevant regulatory/ statutory authority, together with any amendments and modifications thereto, but without requiring any further approval or consent from the shareholders."

"RESOLVED FURTHER THAT the Securities proposed to be issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and other applicable law.

"RESOLVED FURTHER THAT the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board decides to open the issue of such Securities, subsequent to the receipt of shareholders' approval in terms of the Companies Act, the ICDR Regulations, the FCCB Scheme, the GDR Scheme and other applicable laws, regulations and guidelines. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing of such securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares."

"RESOLVED FURTHER THAT price determined for a QIP shall be subject to appropriate adjustments as per the provisions of Regulation 85(4) the ICDR Regulations, if required."

"RESOLVED FURTHER THAT in the event the proposed issuance of Securities ("Issue") is undertaken by way of a QIP, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to QIBs, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 (twelve) months from the date of this resolution, approving the QIP or such other time as may be allowed under the ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Securities shall not be eligible to be sold by the allottees pursuant to the QIP for a period of 12 (twelve) months from the date of allotment, except on a recognized stock exchange, or as may be permitted from time to time under the ICDR Regulations. Furthermore, the Board may, at its absolute discretion, issue Securities at such discount to the floor price as determined in accordance with the ICDR Regulations."

"RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company may issue ADRs or GDRs representing the underlying Equity Shares or other securities issued by the Company, in registered form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international markets including filing any registration statement and any amendment thereto with the respective regulatory authorities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the proposed offering; and all such Equity Shares shall rank pari-passu with the existing Equity Shares of the Company in all respects and the Board is further authorized to execute necessary documents for the purpose of listing the Equity Shares on the Stock Exchanges."



"RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed. Furthermore, the Board is hereby authorized to enter into and execute all such arrangements/ agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of the Securities and to remunerate all such agencies including payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges in India and/or overseas as the case may be."

"RESOLVED FURTHER THAT a duly constituted committee of the Board of Directors be and are hereby authorized to do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, including authorizing any director(s) or officer(s) of the Company to sign offer documents, execute any necessary documents, agreements, forms, deeds, appoint of intermediaries, open and close the period of subscription of the Issue, determine the issue price in respect of the Securities, file any necessary forms with regulatory authorities and allot the Securities and to amend, vary or modify any of the above as such committee of the Board of Directors or such authorised persons may consider necessary, desirable or expedient."

"RESOLVED FURTHER THAT any Director of the Company and the Company Secretary, be and are hereby severally authorised to file/ submit such application(s) to RBI and/or SEBI and/ or stock exchanges and/or such other regulatory/statutory authorities, as may be required, for intimating/ seeking their approval in respect of the Issue, to sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, and to do all such acts, deeds, matters and things and execute such papers, deeds and documents as may be necessary or expedient for the aforesaid purpose.

8. Variation of Employees Stock Option Scheme of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") the applicable Rules framed thereunder, including, any amendment thereto or re-enactment thereof and in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and such other regulations, guidelines, circulars and notifications issued thereunder including any amendment thereto or re-enactment thereof and subject to such other approvals, consents, permissions and/or sanctions as may be required from any appropriate regulatory or statutory authority/institution or body and subject to such terms and conditions as may be prescribed/imposed by any of them, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including Nomination & Remuneration Cum Compensation Committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), the consent of the members of the Company be and is hereby accorded for amending the 'Kellton Tech Solutions Limited Employee Stock Option Scheme 2013' (hereinafter referred to as the "Employee Stock Option Scheme 2013" or the "Scheme") which was approved by the Members at the 19th Annual General Meeting General Meeting of the Company held on 27 day of December, 2013, further amended at the 22nd Annual General Meeting of the Company held on Monday the 26 th September, 2016 and as further amended by the Nomination Remuneration cum Compensation Committee, as per the details set out in the Explanatory Statement annexed to the Notice convening this Meeting."



"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination & Remuneration Cum Compensation Committee or any other Committee of the Board of Directors constituted by the Board, to exercise its powers including powers conferred by this Resolution), be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the implementation and formulation of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

"RESOLVED FURTHER THAT it is hereby noted that the amendments to the Scheme are not prejudicial to the interests of the option holders."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Act and any Guidelines, Rules or Regulations that may be issued by any regulatory/statutory authority, as applicable."

"RESOLVED FURTHER THAT the Board, the Chief Financial Officer and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above."

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Place : Hyderabad
Date : 01/09/2017

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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 3.** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.
Proxies in order to be effective must be received by the Company at its registered office not later than 48 (forty-eight) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.
A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
- 4.** Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
- 5.** Members are requested to bring the Attendance Slip duly filled in and signed mentioning therein details of their DP ID and Client ID/ Folio No., which is enclosed herewith, and hand over the same at the entrance of AGM venue.
- 6.** Members who hold shares in dematerialised form are requested to bring their depository account Number (Client Id and DP Id No) for easier identification and recording of the attendance at the meeting.
- 7.** In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- 8.** Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting
- 9.** Members/Proxies are requested to bring their copies of Annual Report to the meeting. As an austerity measure, copies of Annual Report will not be distributed at the meeting. Members may also note that the Notice of the 23rd AGM and the Annual Report for 2016-2017 will also be available on the Company's website www.kelltontech.com for download.
- 10.** Members desirous of seeking any information on the accounts or operations of the company are requested to write to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.



11. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

12. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar & Share Transfer Agent, M/s XL Softech System Limited. Members holding shares in electronic form must send the advice about the change of address to their respective Depository Participants (DPs) and not to the Company. Non-resident Indian shareholders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.

13. Members holding shares under multiple folios are requested to consolidate their holdings, if the shares are held in the same name or in the same order of names.

14. 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.

15. Relevant Documents referred to in the accompanying notice and the Explanatory Statement is open for inspection at the registered office of the company on all working days during the business hours up to the date of the Annual General Meeting.

16. In terms of Section 160, any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of Rs.1,00,000 (Rupees One Lakh).

17. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with their respective Depository Participants. Members who hold shares in physical form are requested to fill and send the required details to the Registrar and Share Transfer Agent, M/s. M/s XL Softech System Limited at 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034, Telangana.

18. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

19. Members holding shares in the company and who have not registered their mail id with the company or the depository and wish to avail e-voting may write to the registrar or the company quoting their client id/ folio no and DP id so as to send the password for e-voting. Hard copy of the ballot paper will be provided at the venue of the AGM for those members who have not exercised their e-voting.



20. Pursuant to prohibition imposed vide Secretarial Standards on General Meetings (SS-2) issued by ICSI and the MCA Circular, no gifts shall be distributed at the meeting.

21. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

22. Voting through electronic means :

In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2016 and all other applicable provisions, shareholders are provided with the facility to cast their vote electronically, through the Remote e-voting services provided by CDSL, in respect of all resolutions set forth in this Notice.

The Company is also providing the facility for voting by way of physical ballot at the Annual General Meeting. Ms. Kritika Sharma, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the Ballot process at the Annual General Meeting in a fair and transparent manner.

The facility for voting through ballot paper shall be made available at AGM and members attending the meeting and who have not cast their vote by remote e- voting shall be able to exercise their right at the meeting through the ballot paper.

Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

A person whose name is recorded in the registrar of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e, 19.09.2017 only shall be entitled to avail the facility of remote e-voting.

1. Voting through electronic means :

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to the members to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote E-Voting platform provided by CDSL.

The instructions for Remote E-Voting are as under:

i. The voting period begins at 9 A.M. on 24.09.2017 and ends at 5 P.M. on 26.09.2017 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 19.09.2017, (End of Day) may cast their vote electronically. The Remote E-Voting module shall be disabled by CDSL for voting thereafter.



ii. The shareholders should log on to the Remote E-Voting website www.evotingindia.com during the voting period.

iii. Click on the "Shareholders" tab.

iv. Now select the "KELLTON TECH SOLUTIONS LIMITED" from the drop down menu and click on "SUBMIT".

v. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

viii. If you are a first time user follow the steps given below:

ix. For Members holding shares in Demat Form and Physical Form
PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

- The respective sequence number will be printed on the address sticker of the annual report cover sent to the shareholders

DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

x. After entering these details appropriately, click on "SUBMIT" tab.

xi. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 Remote 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.

xii. For Members holding shares in physical form, the details can be used only for Remote E-Voting on the resolutions contained in this notice.

xiii. Click on EVSN of KELLTON TECH SOLUTIONS LIMITED



xiv. 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.

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

xvi. 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.

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

xviii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xix. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xx. Note for Institutional Shareholders

a. Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evoting.co.in> and register themselves as Corporates.

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

c. After receiving the login details they have to create 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.

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

e. 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.

xxi. In case you have any queries or issues regarding, you may refer the Frequently Asked Questions ("FAQ's") and Remote E-Voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

II. The Scrutinizer Ms. Kritika Sharma, Practicing Company Secretary., Hyderabad shall within a period not exceeding three (3) working days from the conclusion of the Remote E-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

III. The results shall be declared on or before the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website www.kelltontech.com and on the website of XL Softech System Limited. Within two (2) days of passing of the resolutions at the AGM of the Company and be communicated to the Stock Exchanges.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 :

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 5 , 6, 7 & 8 of the accompanying Notice dated 01.09.2017

Item No: 5

Ms. Kunda Kalpana, was appointed as an Additional Director of the Company with effect from March 7th, 2017 by the Board of Directors under Section 161, 149 (1) of the Act.

In terms of Section 161(1) of the Act, Ms. Kunda Kalpana holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a member, signifying intention to propose Ms. Kunda Kalpana as a Director.

The Directors are of the view that the appointment of Ms. Kunda Kalpana, as Director will be beneficial to the operations of the Company and hence said resolution being placed before the members for their approval.

Except Ms. Kunda Kalpana, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

Item No: 6

Ms. Kunda Kalpana, being eligible and offers herself for appointment as Independent Director of the Company, It is proposed that Ms. Kunda Kalpana, be appointed as Independent Director of the Company for a period of five (5) consecutive years commencing from 07.03.2017.

Except Ms. Kunda Kalpana, none of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 respectively of the Notice.

Your Board recommends the resolution at set out in Item No.5 and 6 for approval of the members as Ordinary resolution.

Item No: 7

Members may note that this special resolution is to enable the Company to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds ("FCCBs"), and/or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/or convertible preference shares or any security convertible into Equity Shares and such other securities as stated in the resolution ("Securities") or any combination thereof, by way of a public issue or a private placement, including by way of a qualified institutions placement ("QIP") in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), in one or more tranches, at such price as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed.



This special resolution is an enabling resolution and therefore the proposal seeks to confer upon the Board (including a committee thereof) the absolute discretion to determine the terms of the aforementioned issuance of Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements. The detailed terms and conditions of such issuance will be determined by the Board or a committee thereof, in consultation with the advisors, lead managers and such other authorities as may be required, considering prevailing market conditions, practices and in accordance with the applicable provisions of law.

This special resolution enables the Company to issue Securities for an aggregate amount not exceeding Rs. 175 Crores (Rupees One Hundred and Seventy Five crores only) or its equivalent in any other foreign currencies.

In the event such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 12 months from passing this resolution.

The proceeds of such issuance of Securities shall be utilised to meet, amongst other things, capital expenditure of the Company and any of its subsidiaries, including any acquisition opportunities, working capital requirements of the Company and general corporate purposes.

In the event that the issuance of the Securities is undertaken by way of a QIP, the pricing shall be subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ("QIP Floor Price").

Provided that, the Company may offer a discount of not more than 5% or such other percentage, as may be permitted, on the QIP Floor Price, calculated in accordance with the SEBI ICDR Regulations.

Alternatively, issuances of FCCBs or ADRs / GDRs shall be subject to pricing requirements prescribed under the FCCB Scheme or GDR Scheme, as applicable.

The "relevant date" for the purpose of pricing the Securities shall be the meeting in which the Board or a committee thereof decides to open the issue of such Securities, subsequent to the receipt of this shareholders' approval in terms of the Companies Act, the ICDR Regulations, the FCCB Scheme, the GDR Scheme and other applicable laws, regulations and guidelines. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing of such securities shall be either the date of the meeting in which the Board or a committee thereof decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares."

As the issuance of Securities may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 42 and 62(1) and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the equity listing agreement entered into by the Company with the stock exchanges where the Equity Shares of the Company are listed, and are proposed to be listed, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

The Board believes that the proposed offering is in the interest of the Company and therefore recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.



None of the Directors and Key Managerial Personnel of the Company or their respective relatives is directly or indirectly concerned or interested in this Resolution

Item No: 8

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 sets out all material facts relating to the businesses mentioned under Item Nos. 8 of the accompanying Notice dated 01/09/2017

Kellton Tech Solutions Limited ("Company") had introduced the Kellton Tech Solutions Limited Employee Stock Option Scheme ("Scheme"), with effect from 27th December, 2013. The objective of the Scheme was to facilitate employee participation in the ownership of the Company by offering Equity Shares of the Company to Eligible Employees of Kellton Tech Solutions Limited and its Subsidiaries. The Nomination and Remuneration Cum Compensation Committee of the Board has amended the Scheme by the revising of Clause 10.2 pertaining to the vesting period for the employees with the following ie the vesting period shall be decided by the Nomination and Remuneration cum Compensation Committee as per the performance of the employee, in order to make the scheme performance linked and oriented, pursuant to the authority granted by the members of the Company at its Meeting held on 27th December, 2013.

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 provides that the Company may vary, by way of a Special Resolution, the terms of the Employees Stock Options not yet exercised by the employees provided that such variation is not prejudicial to the interests of the option holders.

Pursuant to the recommendation of the Members of the Nomination Remuneration cum Compensation Committee at its Meeting held on August 31st, 2017, the Board of Directors of the Company approved the amendments to the Scheme, by way of a Resolution passed at their meeting held on September 1st, 2017 subject to the approval of the members. The Board of Directors of the Company is of the view that the amendments to the Scheme are not prejudicial to the interests of the option holders. The amendments to the scheme shall be applicable to the eligible employees of the company including its subsidiary Companies.

A comparative statement of the clauses of the Scheme which are proposed to be amended is as given below. A copy of the existing Scheme would be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day (except Saturday and Sunday). The above changes will be applicable to all existing and future 'Eligible Employees' as defined in the Scheme, including the Eligible Employees of the subsidiary companies and the holding company. The approval of the Members is being sought by way of a Special Resolution under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, for the amendment of the existing Scheme. The Directors recommend the Resolution at Item No. 8 of the accompanying Notice, for the approval of the Members of the Company.

The Directors (excluding Independent Directors) or Key Managerial Persons of the Company may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted / may be granted to them.

None of the relatives of the Directors of the Company or of the Key Managerial Personnel of the Company are concerned or interested in the passing of the Resolution at Item No. 8.



Disclosure in accordance with Regulation 6 of (Share Based Employee Benefits) Regulations, 2014

1.	Brief Description of Scheme:	The Scheme is termed as the Kellton Tech Solutions Limited Employees Stock Option Scheme, 2013. The Company has structured the scheme for its employees and for employees of its subsidiaries with a purpose of rewarding and motivating the employees for high levels of individual performance of the Company, which will ultimately contribute to the success of the company.
2.	Total no: of options granted	2,733,500
3.	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s);	As per the terms of scheme and as decided by the Nomination and Remuneration cum Compensation Committee
4.	Requirements of vesting and period of vesting	There shall be a minimum vesting period of one year and the maximum vesting period as per the amendment shall be decided by the Nomination and Remuneration cum Compensation Committee based on the performance of the employee and the same may vary from an employee to another employee.
5.	maximum period within which the options shall be vested;	12-60 months
6.	exercise price, or pricing formula;	There are multiple exercise prices which are decided as per the price of the shares on the stock exchanges on the date of granting.
7.	exercise period and process of exercise	3 years
8.	the process for determining the eligibility of employees for the scheme(s)	The eligibility of the employee is decided on the basis of performance, tenure, contribution to the organization and in accordance with ESOP Scheme 2013 as decided by the Nomination and Remuneration cum Compensation Committee
9.	maximum number of options, to be issued per employee and in aggregate;	1% of the issued equity capital of the Company as per the original terms of Scheme and as amended at the 22nd AGM
10.	maximum quantum of benefits to be provided per employee under a scheme(s);	1% of the issued equity capital of the Company as per the original terms of Scheme and as amended at the 22nd AGM
11.	whether the scheme(s) is to be implemented and administered directly by the company or through a trust :	By the Company
12.	whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;	New issue of shares
13.	the method which the company shall use to value its options	With the introduction of IND-AS, the company shall follow Fair Value Method for the valuation of shares to be granted under ESOP, Scheme, 2013

The Company conforms to comply with the accounting policies specified in regulation 15



Clause 10. 2 as given in the original ESOP Scheme, 2013

10.2 There shall be a minimum period of one year between the grant of options and vesting of option. Subject to Participant's continuing the employment with the Company and Clause 9, the options granted to an employee shall vest in him or her after the immediate next date of succeeding calendar years on which the decision for grant of option was taken by the Committee in different grades. The vesting schedule in the grant letter details this information of each employee separately.

Amendment to Clause 10.2

There shall be a minimum period of one year between the grant of options and vesting of option. Subject to Participant's continuing the employment with the Company and Clause 9, the options granted to an employee shall vest in him or her as per the decision of the Nomination and Remuneration cum Compensation Committee which shall be based on the performance of the employee in different grades. The vesting schedule in the grant letter details this information of each employee separately.

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Place : Hyderabad

Date : 01/09/2017

Registered Office

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



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 23rd Annual Report on the business and operations of your company for the financial year ended March 31st, 2017.

Financial Results

The standalone financial performance of the Company for the financial year ended March 31, 2017 is summarized below :

Standalone

(Rs. in Lacs)

Particulars	2016-17	2015-16
Revenue from operations	7649.69	4877.79
Other Income	15.73	33.85
Total Revenue	7665.43	4911.64
Total Expenditure	6392.47	4001.72
Profit/(Loss) before taxes	1272.95	909.93
Tax Expense/(Benefit)	432.36	236.94
Profit/(Loss) after Tax	840.59	672.99
Earnings per equity shares in Rs.	1.79	1.51

Consolidated

Particulars	2016-17	2015-16
Revenue from operations	61476.98	35868.04
Other Income	97.53	97.99
Total Revenue	61574.52	35966.03
Total Expenditure	54350.63	32056.73
Profit/(Loss) before taxes	7223.88	3909.30
Tax Expense/(Benefit)	1848.45	812.01
Profit/(Loss) after Tax	5375.43	3097.29
Earnings per equity shares in Rs.	11.43	6.96

Review of Performance and state of the company's affairs

During the year under review, the overall performance of the Company was reasonable considering to the sector/market conditions.

During the year under review, Members will notice that the gross revenues have increased to Rs. 7665.43 lacs from Rs. 4911.64 lacs, while the Profit before Tax also increased from Rs. 909.93 lacs to Rs. 1272.95 Lacs

The profit after tax also increased to Rs. 840.59 Lacs from Rs. 672.99 Lacs reported in the previous year. The earnings per share is Rs. 1.79 as compared to Rs. 1.51 in the previous year.



The Consolidated revenue of your Company for the year ended 31st March 2017 is Rs. 61574.52, as against previous year revenue of Rs. 35966.03 Lacs. The consolidated Net Profit for the year stood at Rs. 5375.43 as against previous year consolidated net profit of Rs. 3097.29 Lacs.

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

Although your Company has earned profits during the year, the Board of Directors have decided to plough back the Profits into the Company. Therefore, your Directors have not recommended any dividend for the financial year 2016-17.

There were no transfers to Reserves during the financial year 2016-17.

Share Capital

The Authorized Share Capital of the Company stands at Rs. 31,00,00,000/- (Rupees Thirty One Crore only) divided into 6,20,00,000 (Six Crore Twenty Lac) Equity Shares of Rs. 5/- (Rupees Five) each.

The Paid up Share Capital has increased to Rs. 23,57,22,865/- (Rupees Twenty Three Crore Fifty Seven Lac Twenty Two Thousand Eight Hundred and Sixty Five) divided into 4,71,44,573 (Four Crore Seventy One Lac Forty Four Thousand Five Hundred and Seventy Three)equity shares of Rs. 5/- each.

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 has 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,2017 is as follows :

S.NO	Particulars	Description
1.	Date of Share holder's approval	27/12/2013
	Total number of options granted	2527500
	Vesting requirements	3 Years
	The pricing formula	Closing price of equity shares on the stock exchange where the shares are listed from vesting date
	Maximum term of options granted	Employees to exercise options within 3 years
	Source of shares	Primary
	Method used to account for ESOS	Fair Value



Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	2026672
Number of options granted during the year	153000
Number of options forfeited / lapsed during the year	50000
Number of options vested during the year	830140
Number of options exercised during the year	318313
Number of shares arising as a result of exercise of options	318313
Money realized by exercise of options (INR), if scheme is implemented directly by the company	11037038
Loan repaid by the Trust during the year from exercise price received	Nil
Number of options outstanding at the end of the year	1811359
Number of options exercisable at the end of the year	621328

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

Listing

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited..

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to NSE and BSE where the Company's Shares are listed.

Directors & its board meetings:

The Board of directors of your company is duly constituted.

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. Karanjit Singh and Mr. Krishna Chintam, Directors, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offered themselves for re-appointment.

Mr. Krishna Chintam who was appointed as the Managing Director of the Company on 09.04.2015 for a period of three years is liable to retire by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

Mr. Karanjit Singh, who was appointed on 30.03.2015 as the Director of the Company is also liable to retire by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

Ms. Kunda Kalpana was appointed as an Additional Independent Director of the Company with effect from March 7th, 2017 respectively, who being eligible for appointment and in respect of whom the Company has



received a notice in writing under Section 160(1) of the Act, from members proposing their candidature for the office of Director.

Appropriate resolutions for the appointment/ re-appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their appointment/reappointment as Directors of your Company.

Resignation by Director:

During the year Ms. Jhansi Lakshmi Gorla has resigned from the position of Independent Director of the Company. She tendered her resignation letter on March 7th, 2017 which was accepted by the Board of Directors at a duly convened meeting.

Number of meetings of the board:

Twenty Three Board Meetings were held on 11.04.2016, 28.04.2016, 16.05.2016, 30.05.2016, 08.06.2016, 16.06.2016, 11.07.2016, 01.08.2016, 06.08.2016, 02.09.2016, 26.09.2016, 01.11.2016, 17.11.2016, 16.12.2016, 05.01.2017, 03.02.2017, 07.02.2017, 14.02.2017, 20.02.2017, 02.03.2017, 07.03.2017, 14.03.2017 and 27.03.2017 during the year ended on 31st March 2017. The gap between any two Board Meetings is within the period prescribed by the Companies Act, 2013 and Listing Agreement.

Declarations by Independent Directors:

The Company has received declarations from the Independent Director under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

Board evaluation and assessment;

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.

Familiarisation Programme for Independent Directors

The Company shall through its Senior Managerial personnel familiarise 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.

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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors 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 as at 31st March, 2017 and of the profit/loss of the Company for that year;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were 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 along with a certificate from a Practicing Company Secretary regarding its compliance is annexed and forms part of this Report. 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.

Subsidiary Companies

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

Name of the Entity	Status
Kellton Dbydx Software Private Limited	Wholly Owned Subsidiary
Kellton Tech Inc	Wholly Owned Subsidiary
Kellton Tech Solutions Inc	Wholly Owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly Owned Subsidiary
Kellton Tech Solutions Pte. Ltd.	Wholly Owned Subsidiary
Evantage Solutions Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Supremesoft Global Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Vivos Professionals LLS	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)
Cyberworld Solutions Inc	Step Down Subsidiary (Wholly owned subsidiary of Prosoft Technology Group)
Intellipeople 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)
Bokanyi Consulting, Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Lenmar Consulting, Inc.	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
SID Computer Group, Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Talent Partners, Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)



Consolidation of Accounts

In accordance with Regulation 34(2) of the listing agreement and in compliance with the provisions of companies act 2013 and the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting standard AS-23 on Accounting for Investments in Associates and Accounting Standard AS-27 on Financial Reporting of Interests in Joint Ventures, your Directors have pleasure in attaching the Consolidated Financial Statements as part of the Annual Report.

A statement containing brief financial details of the subsidiaries for the financial year ended March 31, 2017 is annexed. 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.

Statutory Auditors

M/s. Mahesh, Virender & Sriram, Chartered Accountants, Hyderabad, the auditors of the Company have completed their term under section 139(2) of the Companies Act, 2013 and therefore Directors have recommended the appointment of M/s Sastri & Shah, Chartered Accountants, Hyderabad, as Statutory Auditors of the Company .

M/s. Sastri & Shah confirmed their eligibility under Section 139(1) of the Companies Act, 2013

The Audit Committee and the Board recommends the appointment of M/s. Sastri & Shah, Chartered Accountants as statutory Auditors of the company.

Management Replies To Auditors Report – Standalone And Consolidated Financial Reports:

With reference to the auditor's comment on non-payment of Rs. 4.28 Cores of Outstanding Income-tax deducted at Source and Rs. 2.38 Crores of Service Tax for more than six months, the management would like to clarify that the above mentioned amounts have been paid since.

Business Responsibility Report (BRR)

Securities Exchange Board of India (SEBI) vide circular CIR/CFD/DIL/8/2012 dated August 13, 2012 has mandated the inclusion of BRR as part of the Annual Report for the top 100 listed entities based on their market capitalization on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd as at 31 March 2012. In view of the requirements specified, the company is not mandated for the providing the BRR and hence do not form part of this Report.

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.

In collaboration with Aashritha Samaj, it has sponsored the education of many children with single parent.



In healthcare, it has worked closely with Deep Trust and donated a generous amount towards disease-eradication by educating people on prevention.

Through REACH OUT initiative, the Gurgaon-based employees helped poor families stranded in the icy North cold wave by handing them woollen blankets. This has been an ongoing commitment from Gurgaon office and by dint of their efforts they have been able to make some lives happier and filled with warmth. 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 – VII and link to the CSR policy is available at the website www.kelltontech.com.

Particulars of Loans, Guarantees and Investments

Details of loans and guarantees given and investments made under Section 186 of the Act are provided in the Notes to the Financial Statements.

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.

Secretarial Audit Report

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the company is required to obtain Secretarial Audit Report from Practising Company Secretary. Mr. Manoj Kumar Koyalkar, Practising company secretary was appointed to issue Secretarial Audit Report for the financial year 2016-17

Secretarial Audit Report issued by Mr. Manoj Kumar Koyalkar, Practising company secretary in Form MR-3 for the financial year 2016-17 forms part to this report as '**Annexure – V**'.

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. www.kelltontech.com.

Risk Management Policy

The board of directors has formed a risk management committee to identify, evaluate, mitigate and monitor the risks associated with the business carried by the company. The committee reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals.

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. During the financial year ended 31st March, 2017, 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 the board of directors is hosted on the website of the company viz. www.kelltontech.com.

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

Material changes and commitments, if any, affecting the financial position of the company

There are no material changes and commitments affecting the financial position of the company which occurred between the end of the financial year to which the financial statements relate and the date of the report.

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

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future

Public Deposits

Your Company has not accepted any deposits from the public. As such, there was no principal or interest outstanding on the date of the Balance Sheet.

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 –and forms part of this Report

Extract of the Annual Return

In accordance with Section 134 (3) (a) of the Act, an extract of the Annual Return in the prescribed format is appended as '**Annexure VI**' to this Report.

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 to the Balance Sheet and Profit and Loss Account.

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.

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.

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 of the support and co-operation of the Central and the State Government, bankers, financial institutions, business associates, employees, shareholders, customers, suppliers and alliance partners and seeks their continued patronage in future as well.

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 : 01/09/2017



Details of the Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36 of SEBI(Listing obligations and disclosure Requirements) Regulation, 2015)

Name of Director	Mr. Krishna Chintam
Date of Birth	01.02.1969
Date of Appointment	09.04.2015
Qualification	Graduated from Andhra University with a bachelor's in Electrical and Electronics Engineering. He holds a master's in Electrical Engineering from Virginia Tech, Virginia, US. He pursued MBA from Kellogg School of Business, Northwestern University, Chicago.
Expertise in specific functional areas	Krishna was jointly instrumental in orchestrating Kellton Tech's acquisition strategy that fuelled its inorganic growth and oversaw the organic strengthening of the organization. Krishna is a seasoned serial entrepreneur with over two decades of experience in information technology, marketing, finance, strategy and operational management. He is also a key member in the governing and advisory boards of several organizations in the finance, technology and security domain. His boundless entrepreneurial spirit and innate people skills helped him establish and nurture a series of businesses that were later acquired by global organizations. Under his leadership, these companies' tentacles reached far and wide, and from locally-operated organizations they transformed to global organizations with operations spread across the world. His business acumen also extends to the industries telecom, consulting, federal, and bioinformatics.
List of other companies in which directorship is held as on March 31, 2017	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2017	Nil
Equity Shares held in the Company	571143
Relationship between Directors inter-se	Brother to Mr. Niranjan Chintam

Name of Director	Mr. Karanjit Singh
Date of Birth	17/12/1968
Date of Appointment	16.12.2015
Qualification	He holds a bachelor's degree in electrical and electronics engineering from Andhra University, Vishakhapatnam and a master's degree in industrial engineering from the National Institute of Industrial Engineering, Mumbai.



Expertise in specific functional areas	Karanjit has an experience of working with large enterprises and small and medium sized enterprises on enterprise and consumer internet applications, product development, engineering management, delivery, product management, pre-sales & implementation support and has been responsible for developing and delivering complex, enterprise class software applications
List of other companies in which directorship is held as on March 31, 2017	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2017	Nil
Equity Shares held in the Company	120078
Relationship between Directors inter-se	Nil

Name of Director	Ms. Kunda Kalpana
Date of Birth	28/08/1982
Date of Appointment	07.03.2017
Qualification	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
Expertise in specific functional areas	Kunda Kalpana has been appointed as Additional Director for Kellton Tech Solutions Limited. With 7+ years of experience, she has acquired the technical expertise of Scientific Data Research Analysis and Clinical Data Research Management. Prior to joining Kellton Tech she served as the Vice-President of Clinovva Research Labs Private Limited and acquired teaching experience in Pragathi Women's Degree College
List of other companies in which directorship is held as on March 31, 2017	Tanla Solutions Limited
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2017	Member of Audit Committee for Tanla Solutions Limited
Equity Shares held in the Company	Nil
Relationship between Directors inter-se	Nil

* Directorships and Committee memberships in Kellton Tech Solutions Ltd and its Committees are not included in the aforesaid disclosure. Also directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees, Nomination & Remuneration committee and Stake holders' relationship Committees of only public Companies have been included in the aforesaid tables.



CERTIFICATE BY CEO AND CFO

We, Karanjit Singh, Chief Executive Officer and Niranjan Chintam, Chief Financial Officer of Kellton Tech Solutions Limited certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 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 that 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. We have indicated to the auditors and the Audit committee

i. significant changes in internal control over financial reporting during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. Instances of significant fraud of which we have become aware 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.

For **KELLTON TECH SOLUTIONS LIMITED**

Sd/-

Karanjit Singh
Chief Executive Officer
DIN: 06898258

Sd/-

Niranjan Chintam
Chief Financial Office
DIN: 01658591

Place : Hyderabad

Date : 01/09/2017



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 Solutions Private Limited	Kellton Tech Inc	Kellton Tech Solutions Inc
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1st, 2016 to March 31st, 2017	January 1st, 2016 to December 31st, 2016	January 1st, 2016 to December 31st, 2016
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: USD Exchange Rate: INR 67.12	Reporting Currency: USD Exchange Rate: INR 67.12
4.	Share capital	8,323,765	118,198,320	382,013,480
5.	Reserves & surplus	4,320,819	322,728,025	179,664,601
6.	Total assets	30,650,248	1,381,386,879	2,137,528,153
7.	Total Liabilities	18,005,664	1,058,658,872	1,575,850,072
8.	Investments	-	-	-
9.	Turnover	27,475,405	2,211,705,681	2,826,196,737
10.	Profit before taxation	-4,399,288	160,737,765	168,571,276
11.	Provision for taxation	553,535	27,571,621	56,557,191
12.	Profit after taxation	-4,952,823	133,166,144	112,014,085
13.	Proposed Dividend	-	-	-
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 : Kellton Tech Solutions Pte. Ltd.
- 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
Latest audited Balance Sheet Date	
Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Net worth attributable to shareholding as per latest Audited Balance Sheet	
Profit/Loss for the year i) Considered in Consolidation ii) Not Considered in Consolidation	

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



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)

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
Sreevidya Chintam & Niranjan Chintam Director and relative	Rent Paid for Office Building	Ongoing since 16.07.2014	Rent on monthly basis as per lease deed.	30.06.2014	-
Prosoft Technology Group Inc Step Down Subsidiary	Sale of Services	Ongoing since 01.05.2015	Amount as per monthly invoice raised based on transfer pricing guidelines.	27.04.2015	-
Kellton Tech Limited Wholly Owned Subsidiary	Sale of Services	Ongoing since 01.01.2016	Amount as per monthly invoice raised based on transfer pricing guidelines.	30.12.2015	-

By the order of the Board
For **KELLTON TECH SOLUTIONS LIMITED**

Sd/-
Krishna Chintam
Managing Director
DIN : 01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 01/09/2017

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:

S.No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Niranjana Chintam	6.67
2.	Mr. Krishna Chintam	6.67
3.	Mr. Karan Jit Singh	16.67
4.	Mr. Rajendra Vithal Naniwadekar	Nil
5.	Mr. Brijmohan Venkata Mandala	Nil
6.	Mr. Srinivas Potluri	Nil
7.	Ms. Jhansi Lakshmi Gorla	Nil
8.	Mr. P. Srinivasa Rao	Nil
9.	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

		Percentage increase in remuneration
1.	Mr. Niranjana Chintam	
2.	Mr. Krishna Chintam	Nil
3.	Mr. Karan Jit Singh	Nil
4.	Mr. Rajendra Vithal Naniwadekar	Nil
5.	Mr. Brijmohan Venkata Mandala	Nil
6.	Mr. Srinivas Potluri	Nil
7.	Ms. Jhansi Lakshmi Gorla	Nil
8.	Mr. P. Srinivasa Rao	Nil
9.	Ms. Kunda Kalpana	Nil
10.	Ms. Kishni Trivedi	8%
11.	Ms. Pawni Bhav	Nil

(iii) The number of permanent employees on the rolls of Company; 792

(iv) In the Financial Year 2016-17, there was a decrease of 17.5% 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.



(vii) Average percentile increase 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: 10%

(xi) 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, 2017

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

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 01/09/2017



REPORT ON CORPORATE GOVERNANCE

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. We believe in following best practices to achieve sustainable company growth and exceed our stakeholders expectations.

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, 2017

Category	No. of Directors
Promoter Executive Directors	2 (Two)
Non-promoter Executive Director	1(One)
Non Executive Director Non- Independent Director	1(One)
Non-Executive Independent Directors	4 (Four)
Total	8 (Eight)

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

Name of the Director	Category
Mr. Niranjan Chintam	Chairman & Whole-Time Director (Promoter, Executive)
Mr. Krishna Chintam	Managing Director (Promoter, Executive)
Mr. Rajendra Vithal Naniwadekar	Director (Independent, Non-Executive)
Mr. Brijmohan Venkata Mandala	Director (Independent, Non-Executive)
Mr. Karan Jit Singh	Whole Time Director (Executive)
Mr. Srinivas Potluri	Director (Non-Independent, Non-Executive)
Mr. P V V Srinivasa Rao	Director (Independent, Non-Executive)
Ms. Kunda Kalpana	Additional Director (Independent, Non-Executive)

b) Attendance of each director at the Board meetings held during the year 2016-17 and at the last Annual General Meeting



Name of the Director	Category	Meetings held during the year	Meetings attended	Attendance at Last AGM
Mr. Niranjan Chintam	Chairman & Whole-Time Director (Promoter, Executive)	23	23	Yes
Mr. Krishna Chintam	Managing Director (Promoter, Executive)	23	23	Yes
Mr. Rajendra Vithal Naniwadekar	Independent, Non-Executive	23	23	Yes
Mr. Brijmohan Venkata Mandala	Independent, Non-Executive	23	23	Yes
Mr. Karanjit Singh	Whole Time Director (Executive)	23	21	Yes
Mr. Srinivas Potluri	Non-Independent, Non-Executive	23	09	No
Ms. Jhansi Lakshmi Gorla	Independent, Non-Executive	23	15	No
Mr. P V V Srinivasa Rao	Independent, Non-Executive	23	0	No
Ms. Kunda Kalpana	Additional Director (Independent Non-Executive)	23	01	No

c) No. of other Boards/Board Committees in which the Directors are either Member or Chairman as at March 31, 2017

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. Niranjan Chintam	None	None	None	None
Mr. Krishna Chintam	None	None	None	None
Mr. Rajendra Vithal Naniwadekar	None	None	None	None
Mr. Brijmohan Venkata Mandala	None	None	None	None
Mr. Srinivas Potluri	None	None	None	None
Mr. Karanjit Singh	None	None	None	None
Ms. Jhansi Lakshmi Gorla	None	None	None	None
Ms. Kunda Kalpana	None	1	None	1
Mr. P V V Srinivasa Rao	None	None	None	None

**excludes directorship and membership in KelltonTech solutions Limited, private companies, foreign companies and membership in other committees.*

d) No. of Board Meetings held and dates on which they were held during the year 2016-17



Quarter	Number of Meetings	Date on which meeting held
1st Quarter	Six	11.04.2016 28.04.2016 16.05.2016 30.05.2016 08.06.2016 16.06.2016
2nd Quarter	Five	11.07.2016 01.08.2016 06.08.2016 02.09.2016 26.09.2016
3rd Quarter	Three	01.11.2016 17.11.2016 16.12.2016
4th Quarter	Nine	05.01.2017 03.02.2017 07.02.2017 14.02.2017 20.02.2017 02.03.2017 07.03.2017 14.03.2017 27.03.2017

e) Disclosure of relationships between directors inter-se:

Directors of the company are not related to each other and are independent, except Mr. Nirnanjan Chintam and Mr. Krishna Chintam, who are related as Brothers.

f) Number of shares and convertible instruments held by non-executive director

S.No	Name of the Director	No: of Shares	No: of Convertible Instruments
1.	Rajendra Vithal Naniwadekar	191400	--
2.	Brijmohan Venkata Mandala	100000	--
3.	Srinivas Potluri	100000	--
4.	Jhansi Lakshmi Gorla	Nil	--
5.	PVV Srinivasa Rao	Nil	--
6.	Kunda Kalpana	Nil	--

g) Web link:

The Independent Directors fulfill the criteria of independence as given in Regulation 16(b) of SEBI (LODR) Regulations, 2015 & the Companies Act, 2013 and have given declaration of independence. [http:// www.kelltontech.com/](http://www.kelltontech.com/) website of the company, where details of familiarization programmes imparted to independent directors are disclosed.



Independent Directors Meeting

A meeting of the Independent Directors was held on January 30th, 2017 which was attended by the Independent Directors. The Independent Directors have evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Board. The Board was briefed on the deliberations made at the Independent Directors Meeting.

Board Evaluation

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. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

COMMITTEES OF DIRECTORS

3. AUDIT COMMITTEE

The Audit Committee was constituted in terms of Section 177 of the Companies Act, 2013 and as per the provisions of Regulation 18 of SEBI (LODR) Reg.2015. The Audit Committee consists of a combination of Non Executive Director and Non Executive Independent Directors and assists the Board in fulfilling its overall responsibilities. The Company Secretary acts as the Secretary of the Committee. All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and they also possess sound knowledge of Finance and accounting practices and have related management expertise by virtue of their experience and background.

i) Brief description of terms of reference

The terms of reference of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report



5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Vigil mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and as per the role of committee specified under Part C of Schedule II.

Explanation

(i) : The term "related party transactions" shall have the same meaning as provided in Regulation 23 of SEBI (LODR) Regulations, 2015.

ii) Composition, name of members and Chairperson

The Audit Committee comprises of the following directors

Name of the Member	Status	Nature of Directorship
Rajendra Vithal Naniwadekar	Chairman	Independent, Non-Executive
Niranjan Chintam	Member	Whole time Director, Executive
Brijmohan Venkata Mandala	Member	Independent, Non-Executive

Meetings and attendance during the year 2016-17

Name of the Member	Meetings held during the year	Meetings attended
Rajendra Vithal Naniwadekar	10	10
Niranjan Chintam	10	10
Brijmohan Venkata Mandala	10	10



4. NOMINATION AND REMUNERATION COMMITTEE

a. Brief description of terms of reference

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board diversity
7. To develop a succession plan for the Board and to regularly review the plan

b. Composition, name of members and Chairperson

The Nomination and Remuneration Committee comprises of the following directors

Name of the Director	Status	Nature of Directorship
Rajendra Vithal Naniwadekar	Chairman	Independent, Non-Executive
Brijmohan Venkata Mandala	Member	Independent, Non-Executive
Srinivas Potluri	Member	Non-Independent, Non-Executive

c. Meetings and Attendance during the year 2016-17 :

Name of the Member	Meetings held during the year	Meetings attended
Rajendra Vithal Naniwadekar	08	08
Brijmohan Venkata Mandala	08	08
Srinivas Potluri	08	04

d. 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.



e. Details of remuneration to the directors

(Rs. in Lakhs)

Particulars	Executive Directors			Non-executive					
	Mr. Niranjan Chintam	Mr. Krishna Chintam	Mr. Karanjit Singh	Mr. Srinivas Potluri	Independent Directors				
					Mr. Rajendra Vithal Naniwadekar	Mr. Brijmohan Venkata Mandala	Ms. Jhansi Lakshmi Gorla	Mr. P. V. V. Srinivasa Rao	Ms. Kunda Kalpana
Salary	30.00	30.00	54.71	Nil	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
PF Contribution	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20,000
Total	30.00	30.00	54.71	Nil	Nil	Nil	Nil	Nil	20,000

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

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
Rajendra Vithal Naniwadekar	Member	Independent, Non-Executive
Krishna Chintam	Member	Managing Director, Executive

Name, designation and address of the Compliance Officer : Ms. Pawni Bhawe

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

Contact Details: Tel: 040-44333030; Fax: 040-66660451 & e-mail ID: compliance@kelltontech.com

b. During the year the Company had received one complaint from the investors which was resolved.

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



6. GENERAL BODY MEETINGS

(i) 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
2015-16	Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033	26.09.2016; 11:00 A.M.	05	1. Re-appointment of Krishna Chintam as Managing Director of the Company 2. Re-appointment of Niranjan Chintam as Whole-Time Director and Executive Chairman of the Company 3. Variation of Stock-Option Scheme of the Company 4. Variation of Employees Stock Option Scheme of the Company for the Employees of the Subsidiaries of the Company 5. Variation of Terms of Remuneration of Mr. Karanjit Singh
2014-15	Hotel Kens, Plot No 53, Sri Nagar Colony, Hyderabad – 500 073, Telangana	16.12.2015; 11.00 A.M.	06	1. Alteration of Articles of Associations. 2. Alteration of Memorandum of Associations 3. Approval of Further Issuance of Securities. 4. Increase in Limit of Foreign investment in company. 5. Increase in Limit of NRI Investment in company. 6. Appointment and Remuneration of Mr. Karanjit Singh.
2013-14	Hotel Kens, Plot No 53, Sri Nagar Colony, Hyderabad – 500 073, Telangana	22.12.2014; 11.00 A.M.	03	1. Alteration of Articles of Associations. 2. Increase in Borrowing Powers of the Company. 3. Creation of Charge on assets of the Company

(ii) Extraordinary General Meeting / Postal ballot

During the F.Y 2016-17 the company did not have any extra ordinary General Meeting.

To widen the participation of shareholders in company decisions, the Securities and Exchange Board of India has directed top 500 listed companies to provide Remote e-voting facility to their shareholders from October, 2012 onwards, in respect of those businesses which are transacted through postal ballot. Further, the Companies Act, 2013 and Regulation 44 of SEBI (LODR) Regulations, 2015 also requires a listed Company to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings.

(iii) Whether any special resolution passed last year through postal ballot : NIL

(iv) No Special Resolution is proposed to be passed through a Postal ballot at the ensuing Annual General Meeting.



7. DISCLOSURES

RELATED PARTY DISCLOSURE

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>

(i) 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 31). 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 : Rs. 91,79, 582	Nil	Nil
2	Subsidiary	Loans and Advances		
		Subsidiaries	Associates	Companies/firms in which directors are interested
		Nil	Nil	Nil
3	Holding Company			

(ii) 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.

(iii) 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.

(iv) The information on Directors seeking appointment/ re-appointment is provided in the notes to the notice of the Annual General Meeting under the heading "Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting".



(v) The Company has complied with all the mandatory requirements of Compliance with Corporate Governance requirements specified in Regulation 17-27 and clauses (b) to (i) of Sub-regulation(2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

(vi) Pecuniary transactions with Non-Executive Directors

There were no pecuniary transactions with any of the Non-Executive Directors of the Company.

(vii) As required under Schedule V E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Practicing Company Secretary's certificate regarding compliance of corporate governance is given as an annexure to the Directors' Report.

(viii) As required under Schedule V E D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the declaration issued by the Chief Executive officer is provided in the Annual Report.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to the relevant provision of the Companies Act, 2013 read with applicable Accounting Standards, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

8. MEANS OF COMMUNICATION

- The Company does not send the quarterly results to each household of shareholders. The quarterly, half yearly, and annual results are intimated to the stock exchanges.
- 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.
- Quarterly financial results are published in leading newspapers, viz. The Financial Express in English, and Nava Telangana in vernacular language. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.
- The presentations made to the investors are also uploaded on the website of the company.
- 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.
- The Management Discussion and Analysis Report is attached and forms part of the Annual Report
- Reconciliation of share capital Audit (Formerly Secretarial Audit Report): A qualified practicing company secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of share capital Audit (Formerly Secretarial Audit Report) confirm that the total issued / Paid-up capital is in agreement with the total number of shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL.
- As per the vigil mechanism applicable to the company, there is an ombudsman who is responsible for its implementation.
- A Dash board containing the risks identified if any, will be placed to the audit committee and measures taken by the management will be discussed to mitigate.



9. 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>

10. GENERAL SHAREHOLDER' INFORMATION:

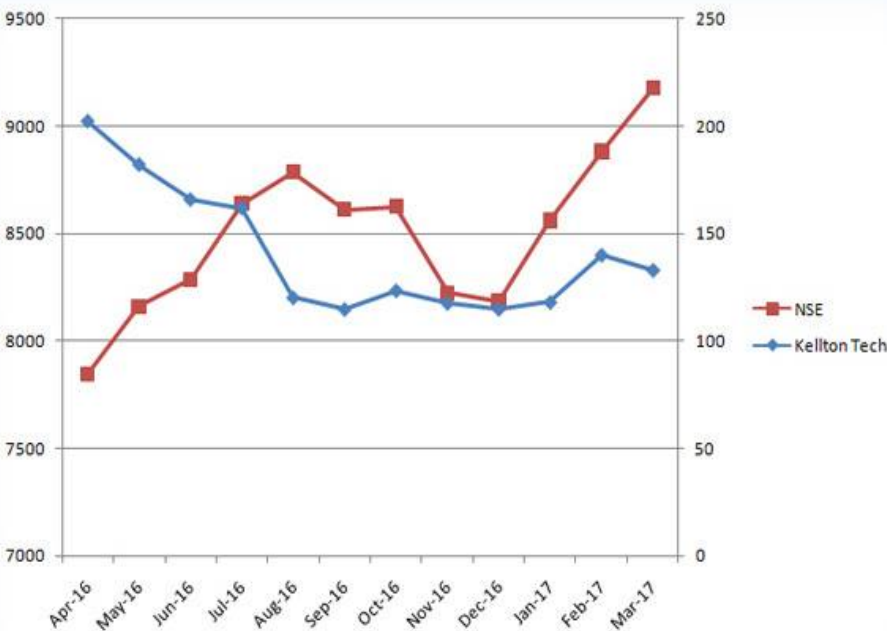
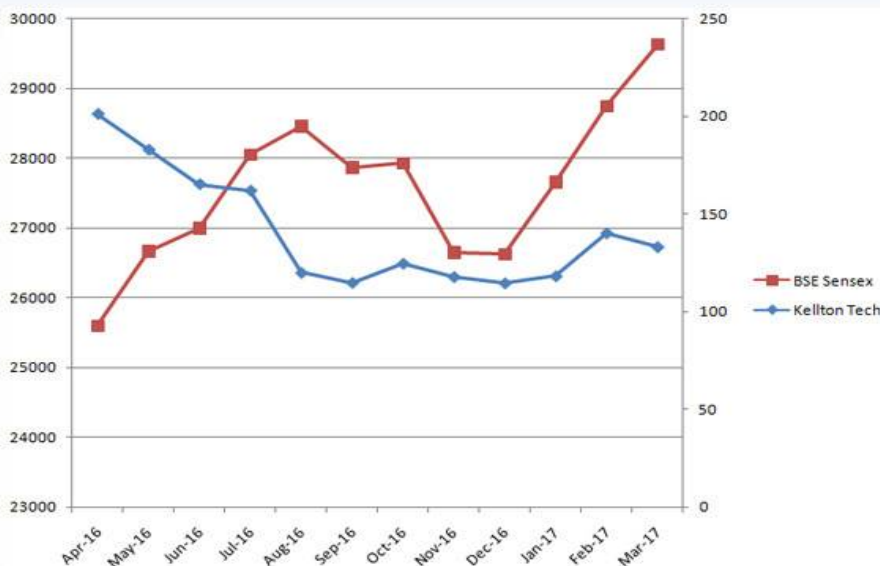
i. Date, Time & Venue of AGM	Wednesday September 27th 2017 at 11 AM At Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033
ii. Financial Year	01st April, 2016 to 31st March, 2017
iii. Listing on Stock Exchanges	Bombay Stock Exchange Ltd National Stock Exchange of India Ltd. (w.e.f. 29th February, 2016) Listing fees for the year have been paid to the Stock Exchanges.
iv. Stock Code/Symbol	BSE- 519602 & KELLTONTEC NSE- KELLTONTEC
v. Annual Listing fees to Stock Exchanges (NSE/BSE)	Listing Fees as applicable have been paid.
vi. Dividend payment date	Not Applicable
vii. Registrar and Transfer Agents	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
viii. Share Transfer System	All the transfers received are processed and approved by the Stakeholder Relationship Committee at its meetings or by circular resolutions. The Share Transfer Committee approves the transfer of shares in the physical form and the share transfers are registered and returned within the stipulated time, if the documents are clear in all respects
ix. Distribution of Shareholding	As per attached annexure
x. Dematerialisation of shares and Liquidity	As on 31st March, 2017, 46384629 shares representing 98.39% of shareholding have been dematerialised. The balance 759944 equity shares representing 1.61% were in physical form The Company's shares are compulsorily traded in dematerialised form and are regularly traded on NSE and BSE. The ISIN Number allotted for the Equity shares is INE164B01022
xi. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	As on March 31, 2017, there were no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.
xii. Commodity price risk or foreign exchange risk and hedging activities;	Not Applicable



xiii. Plant locations/offices;	The company operates from : Plot No. 270, Udyog Vihar Phase -2, Gurgaon, Haryana- 122016, India. AND Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 Telangana			
xiv. Registered Office/ address for correspondence	Investor correspondence may be ad- dressed 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 Company Kellton Tech Solutions Limited Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 , Telangana Tel No - 040-44333030 Email-id: compliance@kellton- tech.com Website: www.kelltontech.com		
xv. Market Price Data High, Low during each month in last Financial year	BSE			
	Month	High	Low	Close
	April, 2016	232.00	185.00	201.30
	May, 2016	213.50	162.00	182.95
	June, 2016	195.50	130.00	165.35
	July, 2016	174.00	159.25	162.00
	August,2016	174.40	103.00	119.90
	September, 2016	140.20	113.00	114.75
	October, 2016	128.50	79.00	124.60
	November, 2016	129.15	92.00	117.75
	December, 2016	119.90	103.35	114.55
	January, 2017	138.50	111.75	118.15
	February, 2017	149.45	113.20	140.15
	March, 2017	146.50	125.15	133.10
	NSE			
	Month	High	Low	Close
	April, 2016	234.00	190.00	202.30
	May, 2016	213.80	163.55	182.20
	June, 2016	195.35	147.05	165.95
	July, 2016	173.70	158.80	162.05
	August,2016	175.95	103.15	120.35
	September, 2016	141.00	107.00	114.95
	October, 2016	128.30	79.00	123.60
	November, 2016	128.95	89.80	117.80
	December, 2016	120.55	103.10	115.00
January, 2017	138.80	110.20	118.20	
February, 2017	149.55	114.10	140.15	
March, 2017	146.60	125.00	133.10	



xvi. Performance in comparison to BSE Sensex and S&P CNX Nifty





xvii. Capital Build up during the Financial Year

During the year under review, the Authorised Share Capital of the company is Rs.31,00,00,000 (Thirty One Crores) divided into 6,20,00,000 (Six Crores Twenty Lakhs) ,equity shares of Rs.5/- (Rupees Five) each.

The Paid up capital of the Company increased as follows:

S.No	No: of Shares Allotted	Date of Allotment	Reason for allotment
1.	134986	12.05.2016	Allotment of equity shares pursuant to ESOP Plan, 2013
2.	38330	16.06.2016	Allotment of equity shares pursuant to ESOP Plan, 2013
3.	16665	03.08.2016	Allotment of equity shares pursuant to ESOP Plan, 2013
4.	47498	28.09.2016	Allotment of equity shares pursuant to ESOP Plan, 2013
5.	80834	21.02.2017	Allotment of equity shares pursuant to ESOP Plan, 2013

Distribution of Shareholding as on March 31, 2017:

Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	Upto 5000	8922	76.49	7,286,955	3.09
2	5001- 10000	1212	10.39	4,866,745	2.06
3	10001- 20000	650	5.57	4,962,945	2.11
4	20001- 30000	250	2.14	3,207,825	1.36
5	30001- 40000	150	1.29	2,685,260	1.14
6	40001- 50000	117	1.00	2,739,070	1.16
7	50001- 100000	181	1.55	6,456,250	2.74
8	100001 & Above	183	1.57	203,517,815	86.34
	Total:	11665	100.00	235,722,865	100.00

4. SHAREHOLDING PATTERN AS ON 31st MARCH, 2017:

Category	No. of shares held	Percentage of shareholding
Promoters	1,197,192	2.54
Promoters Body Corporate	27,985,950	59.36
Mutual funds / UTI	-	-
Financial Institutions /Banks	27,432	0.06
Foreign Institutional Investors	-	-
Venture Capital Funds	-	-
Bodies Corporate	3,390,440	7.19
Foreign Bodies Corporate	-	-
Retail individuals/NRIs/Trusts / others	14,543,559	30.85
Total	47,144,573	100



COMPLIANCE WITH REGULATION MANDATORY REQUIREMENTS

The Company complied with all the applicable mandatory requirements of the listing agreement and is also submitting a quarterly compliance report duly certified by compliance officer of the company to the stock exchanges within the time frame prescribed under regulations. At present, other non-mandatory requirements have not been adopted by the Company

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, 2017 your Company has 311,825 equity shares in the unclaimed suspense account.

S.No	Particulars	Remarks
1.	Total number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2016	359
2.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	03
3.	number of shareholders to whom shares were transferred from suspense account during the year;	03
4.	aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2017	311825

Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing no.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders. This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

This move by the Ministry is a welcome move, since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit, save time, energy and costs.

Pursuant to the said circular, the company has forwarded e-mail communication to all share holders whose email id were registered in the Depository records that the company intends to use the said e-mail id to send various Notices/ Correspondences etc .



By Understanding the underlying theme of the above circulars, to support this green initiative of the Government in full measure, the company is sending the documents like notice convening general meetings, financial statements, directors reports, auditor's report etc to the email address registered with the depositories by the share holders holding shares in electronic form and for shareholders holding shares in physical form, the physical copy to the address registered with the Registrar and Share transfer Agents of the Company.

In this regard, we request share holders who have not registered their email addresses, so far to register their email addresses, in respect of electronic holding with depository through their concerned depository participants and Members who hold shares in physical form are requested to send the required details to the Registrar and Share Transfer Agent, M/s XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana.

Depository Services:

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

National Securities Depository Ltd.

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

Central Depository Services (India) Ltd.

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

DECLARATION

As stipulated under Schedule V D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2017

Sd/-

Place : Hyderabad
Date : 01/09/2017

Krishna Chintam
Managing Director
DIN: 01658145

Sd/-

Niranjan Chintam
Executive Chairman
DIN: 01658591



CERTIFICATE ON CORPORATE GOVERNANCE

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 March 31, 2017, as stipulated in Regulation 17- 27 and clause (b) to (i) of Sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the 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 my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with Listing Agreement.

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.

For **AGR Reddy & Co.**
Company Secretaries

Sd/-
Manoj Koyalkar
Membership Number: 19445
Certificate of Practice Number: 10004

Hyderabad, 01/09/2017



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year beginning from April 1, 2016 and ended on March 31, 2017, 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, 2017 according to the provisions of:

(1) 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;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act.

(4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of, Foreign Direct Investments.

(5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable to the Company during the audit period

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

Not Applicable to the Company during the audit period

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not Applicable to the Company during the audit period

(6) Other laws applicable to the Company as per the representations made by the Management.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the year under review, the Company was in Compliance with provisions under Secretarial Standards.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority 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.

for **AGR Reddy & Co.**

Company Secretaries

Manoj Kumar Koyalkar

Fellow Membership Number: 9298

Certificate of Practice Number: 10004

Hyderabad, September 1st, 2017.

Note: This report is to be read with our 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.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test 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 our opinion.

3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6. 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.

for **AGR Reddy & Co.**
Company Secretaries

Sd/-
Manoj Kumar Koyalkar
Fellow Membership Number: 9298
Certificate of Practice Number: 10004

Hyderabad, September 1st, 2017.

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

CIN	:	L72200TG1993PLC016819
Registration Date	:	31/12/1993
Name of the Company	:	Kellton Tech Solutions Limited
Category / Sub-Category of the Company	:	Company Limited By Shares/ Indian Non-Government Company
Address of the Registered office and contact details	:	Plot No 1367, Road No- 45, Jubilee Hills, Hyderabad, Telangana- 500033, India.
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	M/s XL Softech System Limited 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034, Telangana e-mail ID: mail@xlsoftech.com Website : www.xlsoftech.com Phone: 040-23545913

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	IT Services	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No.	Name and address of the Company	CIN / GLN	Holding /subsidiary /associate	% of shares held	Applicable section
1	Kellton Dbydx Software Private Limited	U72200TG-2005PTC094635	Subsidiary	100	Sec 2(87)
2	Kellton Tech Inc, USA	46-3594835	Subsidiary	100	Sec 2(87)
3	Kellton Tech Solutions Inc., USA	47-4003633	Subsidiary	100	Sec 2(87)
4	Kellton Tech Limited, Ireland	573210	Subsidiary	100	Sec 2(87)
5	Kellton Tech Solutions Pte. Ltd.	S8802722A	Subsidiary	100	Sec 2(87)



IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS (1) Indian									
a) Individual/HUF	1197192	0	1197192	2.56	1197192	0	1197192	2.54	0.02
b) Central Govt	-	-	-	-	-	-	-	-	Nil
c) State Govt(s)	-	-	-	-	-	-	-	-	Nil
d) Bodies Corp.	27,985,950	0	27,985,950	59.77	27,985,950	0	27,985,950	59.36	0.41
e) Banks / FI	-	-	-	-	-	-	-	-	Nil
f) Any other	-	-	-	-	-	-	-	-	Nil
Sub-total(A)(1):	29,183,142	0	29,183,142	62.32	29,183,142	0	29,183,142	61.90	Nil
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	Nil
b) Other – Individuals	0	0	0	0	0	0	0	0	Nil
c) Bodies Corp.	0	0	0	0	0	0	0	0	Nil
d) Banks / FI	0	0	0	0	0	0	0	0	Nil
e) Any other	0	0	0	0	0	0	0	0	Nil
Sub-total (A)(2):	0	0	0	0	0	0	0	0	Nil
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	29,183,142	0	29,183,142	62.32	29,183,142	0	29,183,142	61.90	0.42
B. PUBLIC SHAREHOLDING									
(1) Institutions	0	0	0	0	0	0	0	0	NIL
a) Mutual Funds	0	0	0	0	0	0	0	0	NIL
b) Banks / FI	0	0	0	0	27432	0	27432	0.06	0.06
c) Central Govt	0	0	0	0	00	0	0	0	Nil
d) State Govt(s)	0	0	0	0	0	0	0	0	Nil
e) Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
f) Insurance Companies	0	0	0	0	0	0	0	0	Nil
g) FIs	0	0	0	0	0	0	0	0	Nil
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	Nil



i) Others (Foreign Portfolio investment)	0	0	0	0	1,755,987	0	1,755,987	3.72	3.72
Sub-total (B)(1):	0	0	0	0	1,783,419	0	1,783,419	3.78	3.78
(2)Non-Institutions									
a) Bodies Corp.									
i) Indian	2,985,345	39,500	3,024,845	6.46	3,352,340	38,100	3,390,440	7.19	0.73
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	6,020,938	336,500	6,357,438	13.58	6,543,671	318,000	6,861,671	14.55	0.97
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,566,386	403,844	6,970,230	14.89	5,101,261	403,844	5,505,105	11.68	3.21
c) Others	1,290,605	0	1,290,605	2.75	420,796	0	420,796	0.89	1.86
Sub-total(B)(2):	16,863,274	779,844	17,643,118	37.68	15,418,068	721,844	16,178,012	34.32	3.37
Total Public Share-holding (B)=(B)(1)+(B)(2)	16,863,274	779,844	17,643,118	37.68	17,201,487	759,944	17,961,431	38.10	0.42
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0		0
Grand Total (A+B+C)	46,046,416	779,844	46,826,260	100.00	46,384,629	759,944	47,144,573	100	Nil

ii. SHAREHOLDING OF PROMOTERS :

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			
		No. of Shares	% of total Shares of the Com-pany	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of total Shares of the Com-pany	% of Shares Pledged / encum-bered to total shares	
1	CHINTAM KRISHNA	571, 143	1.22	0	571, 143	1.211	0	0.01
2	SREEVIDYA CHIN-TAM	451,388	0.96	0	451,388	0.957	0	0.03
3	MOHANA CHIN-TAM	164, 276	0.35	0	164,276	0.348	0	0.02
4	LAKSHMI CHIN-TAM	10,385	0.02	0	10,385	0.022	0	0.02
5	KELLTON WEALTH MANAGEMENT PRIVATE LIMITED	6,400,000	13.67	0	6,400,000	13.575	0	0.09
6	MATNIC FINVEST PRIVATE LIMITED	21,585,950	46.10	5.56	21,585,950	45.787	12.971	0.31
	TOTAL	29,183,142	62.32	5.56	29,183,142	61.89	12.971	0.43



iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1)					
	At the beginning of the year	29183142	62.32	29183142	62.32
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year			29183142	61.90*

* The Change in percentage of shareholding of promoters is due to increase in number of shares allotted in ESOPS

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Prosoft Cyberworld Private Limited				
	At the beginning of the year	800000	1.71	800000	1.71
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	800000	1.70

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Bhavani Sanna Reddy				
	At the beginning of the year	631711	1.35	631711	1.35
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	118	-	631829	1.34
	At the End of the year (or on the date of separation, if separated during the year)	-	-	631829	1.34



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Kellton Securities Pvt Ltd				
	At the beginning of the year	-	-	-	-
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	612000	-	612000	1.30
	At the End of the year (or on the date of separation, if separated during the year)	-	-	612000	1.30

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Grandeur Peak Emerging Markets Opportuni				
	At the beginning of the year	-	-	-	-
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	481753	-	481753	1.02
	At the End of the year (or on the date of separation, if separated during the year)	-	-	481753	1.02

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	Grandeur Peak International Opportunitie				
	At the beginning of the year	-	-	-	-
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	442587	-	442587	0.94
	At the End of the year (or on the date of separation, if separated during the year)	-	-	442587	0.94



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Nandini Bhaskara Rao				
	At the beginning of the year	412500	0.88	412500	0.88
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	412500	0.87

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Grandeur Peak Global Opportunities Fund				
	At the beginning of the year	-	-	-	-
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	403491	-	403491	0.86
	At the End of the year (or on the date of separation, if separated during the year)	-	-	403491	0.86

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	Udayan Kanubhai Mandavia				
	At the beginning of the year	371968	0.79	371968	0.79
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	(11960)	-	360000	0.76
	At the End of the year (or on the date of separation, if separated during the year)	-	-	360000	0.76



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Ricco International Private Limited				
	At the beginning of the year	850000	1.82	850000	1.82
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	(513133)	-	336867	0.71
	At the End of the year (or on the date of separation, if separated during the year)	-	-	336867	0.71

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	Ashish Kumar				
	At the beginning of the year	319334	0.68	319334	0.68
	Transactions (sale/purchase) from April 1st, 2016 up to March 31, 2017	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	319334	0.68

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Niranjan Chintam-Executive Chairman/WTD				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Krishna Chintam- Managing Director				
	At the beginning of the year	571143	1.22	571143	1.21
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year			571143	1.21
3	Rajendra Vithal Nani-wadekar				
	At the beginning of the year	225200	0.48	225200	0.48
	Decrease in Share holding during the year specifying the reasons for decrease				
	Sale on 05/04/2016	(5000)	-	220200	
	Sale on 06/04/2016	(15000)	-	205200	
	Sale on 03/03/2017	(8500)	-	196700	
	Sale on 06/03/2017	(5300)	-	191400	
	At the End of the year	Nil	-	191400	0.40
4	Brijmohan Venkata Mandala- Director				
	At the beginning of the year	100000	0.23	100000	0.23
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	100000	0.21



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	Karanjit Singh-Chief Executive Officer				
	At the beginning of the year	86745	0.18	86745	0.18
	Allotment of Shares Pursuant to ESOP Scheme, 2013	33333	-	120078	0.25
	At the End of the year	-	-	120078	0.25
6	Srinivas Potluri				
	At the beginning of the year	100000	0.23	100000	0.23
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	100000	0.21
7	Jhansi Lakshmi Gorla				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-
8	P Shrinivasa Rao				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Kunda Kalpana				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	Kishni Trivedi-Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	Pawni Bhav- Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.



(Rs. in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,69,29,825	-	-	8,69,29,825
ii) Interest due but not paid	Nil	-	-	-
iii) Interest accrued but not due	25,743	-	-	25,743
Total (i+ii+iii)	8,69,55,568	-	-	8,69,55,568
Change in Indebtedness during the financial year				
Addition	13,77,51,656	-	-	13,77,51,656
Reduction	50,98,273	-	-	50,98,273
Net Change	13,26,53,383	-	-	13,26,53,383
Indebtedness at the end of the financial year				
i) i) Principal Amount	21,95,83,207	-	-	21,95,83,207
ii) Interest due but not paid	Nil	-	-	Nil
iii) Interest accrued but not due	11,441	-	-	11,441
Total (i+ii+iii)	21,95,94,648	-	-	21,95,94,648

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager*:
Refer Note No. 29(v) of Standalone financial statements

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Rajendra Nani-wadekar	Brijmohan V Man-dala	Srinivas Potluri	P Srinivasa Rao	Jhansi Lakshmi Gorla	Kunda Kalpana	
1	Independent Directors							
	Fee for attending board / committee meetings	-	-	-	-	-	20,000	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	20,000	20,000
	2. Other Non-Executive Directors							



	Fee for attending board / committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (1+2)	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	20,000	20,000
Overall Ceiling as per the Act : The act provides for paying sitting fees upto Rs 1,00,000 per meeting.								

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Resigned w.e.f_07/03/2017)	CFO	Total
	Kishni Trivedi-Company Secretary			
1	Gross salary	431,746	0	431,746
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	431,746	0	431,746
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
2	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	431,746	0	431,746



Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
	Pawni Bhawe-Company Secretary			
1	Gross salary	360,000	0	360,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	360,000	0	360,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
2	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	360,000	0	360,000

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties, Punishment or Compounding of offences during the F.Y. ended 31st March, 2016.

Place : Hyderabad
Date : 01/09/2017

Sd/-
Krishna Chintam
Managing Director
(DIN: 01658145)

Sd/-
Niranjan Chintam
Executive Chairman
(DIN: 01658591)



REPORT ON CORPORATE SOCIAL RESPONSIBILITY

(CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

Kellton Tech believes in balancing growth priorities with social responsibility. Indeed, even in its commercial undertakings, it attracts special attention to those projects concerning the welfare of masses. It lends a helping hand to various institutions dedicated to philanthropic pursuits. Additionally, it has offered direct assistance to the needy through the allocated CSR funds and funds generated by employee-contribution.

A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Our CSR Policy is framed, in accordance with the requirement of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

Composition of CSR Committee:

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

S.no	Name	Category of Director	Designation
1.	Mr. Rajendra Vithal Naniwadekar	Non-Executive Independent Director	Chairman
2.	Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
3.	Mr. Krishna Chintam	Executive Director	Member

Our objectives

Our broad objectives as stated in our CSR policy include:

- To actively contribute to the social, environmental and economic development of the society in which we operate.

A brief outline of the Company's CSR Policy is provided in the link at website viz www.kelltontech.com

Focus areas

The CSR Committee has presently marked the following as its focus areas:

- Women's Healthcare
- Girl Child Education

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. In collaboration with Aashritha Samaj, it has sponsored the education of many children with single parent. In healthcare, it has worked closely with Deep Trust and donated a generous amount towards disease-eradication by educating people on prevention.

Through REACH OUT initiative, the Gurgaon-based employees helped poor families stranded in the icy North cold wave by handing them woollen blankets. This has been an ongoing commitment from Gurgaon office and by dint of their efforts they have been able to make some lives happier and filled with warmth.

Financial details

Section 135 of the Companies Act, 2013 and Rules made under it prescribe that every company having a net worth of ` 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. The provisions pertaining to CSR as prescribed under the Companies Act, 2013 are applicable to Kellton Tech Solutions Limited.

The financial details as sought by the Companies Act, 2013 for financial year 2016-17 are as follows:

- Average Net profit for the preceding three Financial Years for the purpose of computation of CSR : Rs. 67,020,525/-
- Prescribed CSR expenditure (2% of Average Net Profit) : Rs. 1,341,211/-
- Details of CSR spent for the financial year :
 - a. Total amount spent during the financial year 2016-17: Rs. 1,354,000/-
 - b. Amount unspent, if any: Nil
 - c. Manner in which the amount spent during the financial year is detailed below :

(Amount in Rs.)

S No.	CSR Project or activity identified	Sector in which the project is covered	Project or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs. 2. Over-heads	Cumulative expenditure upto reporting period	Amount Spent: Direct or through implementing agency
1.	Scholarship fund for meritorious students	Education	Telangana	247,300	247,300	2,47,300	Kellton Tech Solutions Limited
2	Fund provided to NGO for child education-Aashritha Samaj	Education	Telangana	206,700	206,700	206700	Kellton Tech Solutions Limited



3	Fund provided to NGO for disease eradication through education and prevention measures-Deep Foundation	Health	Telangana	500,000	500,000	500,000	Kellton Tech Solutions Limited
4.	Funds to non-profit organization for Mother and Childcare	Health and Women Empowerment	Uttar Pradesh	446,000	446,000	446,000	Kellton Tech Solutions Limited

Our CSR responsibilities

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

Place : Hyderabad
Date : 01/09/2017

Sd/-
Rajendra Naniwadekar
CSR committee Chairman

Sd/-
Krishna Chintam
Managing Director



INDEPENDENT AUDITOR'S REPORT

**To the Members of
M/s Kellton Tech Solutions Limited**

Report on the Financial Statements

1. We have audited the accompanying financial statements of M/s Kellton Tech Solutions Limited ("the Company") which comprise the Balance sheet as at 31st March, 2017, the statement of Profit and loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements



5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the Order.

8. As required by section 143(3) of the Act, 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 purpose 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 and Statement of Profit and Loss and Cash flow statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

e. On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act ;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and

g. In our opinion and to the best of our information and according to the explanations given to us,

We report as under 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,

(i) The Company does not have any pending litigations which would impact its financial position

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses thereon does not arise.

(iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund, as such the question of delay in transferring such sums does not arise.



(iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November' 2016 to 30th December' 2016 and these are in accordance with the books of accounts maintained by the Company.

for **Mahesh, Virender & Sriram**
Chartered Accountants
(Firm's Registration No.001939S)

Sd/-
(B.R.Mahesh)
Partner
Membership No.018628

Place : Hyderabad
Date : 30th May 2017



"ANNEXURE A" TO THE AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017.

(i) In respect of the Company's fixed assets:

- a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the Management at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- c) The Company does not have any Immovable properties

(ii) Physical verification of inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed.

(iii) 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 respect of Loans, Investments, guarantees & securities, provisions of section 185 & 186 of the Companies Act have been complied with.

(v) The Company has not accepted any deposits within the directives issued by the Reserve Bank Of India, and within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules 1975. No order under the aforesaid sections has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank Of India or any Court or any other Tribunal in this respect.

(vi) The maintenance of cost records under Section 148 (1) of the Companies Act, 2013, is not mandatory to the Company.

(vii) (a) The Company has been generally regular in depositing dues relating to income tax, sales tax, service tax, value added tax, cess and any other material statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable, except for non payment of Outstanding Income Tax deducted at Source Rs.4.28 Crores and Service Tax collection Rs.2.38 Crores were unpaid.

(b) There were no dues of income-tax, sales tax, service tax, value added tax or cess and any other material statutory dues, which have not been deposited on account of dispute

(viii) The Company has not generally defaulted in repayment of loans or borrowings from Banks, Financial Institutions or Debenture holders.

(ix) The Company has not raised any money by way of initial public offer nor availed any term loans.

(x) No fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Managerial remuneration is provided in accordance with section 197 of the Companies Act.



(xii) The Company is not a Nidhi Company.

(xiii) All transactions with the related parties in compliance with sections 177 and 188 of Companies Act, 2013 have been disclosed in the Financial Statements.

(xiv) The Company has not made preferential allotment.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45 – 1A of the Reserve Bank of India Act, 1934.

for **Mahesh, Virender & Sriram**
Chartered Accountants
(Firm's Registration No.001939S)

Place : Hyderabad
Date : 30th May 2017

Sd/-
(B.R.Mahesh)
Partner
Membership No.018628



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

"ANNEXURE B" TO THE AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017.

Report on the Internal financial Controls under clause (i) if sub-section 3 of section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of M/s. KELLTON TECH SOLUTIONS LIMITED ("the Company") as of March 31, 2017 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 Company's management 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, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility :

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 on 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 ex-



ternal 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 and 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; (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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control.

for **Mahesh, Virender & Sriram**
Chartered Accountants
(Firm's Registration No.001939S)

Place : Hyderabad
Date : 30th May 2017

Sd/-
(B.R.Mahesh)
Partner
Membership No.018628

KELLTON TECH SOLUTIONS LIMITED



STANDALONE BALANCE SHEET AS AT

(Amount in Rs)

Particulars	Note No	31 March 2017	31 March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(A) Share Capital	2	235,722,865	234,131,300
(B) Reserves and Surplus	3	651,865,320	558,360,671
(C) Money received against share warrants		--	--
(2) Share application money pending allotment		--	333,300
(3) Non-Current Liabilities			
(A) Long-term borrowings	4	19,947,461	494,736
(B) Deferred tax liabilities (Net)	5	5,263,469	6,084,500
(C) Other Long term liabilities	-	-	-
(D) Long term provisions	6	10,422,577	2,887,507
(4) Current Liabilities			
(A) Short-term borrowings	7	199,200,835	86,435,089
(B) Trade payables	8	30,924,593	19,281,237
(C) Other current liabilities	9	77,647,861	63,449,466
(D) Short-term provisions	10	76,832,702	47,158,999
Total		1,307,827,683	1,018,616,805
II.ASSETS			
1) Non-Current assets			
(A) Fixed assets	11		
(i) Tangible assets		83,980,527	57,311,891
(ii) Intangible assets		97,248,309	98,192,153
(iii) Capital work-in-progress		10,214,409	7,213,906
(iv) Intangible assets under development			-
(B) Non-current investments	12	594,101,669	407,025,609
(C) Deferred tax assets (net)			
(D) Long term loans and advances	13	20,504,327	10,957,827
(E) Other non-current assets	14	411,030	693,502
(2) Current assets			
(A) Current investments			
(B) Inventories		23,919,908	33,215,545
(C) Trade receivables	15	223,477,729	178,973,785
(D) Cash and cash equivalents	16	70,791,255	21,900,853
(E) Short-term loans and advances	17	106,532,499	120,532,042
(F) Other current assets	18	76,646,021	82,599,692
Total		1,307,827,683	1,018,616,805

Accounting policies

1

The notes referred to above, form an integral part of these financial statements

As per our report of even date

For **Mahesh Virender & Sriram**

Firms' Registration Number: 0019395

Chartered Accountants

For and on behalf of Board of Directors

Sd/-

B R Mahesh

Partner

M No - 18628

Sd/-

Niranjan Chintam

CFO and Chairman

Sd/-

Krishna Chintam

Managing Director

Sd/-

Pawni Bhawe

Company Secretary

M No. 48587

Place : Hyderabad

Date : 30-05-2017



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in Rs)

Particulars	Note No	31 March 2017	31 March 2016
INCOME			
Revenue from operations	19	764,969,400	487,779,497
Other Income	20	1,573,695	3,384,783
Total Revenue		766,543,095	491,164,280
EXPENSES			
Cost of materials consumed	21	10,282,922	34,485,148
Employee benefit expense	22	453,722,213	267,730,592
Financial costs	23	20,129,271	18,514,590
Depreciation and amortization expense	24	18,293,373	10,889,737
Other expenses	25	136,819,969	68,551,593
Total Expenses		639,247,749	400,171,660
Profit / Loss before taxes		127,295,345	90,992,620
TAX EXPENSE			
(1) Current tax		43,461,645	20,008,752
(2) Mat Credit		--	--
(3) Deferred tax		-821,031	3,684,841
(4) Taxes Prior Period		595,573	--
Profit / Loss for the period		84,059,158	67,299,027
EARNING PER EQUITY SHARE			
(1) Basic		1.79	1.51
(2) Diluted		1.77	1.51

Accounting policies

1

The notes referred to above, form an integral part of these financial statements

As per our report of even date

For **Mahesh Virender & Sriram**

Firms' Registration Number: 0019395

Chartered Accountants

For and on behalf of Board of Directors

Sd/-

B R Mahesh

Partner

M No - 18628

Sd/-

Niranjan Chintam

CFO and Chairman

Sd/-

Krishna Chintam

Managing Director

Sd/-

Pawni Bhawe

Company Secretary

M No. 48587

Place : Hyderabad

Date : 30-05-2017



CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in Rs)

	Particulars	31 March 2017 12 Months	31 March 2016 9 Months
a	Cash flow from operating activities		
	Net Loss/Profit before tax	127,295,345	90,992,620
	Depreciation and Amortization	18,293,373	10,889,737
	Interest & Finance Charges	20,129,271	18,514,590
	(Profit)/loss on sale of assets	-16,653	-3,441
	Miscellaneous Expenses written back	-526,302	-2,193
	Operating profit before working capital changes	165,175,035	120,391,313
	Adjustments for (increase)/decrease in operating assets		
	(Increase)/Decrease in Trade & other Receivables	-44,503,944	-51,747,687
	Decrease/(Increase) in Short-Term Loans and Advances	13,999,543	-24,356,543
	Decrease/(Increase) in Other Current Assets	5,953,671	-7,512,331
	Decrease/(Increase) in Inventories	9,295,637	-28,542,789
	(Increase)/Decrease in Long Term Loans and Advances	-9,546,500	-2,030,983
	Adjustments for (increase)/decrease in operating liabilities		
	Increase/(Decrease) in Other Current Liabilities	14,198,395	31,556,895
	Increase/ (Decrease) in Short Term Borrowing	112,765,746	-4,339,716
	Increase/(Decrease) in Short Term Provisions	4,525,108	20,788,622
	Increase/(Decrease) in Trade Payable	12,169,658	-10,832,439
	Increase/(Decrease) in Long Term Provisions	7,535,070	481,432
	Cash generated from operations	291,567,419	43,855,773
	Direct Taxes	-18,908,621	-17,545,907
	Extra ordinary items	-	-
	Net cash from operating activity	272,658,798	26,309,866
b	Cash flow from investing activity		
	Purchase of fixed assets	-46,719,544	-17,911,706
	(Increase) in Investments	-187,076,060	-147,993,815
	Net cash used in investing activities	-233,795,605	-165,905,521
c	Cash flow from financing activities		
	Proceeds of share application, allotment and share premium	10,703,755	150,142,647
	(Decrease) /Increase in long term borrowings	19,452,724	-4,579,868
	Interest & finance charges paid	-20,129,271	-18,514,590
	Net cash accrued in Financing activities	10,027,208	127,048,189
	Net increase in cash and cash equivalent	48,890,402	-12,547,466
	Cash & Cash equivalent as at 1st day	21,900,853	34,448,319
	Cash & cash equivalent as at last day	70,791,255	21,900,853

As per our report of even date
For **Mahesh Virender & Sriram**
Firms' Registration Number: 001939S
Chartered Accountants

For and on behalf of Board of Directors

Sd/-
B R Mahesh
Partner
M No - 18628
Place : Hyderabad
Date : 30-05-2017

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
Pawni Bhawe
Company Secretary
M No. 48587



NOTE NO. 1. ACCOUNTING POLICIES 31ST-MARCH 2017

1) Basis of accounting:

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

2) 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.

3) Fixed Assets:

- i) The tangible fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation.
- ii) 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.
- iii) 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. In performing the review, the company determine the recoverable amount of goodwill based on fair value less any costs that would be incurred should the company sell a cash generating unit to which goodwill would be apportioned from the operating segment. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

4) 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.

5) 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.

6) 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.



NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2017

7) Inventories :

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

8) Preliminary expenditure :

To write off preliminary expenses in ten equal yearly installments.

9) 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.

10) Taxes on Income :

- i) Current tax is determined on the amount of tax payable in respect of taxable income for the year.
- ii) To provide and recognize deferred tax on timing difference between taxable income and accounting income subject to prudent practices.

11) Segment reporting:

To disclose the revenue and expenses by way of business segments, geographical segments and customer segments.

12) Related parties Transactions:

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

13) Employees' Retirement Benefits:

- a) Retirement benefits are provided in accounts on a rational method where in accrued liability for retirement benefits payable to all employees at the end of the year are reflected. The liability for leave encashment is provided for on the basis of accrued leaves at the end of the year.
- b) Leave Encashment shall be settled annually as per eligibility

14) Foreign Currency Transactions :

Foreign currency transactions are recorded at the rates prevailing date of transactions, Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.



NOTES TO FINANCIAL STATEMENTS

15) Contingent Liability:

Contingent liabilities are mentioned by way of notes to accounts to the extent future economic benefit outflow.

16) Assets acquired under finance leases on or after Apr 1, 2001 are recognized at the lower of the fair value of the leased assets at inception and the present value of minimum leave payment. Lease Payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to period during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Notes to Financial Statements	As at 31 March 2017 (INR)	As at 31 March 2016 (INR)
NOTE NO : 2		
(A) Share Capital		
(a) Authorised 62000000 Equity shares of Rs.5 each (previous year 62000000 equity shares Rs. 5 each)	310,000,000	310,000,000
(b) Issued Subscribed & Paid Up 47144573 Equity Shares of Rs 5 each (Previous year- 46826260 Equity shares of Rs 5 each)	235,722,865	234,131,300
TOTAL	235,722,865	234,131,300

(C) Reconciliation Of The Number Of Shares Outstanding At The Beginning And At The End Of The Reporting Period

Particulars	Amount			
	Number	As at 31st March 2017	Number	As at 31st March 2016
Shares outstanding at the beginning of the year	46,826,260	234,131,300	43,481,599	217,407,995
Shares issued during the year	318,313	1,591,565	3,344,661	16,723,305
Shares bought back during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	47,144,573	235,722,865	46,826,260	234,131,300

(d) Terms/rights attached to equity shares, including restrictions on distribution of dividends and the repayment of capital

- (1) Equity shares issued by the company are Equity Shares within the meaning of Section 85(2) of the Companies Act, 2013.
- (2) Each holder of equity share is entitled to one vote per share.
- (3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts
- (4) the distribution will be in proportion to the number of equity shares held by the shareholders



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

(e) Shares in the Company held by each share holder holding more than 5 percent shares specifying the number of shares

		As at 31st March 2017		As at 31 March 2016		
Name of Share Holder		No of Shares Held	% of Holding	No of Shares Held	% of Holding	
Matnic Finvest Private Limited		21,585,950	45.79%	21,585,950	46.10%	
Kellton Wealth Management Private Limited		6,400,000	13.58%	6,400,000	13.67%	
Note No 3		Notes to Financial Statements as at		31 March 2017	31 March 2016	
	[a]	Reserves & Surplus				
		General Reserve				
		Opening Balance		13,551,494	13,551,494	
		Closing Balance		13,551,494	13,551,494	
	[b]	Capital Subsidy				
		Opening Balance		567,350	567,350	
		Closing Balance		567,350	567,350	
	[c]	Securities Premium				
		Opening Balance		345,159,428	335,713,938	
		Closing Balance		345,159,428	335,713,938	
	[d]	Surplus				
		Opening Balance		208,527,889	141,228,862	
		Net Profit / Loss for the current year		84,059,158	67,299,027	
		Closing Balance		292,587,047	208,527,889	
		Grand Total of Reserve & Surplus		651,865,320	558,360,671	
Note No 4		Non-Current Liabilities				
		Long Term Borrowings Secured				
		Vehicle Loans				
		a) HDFC Bank Ltd		305,050	494,736	
		b) Axis Bank Ltd		317,408	-	
		Loan - Indusind Bank		19,325,004	-	
		Total		19,947,461	494,736	
		Lender	Nature	Rate of interest	Security	Terms of Repay-ment
		HDFC Bank	Vehicle Loan	10.12%	Vehicle	Repayable in 60 equated installments out of which 31 are paid
		Axis Bank Limited	Vehicle Loan	9.85%	Vehicle	Installments out of which 10 are paid
		Indusind Bank	Cash Credit	Base + 1.90%	Pari-Passu Charge with Axis Bank	Multi- Years
Note No 5		Deferred tax Liabilities (Net)				
		Opening Balance		6,084,500	2,399,659	
		Current year transfer		-	3,684,841	
		Written back in current year		821,031	-	
		Closing Balance		5,263,469	6,084,500	



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

	Notes to Financial Statements as at	31 March 2017	31 March 2016																		
Note No 6	Other Long Term Provisions Provision for Gratuity Provision for Leave Encashment	10 ,120,054 302,523	2,684,984 202,523																		
	Total	10,422,577	2,887,507																		
Note No 7	Short Term Borrowings Secured Loans From Banks Term Loan - Vehicle a) Kotak Mahindra Prime Ltd b) ICICI Bank Ltd Working capital loan - Axis Bank Limited Term Loan Axis Bank Limited	 1,087,067 - 198,113,768 -	 2,594,055 733,050 80,576,996 2,530,988																		
	Total	199,200,835	86,435,089																		
	<table><tr><th>Lender</th><th>Nature</th><th>Rate of interest</th><th>Security</th><th>Terms of Repay- ment</th></tr><tr><td>Kotak Ma- hindra Prime Ltd</td><td>Vehicle Loan</td><td>9.52%</td><td>Vehicle</td><td>36 equated install- ments out of which 31 are paid</td></tr><tr><td rowspan="2">Axis Bank Limited</td><td>Cash Credit</td><td>Base Rate +1.85%</td><td rowspan="2">a) Exclusive charge on the entire current assets and Fixed assets (other than Vehicle) of the Company, both present and future; b) Hypothecation of the properties owned by the Promoters c) Pledge of 12 lakh shares held by Mat- nic Finvest Private Limited (Promoter of the Company) d) Personal Guarantee and comfort let- ters from promoters.</td><td>Yearly Renewals</td></tr><tr><td>FCDL</td><td>Libor+4.21%</td><td>Rollover (based on availability of FC funds) or Bullet re- payment at the end of six months</td></tr></table>	Lender	Nature	Rate of interest	Security	Terms of Repay- ment	Kotak Ma- hindra Prime Ltd	Vehicle Loan	9.52%	Vehicle	36 equated install- ments out of which 31 are paid	Axis Bank Limited	Cash Credit	Base Rate +1.85%	a) Exclusive charge on the entire current assets and Fixed assets (other than Vehicle) of the Company, both present and future; b) Hypothecation of the properties owned by the Promoters c) Pledge of 12 lakh shares held by Mat- nic Finvest Private Limited (Promoter of the Company) d) Personal Guarantee and comfort let- ters from promoters.	Yearly Renewals	FCDL	Libor+4.21%	Rollover (based on availability of FC funds) or Bullet re- payment at the end of six months		
	Lender	Nature	Rate of interest	Security	Terms of Repay- ment																
	Kotak Ma- hindra Prime Ltd	Vehicle Loan	9.52%	Vehicle	36 equated install- ments out of which 31 are paid																
Axis Bank Limited	Cash Credit	Base Rate +1.85%	a) Exclusive charge on the entire current assets and Fixed assets (other than Vehicle) of the Company, both present and future; b) Hypothecation of the properties owned by the Promoters c) Pledge of 12 lakh shares held by Mat- nic Finvest Private Limited (Promoter of the Company) d) Personal Guarantee and comfort let- ters from promoters.	Yearly Renewals																	
	FCDL	Libor+4.21%		Rollover (based on availability of FC funds) or Bullet re- payment at the end of six months																	
Note No 8	Trade payables Sundry Creditors 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)	30,924,593	19,281,237																		
	Total	30,924,593	19,281,237																		
Note No 9	Other Current Liabilities Advances Received TDS Payable Professional Tax Payable Provident Fund Payable Service tax payable Book bank overdraft Current Maturities of Long term borrowings Others	7,262,500 42,850,228 30,700 2,095,478 23,877,651 - 434,912 1,096,392	21,789,808 25,547,518 28,300 2,008,057 12,847,501 538,004 170,857 519,421																		
	Total	77,647,861	63,449,466																		
Note No 10	Short-term provisions [a]Provisions for employees benefits [b] Outstanding Expenses [c] Audit fee payable [d] Provision for taxation	29,641,325 11,441 100,000 47,079,936	22,197,538 25,743 100,000 24,835,718																		
	Total	76,832,702	47,158,999																		



NOTES TO 12 NON-CURRENT INVESTMENTS												
Investments in Equity Instruments												
S NO	Name of the Body Corporate	Subsidiary / Associate JV / Controlled entity / Oth- ers	No.of Shares/Units		Quoted/ Un Quoted	Partly paid / Fully paid	Extent of Holding (%)		Amount	Wheth- er stated at Cost Yes/ No	If An- swer to column (9) is 'No' Basics of Valu- ation	
			31-Mar- 17	31-Mar-16			31- Mar- 17	31- Mar- 16				
1	Kellton Dbydx Software Pvt Ltd, India	Subsidiary	8,323,765	8,323,765	Unquoted	Fully Paid	100%	100%	40,579,293	40,579,294	Yes	NA
2	Kellton Tech Inc, USA	Subsidiary	546,267	546,000	Unquoted	Fully Paid	100%	100%	144,005,270	90,332,500	Yes	NA
3	Kellton Tech Solution Inc, USA	Subsidiary	1,877	1,274	Unquoted	Fully Paid	100%	100%	409,517,107	276,113,816	Yes	NA
4	*Kellton Tech Limited, Ireland	Subsidiary	100	100	Unquoted	0	100%		-		NA	NA
	Total								594,101,669	407,025,610		

*Kellton Tech Limited is incorporated as 100% subsidiary in Ireland, but no capital is remitted till 31-Mar-2017



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

Notes to Financial Statements as at		31 March 2017	31 March 2016
Note No 13	Long term loans and advances [Unsecured and considered good] Deposits	20,504,327	10,957,827
	Total	20,504,327	10,957,827
Note No 14	Other non-current assets Misc Expenditure to the extent not written off or adjusted Opening Balance Add: Addition during the year Less: Written off for the year	693,502 - 282,472	905,356 - 211,854
	Total	411,030	693,502
Note No 15	Current Assets Trade receivables [Unsecured & Considered Good] Outstanding for more than six months Others	31,781,211 191,696,518	52,785,178 126,188,607
	Total	223,477,729	178,973,785
Note No 16	Cash and cash equivalents Cash on hand Bank Balance Fixed Deposits	281,416 32,695,352 37,814,486	33,786 10,011,647 11,855,420
	Total	70,791,255	21,900,853
Note No 17	Short-term loans and advances [Unsecured and considered good] Staff Advance Prepaid Taxes MAT Entitlement Loan to Subsidiary Unbilled Revenue Other Advances Prepaid Expenses Vat Input	1,608,843 22,832,413 21,636,689 9,179,582 20,069,116 10,347,830 17,962,305 2,895,720	1,809,783 19,009,945 28,363,534 10,164,491 37,194,585 5,663,758 15,294,165 3,031,781
	Total	106,532,499	120,532,042
Note No 18	Other Current Assets Deposit Others	12,750,237 63,895,784	11,116,674 71,483,018
	Total	76,646,021	82,599,692



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

	Non-current assets	31 March 2017	31 March 2016
Note No 19	Revenue from Operations		
	Software Services	736,907,796	397,938,953
	Hardware Services	16,394,641	79,862,824
	Maintenance Services	11,666,963	9,977,720
	Total	764,969,400	487,779,497
Note No 20	Other Income		
	Interest received	1,030,739	995,132
	Sundry Accounts Written Back	526,302	2,193
	Exchange fluctuations Gain	-	2,384,017
	Profit on sale of Asstes	16,653	3,441
	Total	1,573,695	3,384,783
Note No 21	Cost of Material Consumed		
	Purchase of Stock in trade	987,286	63,027,937
	Changes in inventories of finished	9,295,637	-28,542,789
	Total	10,282,922	34,485,148
Note No 22	Employees Benefit Expenses		
	Salaries and Bonus	414,280,975	247,195,938
	Provident Fund	13,044,736	8,914,225
	Gratuity and Leave encashments	8,421,745	915,658
	Staff welfare Exps	17,974,757	10,704,771
	Total	453,722,213	267,730,592
Note No 23	Financial Cost		
	Finance Charges	2,892,530	4,683,494
	Interest - Vehicle Loan	301,251	417,772
	Interest - Working Capital Loan	11,892,746	7,119,108
	Interst and charges on other Loans	5,042,744	6,294,216
	Total	20,129,271	18,514,590
Note No 24	Depreciation & Amortisation Expense		
	Depreciation	18,010,901	10,677,883
	Miscellaneous Exp w/off	282,472	211,854
	Total	18,293,373	10,889,737
Note No 25	Other Expenses		
	Professional Fee	21,676,198	12,103,132
	Rent	33,114,692	15,655,595
	Travelling and Conveyance	15,535,524	11,536,503
	Travelling and Conveyance -Directors	2,786,107	2,325,765
	Subcontracting Expenses	-	313,415
	Internet and webhosting	13,313,986	3,314,517
	Office Maintenance	5,755,265	3,048,958
	Repairs & Maintenance	9,485,078	4,147,362
	Sales and Marketing	6,774,810	2,861,046
	Rates & Taxes	650,823	1,106,207
	Exchange fluctuations Loss	3,748,501	
	CSR Contributions	1,353,800	960,000
	Subscription fees and licences renewal	3,157,472	1,492,372
	Other Miscellaneous expenses	19,367,713	9,586,721
	Audit Fee		
	(a) Statutory Audit Fee	50,000	50,000
	(b) Taxation	25,000	25,000
	(C) CertificationCharges	25,000	25,000
	Total	136,819,969	68,551,593



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Note No 26. Contingent Liabilities

All major events occurring after the date of financial statements, which impair the financials, are duly provided.

1. Contingent liabilities	31-Mar-2017	31-Mar-2016
[a] Claims against the company not acknowledged as debts	Nil	Nil
[b] Uncalled liability on shares partly paid	Nil	Nil
[c] Arrears of fixed cumulative dividend	Nil	Nil
[d] Estimated amount of contracts remaining to be paid on capital account not provided for	Nil	Nil
[e] Other money for which the company is contingently liable	Nil	Nil
[f] Bank Guarantees (Gross amount)	75,560,943	69,388,943
[g] SBLC Guarantee	342,355,200	134,649,900

Note No 27. Earnings per Share

Particulars	31-Mar-2017	31-Mar-2016
Numerator for EPS		
Net Profit after tax (A)	84,059,158	67,299,027
Actual no. of Outstanding Shares at the year end	47,144,573	4,686,260
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)	47,019,275	44,518,439
Weighted Average no. of Shares considered for Denominator for Diluted EPS (C)	47,534,939	44,597,102
Basic and diluted Earnings Per Share (A)/(B)	1.79	1.51
Diluted Earnings Per Share (A)/(C)	1.77	1.51

Basic earnings per share is computed by dividing net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares if any .

Note No 28. Additional information :

Quantitative details are not applicable since it is a software development company.

a. Domestic & Export Sales

Particulars of employees	31-Mar-2017	31-Mar-2016
Export	484,607,927	226,461,773
Domestic	280,361,473	261,317,724
	764,969,400	487,779,497



NOTES TO FINANCIAL STATEMENTS

	31-Mar-2017 Amount in Foreign Currency	31-Mar-2017 Amount in INR	31-Mar-2016 Amount in Foreign Currency	31-Mar-2016 Amount in INR
Value of imports during the year	USD	Nil	USD	Nil
Expenditure in foreign currencies	USD 41,786 GBP 15,995 CAD Nil KWD Nil AED 5,320 CNY 4,640 SGD 4,030 EURO 2,170	2,981,186 1,521,780 CAD Nil KWD Nil 106,134 57,768 20,428 170,099	USD 7,465 GBP 30,304 CAD 4,850 KWD 338	501,049 3,062,908 252,440 75,611
Earnings in foreign currencies	USD 5,932,160 GBP 227,348 CAD 408,412 EURO 634,303	396,602,258 19,993,471 21,952,905 46,059,293	USD 2,969,443 GBP 286,631 CAD Nil SGD Nil	198,369,559 28,092,214 Nil Nil

Note 29. Related Party Transactions

1) 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)
Supremesoft Global 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)
Intellipeople Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Cyberworld Solutions Inc	Step Down Subsidiary (Wholly owned Subsidiary of Prosoft Technology Group Inc)
Kellton Tech (UK) Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Bokanyi Consulting Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Lenmar Consulting ,Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
SID Computer Group, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Names of the parties	Description of relationship
Talent Partners, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)

II) KEY MANAGEMENT PERSONNEL

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

III) RELATIVE OF KEY MANAGEMENT PERSONNEL

Sreevidya Chintam- Wife of Chairman

IV) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of transactions	Name of Entity	31st March 2017	31 March 2016
Sale of Services	Subsidiaries Prosoft Technology Group Inc Kellton Tech Limited	121,554,020 46,059,298	94,735,500 6,761,341
Rent paid for office building	Relative of Key Management personnel Sreevidya Chintam & Niranjan Chintam Rent Deposit paid Entities over which management personnel has significant influence	15,000,000 Nil	2,250,000 335,000
Receipt of Loan to Subsidiaries	Kellton Dbydx Software Private Limited	984,909	13,712,633



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

REMUNERATION OF KEY MANAGERIAL PERSONNEL:

S No	Particulars of Remuneration	Name of MD/ WTD/ Manager			
		Krishna Chintam	Niranjan Chintam	Karanjit Singh	
1	Gross salary	3,000,000	3,000,000		5,471,172
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,000,000	3,000,000		5,471,172
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0		0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0		0
2	Stock Option	0	0	33333*	0
3	Sweat Equity	0	0		0
4	Commission	0	0		0
	- as % of profit	0	0		0
	- others, specify	0	0		0
5	Others, please specify	0	0		0
	Total	3,000,000	3,000,000		5,471,172

*The No. of options exercised during the year.

VI) OUTSTANDING BALANCES

		31-March -2017	31-March -2016
Trade Receivable	Prosoft Technology Group Inc	9,817,342	40,107,326
	Kellton Tech Limited	(4,737,895)	2,455,455
Equity Investment in Subsidiaries	Kellton Dbydx Software Private Limited	40,579,293	40,579,293
	Kellton Tech Inc	144,005,270	90,332,500
	Kellton Tech Solutions Inc	409,517,107	276,113,816
Loan to subsidiaries	Kellton Dbydx Software Private Limited	9,179,582	10,164,491

Note No 30. Depreciation:

Depreciation has been calculated based on estimated economic lives of the fixed assets prescribed by schedule 11 of the Act as per useful life of the assets, whichever is lower. No depreciation is revised on goodwill in view of policy No. 3

Note No 31. Employees Benefit:

a) 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.

b) Leave Encashment: Since leave encashment claims are settled on year to year basis, no actuarial valuation needs to be obtained.



Note No 32. Operating Leases

The company has entered into cancellable and non cancellable operating lease agreements for leasing office space. The lease agreement provides for cancellation by either party with a notice period, it also contains a clause for renewal of lease agreements either at the option of group or as mutually agreed by both the parties.

Operating leases as lessee	31-Mar 2017	31-Mar 2016
Not Later than one year	45,509,325	21,150,500
Later than one year but not later than five years	137,171,487	19,350,000
Later than five years	Nil	Nil

Note No 33. Segment Reporting

Primary Segment

The group has determined its primary reportable segment as geography identified on the basis of revenue which in management's opinion is the predominant source of risks and rewards.

USA	414,871,709
India	280,361,472
Others	69,736,219

The group is organized into three key geographic segments comprising India, the United States of America (USA) and others

Secondary Segment

The group's operations predominantly relate to providing IT services. The secondary reporting segments are identified based on type of services provided to its customers

Digital Transformation	655,873,779
Enterprise Solutions	68,695,195
Consulting	40,400,426

In accordance with paragraph 4 of Accounting Standard 17 "Segment Reporting" prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, The Company shall present segmental information only in consolidated financial statements.

Note No 34. Capital Work in Progress includes Research and Development expenditure on KLGAME a unique software product, which will be commercially exploited upon successful completion.

Note No 35. The company has deposited Rs 95000 in bank at the time of demonetization, as follows:-

Date	Amount
11-Nov-2016	79,500
13-Nov-2016	15,500



NOTES TO FINANCIAL STATEMENTS

Note No 36. Previous year figures have been regrouped wherever necessary.

Note No 37. Previous year figures represent only 9 months and are not comparable with the current year figures as on 31 March 2017 which are for 12 months

Signatories to schedules 1 to 37
For and on behalf of Board of Directors

Vide our report of even date
For **Mahesh Virender & Sriram**
Chartered Accountant
Firm Registration Number – 001939S

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
B R Mahesh
Partner
M No - 18628

Sd/-
Pawni Bhawe
Company Secretary
M No. 48587

Place: Hyderabad
Date: 30/05/2017



INDEPENDENT AUDITOR'S REPORT

**To the Members of
M/s Kellton Tech Solutions Limited
Report on the Financial Statements**

1. i) We have audited the accompanying Consolidated financial statements of M/s Kelton Tech Solutions Limited ("the Company") and its subsidiaries, which comprise the Balance sheet as at 31st March, 2017, the statement of Profit and loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

ii) As stated in Notes to financials, the financial statements of the subsidiaries have been considered in preparation of consolidated financial statements, based on Audited Financial statements of 2 Foreign subsidiaries, Kelton Tech Inc & Kelton Tech Solutions Inc, USA as on 31.12.2016. It also includes the audited financial statements of one Indian Subsidiary, Kellton DbyDx Software Private Limited as on 31.03.2017. It includes the unaudited financial statements of one Foreign Subsidiary Kelton Tech Limited, Ireland as at 31.03.2017.

iii) We report that the consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting standard -21(Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.

Management's Responsibility for the Financial Statements

2. The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the as-



assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters Specified in paragraphs 3 and 4 of the Order.

8. As required by section 143(3) of the Act, 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 purpose 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 and Statement of Profit and Loss and Cash flow statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

e. On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act ;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**", and

g. In our opinion and to the best of our information and according to the explanations given to us,

We report as under 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,



- (i) The Company does not have any pending litigations which would impact its financial position
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses thereon does not arise.
- (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund, as such the question of delay in transferring such sums does not arise
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company.

for **Mahesh, Virender & Sriram**
Chartered Accountants
(Firm's Registration No.001939S)
(B.R.Mahesh)
Partner
Membership No.018628

Place : Hyderabad
Date : 30 May 2017



ANNEXURE A TO THE AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017.

(i) In respect of the Company's fixed assets:

a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b) These fixed assets have been physically verified by the Management at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.

c) The Company does not have any Immovable properties

(ii) Physical verification of inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed .

(iii) 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 respect of Loans, Investments, guarantees & securities, provisions of section 185 & 186 of the Companies Act have been complied with.

(v) The Company has not accepted any deposits within the directives issued by the Reserve Bank Of India, and within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules 1975. No order under the aforesaid sections has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank Of India or any Court or any other Tribunal in this respect.

(vi) The maintenance of cost records under Section 148 (1) of the Companies Act, 2013, is not mandatory to the Company.

(vii) (a) The Company has been generally regular in depositing dues relating to income tax, sales tax, service tax, value added tax, cess and any other material statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of statutory dues in arrears as at 31st March 2016 for a period of more than six months from the date they became payable, except for non payment of Outstanding Income Tax deducted at Source Rs. 4.28 Crores and Service Tax Collection Rs. 2.38 Crores were unpaid.

(b) There were no dues of income-tax, sales tax, service tax, value added tax or cess and any other material statutory dues, which have not been deposited on account of dispute.

(viii) The Company has not generally defaulted in repayment of loans or borrowings from Banks, Financial Institutions or Debenture holders.

(ix) The Company has not raised any money by way of initial public offer nor availed any term loans.

(x) No fraud by the Company or any fraud on the Company by its officers or employees has been noticed



or reported during the year.

(xi) The Managerial remuneration is provided in accordance with section 197 of the Companies Act.

(xii) The Company is not a Nidhi Company.

(xiii) All transactions with the related parties in compliance with sections 177 and 188 of Companies Act, 2013 have been disclosed in the Financial Statements.

(xiv) The Company has not made preferential allotment with in the provisions of Section 42 of the Companies Act, 2013 and the such amounts have been used for the purpose for which it was raised.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45 – 1A of the Reserve Bank of India Act, 1934.

For **Mahesh, Virender & Sriram**
Chartered Accountants
(Firm's Registration No.001939S)

Sd/-
(B.R.Mahesh)
Partner
Membership No.018628

Place : Hyderabad
Date : 30th May 2017



"ANNEXURE B" TO THE AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017.

Report on the Internal financial Controls under clause (i) if sub-section 3 of section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of M/s. KELLTON TECH SOLUTIONS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal financial Controls :

The Company's management 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, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility :

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 on 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 and 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; (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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control.

For **Mahesh, Virender & Sriram**
Chartered Accountants
(Firm's Registration No.001939S)

Sd/-
(B.R.Mahesh)
Partner
Membership No.018628

Place: Hyderabad
Date: 30th May 2017

KELLTON TECH SOLUTIONS LIMITED



CONSOLIDATED BALANCE SHEET AS AT

(Amount in Rs)

Particulars	Note No	31 March 2017	31 March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(A) Share Capital	2	235,722,865	234,131,300
(B) Reserves and Surplus	3	1,532,477,712	1,023,078,213
(C) Money received against share warrants		-	-
(2) Share application money pending allotment		-	333,300
(3) Non-Current Liabilities			
(A) Long-term borrowings	4	437,813,090	321,469,486
(B) Deferred tax liabilities (Net)	5	13,940,396	14,269,514
(C) Other Long term liabilities	6	55,457,847	78,416,734
(D) Long term provisions	7	12,226,192	4,674,496
(4) Current Liabilities			
(A) Short-term borrowings	8	538,188,807	428,012,740
(B) Trade payables	9	205,176,317	176,092,909
(C) Other current liabilities	10	314,530,864	206,489,658
(D) Short-term provisions	11	605,744,533	603,515,331
Total		3,951,278,624	3,090,483,680
II.Assets			
(1) Non-current assets			
(A) Fixed assets	12		
(i) Tangible assets		89,002,086	69,398,750
(ii) Intangible assets		1,530,181,311	1,115,234,253
(iii) Capital work-in-progress		10,214,409	7,213,906
(iv) Intangible assets under development		-	-
(B) Non-current investments		-	-
(C) Deferred tax assets (net)			
(D) Long term loans and advances	13	24,474,687	16,059,695
(E) Other non-current assets	14	411,030	693,502
(2) Current assets			
(A) Current investments			
(B) Inventories		23,919,908	33,215,545
(C) Trade receivables	15	1,467,725,959	1,222,934,036
(D) Cash and cash equivalents	16	161,308,312	78,836,220
(E) Short-term loans and advances	17	564,692,478	405,762,220
(F) Other current assets	18	79,348,444	141,135,553
Total		3,951,278,624	3,090,483,680

Accounting policies 1

The notes referred to above, form an integral part of these financial statements

As per our report of even date

For **Mahesh Virender & Sriram**

Firms' Registration Number: 001939S

Chartered Accountants

For and on behalf of Board of Directors

Sd/-

B R Mahesh

Partner

M No - 18628

Sd/-

Niranjan Chintam

CFO and Chairman

Sd/-

Krishna Chintam

Managing Director

Sd/-

Pawni Bhawe

Company Secretary

M No. 48587

Place : Hyderabad

Date : 30-05-2017



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED (Amount in Rs)

Particulars	Note No	31 March 2017	31 March 2016
Income:			
Revenue from operations	19	6,147,698,590	3,586,804,155
Other Income	20	9,753,698	9,799,185
Total		6,157,452,288	3,596,603,341
Expenses:			
Cost of materials consumed	21	10,282,922	34,485,148
Employee benefit expense	22	3,018,026,831	1,897,456,438
Financial costs	23	102,867,361	87,667,441
Depreciation and amortization expense	24	42,275,703	25,098,278
Other expenses	25	2,261,610,584	1,160,966,106
Total Expenses		5,435,063,401	3,205,673,410
Profit / Loss before taxes		722,388,887	390,929,930
Tax expense:			
(1) Current tax		183,846,141	69,392,358
(2) Mat Credit		-	-
(3) Deferred tax		-124,838	11,808,609
(4) Taxes Prior Period		1,123,815	-
Profit / Loss for the period		537,543,769	309,728,963
Earning per equity share:			
(1) Basic		11.43	6.96
(2) Diluted		11.31	6.95

The notes referred to above, form an integral part of these financial statements

As per our report of even date
For **Mahesh Virender & Sriram**
Firms' Registration Number: 001939S
Chartered Accountants

For and on behalf of Board of Directors

Sd/-
B R Mahesh
Partner
M No - 18628

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Place : Hyderabad
Date : 30-05-2017

Sd/-
Pawni Bhawe
Company Secretary
M No. 48587

KELLTON TECH SOLUTIONS LIMITED



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in Rs)

	Particulars	31 March 2017 (12 Months)	31 March 2016 (9 Months)
a.	Cash flow from operating activities		
	Net Loss/Profit before tax	722,388,887	390,929,930
	Depreciation and Amortization	42,275,703	25,098,278
	Interest & Finance Charges	102,867,361	87,667,441
	Change in Foreign currency translation reserve	-19,585,363	25,336,844
	(Profit)/loss on sale of assets	-16,653	-3,441
	Miscellaneous Expenses written back	-787,383	-2,193
	Bad Debts written off	3,567,242	-
	Sundry Accounts Written Back	71,927,918	-
	Operating profit before working capital changes	922,637,712	529,026,859
	Adjustments for (increase)/decrease in operating assets		
	(Increase)/Decrease in Trade & other Receivables	-248,359,166	-248,871,932
	(Increase)/Decrease in Short-Term Loans and Advances	-160,440,591	-119,204,003
	(Increase)/Decrease in Other Current Assets	-10,140,808	-66,048,192
	(Increase)/Decrease in Inventories	9,295,637	-28,542,789
	(Increase)/Decrease in Long Term Loans and Advances	-8,414,992	-935,727
	Adjustments for (increase)/decrease in operating liabilities		
	Increase/(Decrease) in Other Current Liabilities	108,041,206	16,203,814
	(Decrease) /Increase in Short Term Borrowing	110,176,067	41,371,389
	(Decrease) /Increase in Short Term Provisions	-98,058,190	148,913,219
	(Decrease) /Increase in Trade Payable	29,870,791	-43,158,908
	(Decrease) /Increase in Long Term Provisions	7,551,696	1,035,446
	(Decrease) /Increase in Other Long-Term Liabilities	-22,958,887	-37,749,869
	Cash generated from operations	639,200,475	192,039,305
	Direct Taxes	-83,172,231	-55,722,826
	Net cash from operating activity	556,028,244	136,316,479
b.	Cash flow from investing activity		
	Purchase of fixed assets	-479,527,477	-291,079,723
	Net cash used in investing activities	-479,527,477	-291,079,723
c.	Cash flow from financing activities		
	Proceeds of share application, allotment and share premium	10,703,755	150,142,647
	Increase General Reserves	-18,208,672	-8,401,757
	(Decrease) /Increase in long term borrowings	116,343,603	11,710,354
	Interest & finance charges paid	-102,867,361	-87,667,441
	Net cash accrued in Financing activities	5,971,325	65,783,803
	Net increase in cash and cash equivalent	82,472,093	-88,979,442
	Cash & Cash equivalent as at 1st day	78,836,220	167,815,662
	Cash & cash equivalent as at last day	161,308,312	78,836,220

As per our report of even date
For **Mahesh Virender & Sriram**
Firms' Registration Number: 001939S
Chartered Accountants

For and on behalf of Board of Directors

Sd/-
B R Mahesh
Partner
M No - 18628

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Place : Hyderabad
Date : 30-05-2017

Sd/-
Pawni Bhawe
Company Secretary
M No. 48587



ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS:

NOTE NO. 1. ACCOUNTING POLICIES

1) Basis of accounting:

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

2) 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.

3) Fixed Assets:

- i) The tangible fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation.
- ii) 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.
- iii) 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. In performing the review, the company determine the recoverable amount of goodwill based on fair value less any costs that would be incurred should the company sell a cash generating unit to which goodwill would be apportioned from the operating segment. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

4) 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.

5) 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.

6) Borrowing cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized



NOTES TO FINANCIAL STATEMENTS

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.

7) Inventories:

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

8) Preliminary expenditure:

To write off preliminary expenses in ten equal yearly installments.

9) 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.

10) Taxes on Income :

- i) Current tax is determined on the amount of tax payable in respect of taxable income for the year.
- ii) To provide and recognize deferred tax on timing difference between taxable income and accounting income subject to prudent practices.

11) Segment reporting :

To disclose the revenue and expenses by way of business segments, geographical segments and customer segments.

12) Related parties Transactions:

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

13) Employees' Retirement Benefits:

- a) Retirement benefits are provided in accounts on a rational method where in accrued liability for retirement benefits payable to all employees at the end of the year are reflected. The liability for leave encashment is provided for on the basis of accrued leaves at the end of the year.
- b) Leave Encashment shall be settled annually as per eligibility

14) Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates prevailing date of transactions, Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

15) Contingent Liability:

Contingent liabilities are mentioned by way of notes to accounts to the extent future economic benefit outflow.

16) Assets acquired under finance leases on or after Apr 1, 2001 are recognized at the lower of the fair value of the leased assets at inception and the present value of minimum leave payment. Lease Payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to period during the lease term at a constant periodic rate of interest on the remaining balance of the liability.



NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

Note No : 2	As at 31 March 2017	As at 31 March 2016
(A) Share Capital		
(a) Authorised 62000000 Equity Shares of Rs.5 Each (Previous Year 62000000 Equity shares Rs. 5 each)	310,000,000	310,000,000
(b) Issued Subscribed & Paid Up		
47144573 Equity Shares of Rs 5 each (Previous year- 46826260 Equity shares of Rs 5 each)	235,722,865	234,131,300
Total	235,722,865	234,131,300

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	Number	As at 31 March 2017	Number	As at 31 March 2016
Shares outstanding at the beginning of the year	46,826,260	234,131,300	43,481,599	217,407,995
Shares issued during the year	318,313	1,591,565	3,344,661	16,723,305
Shares bought back during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	47,144,573	235,722,865	46,826,260	234,131,300

(d) Terms/rights attached to equity shares, including restrictions on distribution of dividends and the repayment of capital

(1) Equity shares issued by the company are Equity Shares within the meaning of Section 85(2) of the Companies Act, 2013.

(2) Each holder of equity share is entitled to one vote per share.

(3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts

(4) The distribution will be in proportion to the number of equity shares held by the shareholders

(e) Shares in the Company held by each share holder holding more than 5 percent shares specifying the number of shares

Name of Share Holder	As at 31st March 2017		As at 31st March 2016	
	No of Shares Held	% of holding	No of Shares Held	% of holding
Matnic Finvest Private Limited	21,585,950	45.79%	21,585,950	46.10%
Kellton Wealth Management Private Limited	6,400,000	13.58%	6,400,000	13.67%



NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 3		31 March 2017	31 March 2016		
	Reserves & Surplus				
	[a] General Reserve Opening Balance	11,797,477	11,797,477		
	Closing Balance	11,797,477	11,797,477		
	[b] Capital Subsidy				
	Opening Balance	567,350	567,350		
	Closing Balance	567,350	567,350		
	[c] Securities Premium				
		345,159,428	335,713,938		
	Closing Balance	345,159,428	335,713,938		
	[d] Surplus				
	Opening Balance	673,975,823	338,938,076		
	Net Profit / Loss for the current year	537,543,769	309,728,963		
	Add Translation exchange difference	-19,585,363	25,308,784		
	Closing Balance	1,191,934,228	673,975,823		
	[e] Foreign Exchange Currency Transalation	-16,980,772	1,023,625		
	Closing Balance	-16,980,772	1,023,625		
	Grand Total of Reserve & Surplus	1,532,477,712	1,023,078,213		
Non-Current Liabilities					
Note No 4	Long Term Borrowings				
	Secured				
	Vehicle Loans				
	a) HDFC Bank Ltd	305,050	494,736		
	b) Axis Bank Ltd	317,408	-		
	c) Kotak Mahindra Prime Ltd	-	249,986		
	Loan - Indusind Bank	19,325,004	-		
	Loan -Axis Bank Limited	254,172,800	96,178,500		
	Term Loan- Savoy Bank	29,916,684	-		
	Other Long Term Borrowings	133,776,144	224,546,264		
	Total	437,813,090	321,469,486		
	Lender	Nature	Rate of interest	Security	Terms of Repayment
	HDFC Bank	Vehicle Laon	10.12%	Vehicle	Repayble in 60 equat- ed installments out of which 31 are paid
	Axis Bank Limited	Vehicle Loan	9.85%	Vehicle	Repayble in 36 equat- ed installments out of which 10 are paid
	Indusind Bank	Cash Credit + SBLC	Base + 1.90%	Pari Pasu charge with Axis bank and pledge of 12 Lakh shares held by Matric Finvest Private Limited (Promoter of the Company)	Multi Years
	Axis Bank Singapore	Stand by Let- ter of credit	Libor +4bps	Securities applicable to cash credit facilities	Repayble in 20 Install- ments out of which 7 are paid
	Axis Bank UK Limited	Stand by Let- ter of credit	Libor +2bps	SBLC by Indusind Bank Limited	5 years with yearly renewal
	Savoy Bank	Working Capital	Primerate +3%	All Assets of the company	Repayble over three years
	Itria Ven- tures LLC	Acquisition Finance	10-18%	Personal Gurantee of Promoters	Repayble over three years
	Others	Acquisition Finance	10%	Unsecured	Repayable on demand over next three years



NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 5		31 March 2017	31 March 2016																											
	Deferred tax Liabilities (Net)																													
	Opening Balance	14,269,514	2,432,845																											
	Current year transfer	696,193	11,808,609																											
	Written back in current year	-821,031	-																											
	Foreign Exchange Currency Transalation	-204,280	28,060																											
	Closing Balance	13,940,396	14,269,514																											
Note No 6	Other Long Term Liabilities																													
	Deferred Payments	53,363,709	78,416,734																											
	Deferred Rent	2,094,137	-																											
	Total	55,457,847	78,416,734																											
Note No 7	Other Long Term Provisions																													
	Provision for Gratuity	11,654,528	4,202,832																											
	Provision for Leave Encashment	571,664	471,664																											
	Closing Balance	12,226,192	4,674,496																											
Note No 8	Short Term Borrowings																													
	Secured Loans From Banks																													
	Term Loan - Vehicle																													
	ICICI Bank Ltd	-	733,050																											
	Kotak Mahindra Prime Ltd	1,245,358	2,594,055																											
	Working capital loan - Axis Bank Limited	198,113,768	80,576,996																											
	Term Loan Axis Bank Limited	-	2,530,988																											
	Working capital Line of Credit (From Bridge Bank)	273,989,681	242,082,651																											
	Working capital Line of Credit (From Savoy Bank -Secured by charge on receivables)	-	99,495,000																											
	Other Short term borrowings	64,840,000	-																											
	Total	538,188,807	428,012,740																											
<table><tr><th>Lender</th><th>Nature</th><th>Rate of interest</th><th>Security</th><th>Terms of Repayment</th></tr><tr><td>Kotak Mahindra Prime Ltd</td><td>Vehicle Loan</td><td>10.56%</td><td>Vehicle</td><td>36 equated installments out of which 31 are paid</td></tr><tr><td rowspan="2">Axis Bank Limited</td><td>Cash Credit</td><td>Base Rate +1.85%</td><td rowspan="2">a) Exclusive charge on the entire current assets and Fixed assets (other than Vehicle) of the Company, both present and future; b) Hypothecation of the properties owned by the Promoters c) pledge of 12 Lakh shares held by Matnic Finvest Private Limited (Promoter of the Company) d) Personal Gurantees and comfort letters from promoter</td><td>Yearly Renewals</td></tr><tr><td>FCDL</td><td>Libor+4.21%</td><td>Rollover (based on avaiability of FC funds) or Bullet repayment at the end of six months</td></tr><tr><td>Bridge Bank</td><td>Working Capital</td><td>Primerate +2%</td><td>Secured by charge on receivables</td><td>Yearly Renewals</td></tr><tr><td>Whochford</td><td>Acquisition Finance</td><td>12%</td><td>Unsecured</td><td>Two years</td></tr></table>	Lender	Nature	Rate of interest	Security	Terms of Repayment	Kotak Mahindra Prime Ltd	Vehicle Loan	10.56%	Vehicle	36 equated installments out of which 31 are paid	Axis Bank Limited	Cash Credit	Base Rate +1.85%	a) Exclusive charge on the entire current assets and Fixed assets (other than Vehicle) of the Company, both present and future; b) Hypothecation of the properties owned by the Promoters c) pledge of 12 Lakh shares held by Matnic Finvest Private Limited (Promoter of the Company) d) Personal Gurantees and comfort letters from promoter	Yearly Renewals	FCDL	Libor+4.21%	Rollover (based on avaiability of FC funds) or Bullet repayment at the end of six months	Bridge Bank	Working Capital	Primerate +2%	Secured by charge on receivables	Yearly Renewals	Whochford	Acquisition Finance	12%	Unsecured	Two years		
Lender	Nature	Rate of interest	Security	Terms of Repayment																										
Kotak Mahindra Prime Ltd	Vehicle Loan	10.56%	Vehicle	36 equated installments out of which 31 are paid																										
Axis Bank Limited	Cash Credit	Base Rate +1.85%	a) Exclusive charge on the entire current assets and Fixed assets (other than Vehicle) of the Company, both present and future; b) Hypothecation of the properties owned by the Promoters c) pledge of 12 Lakh shares held by Matnic Finvest Private Limited (Promoter of the Company) d) Personal Gurantees and comfort letters from promoter	Yearly Renewals																										
	FCDL	Libor+4.21%		Rollover (based on avaiability of FC funds) or Bullet repayment at the end of six months																										
Bridge Bank	Working Capital	Primerate +2%	Secured by charge on receivables	Yearly Renewals																										
Whochford	Acquisition Finance	12%	Unsecured	Two years																										



		31 March 2017	31 March 2016
	Current Liabilities		
Note No 9	Trade payables		
	Sundry Creditors	205,176,317	176,092,909
	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)		
	Total	205,176,317	176,092,909
Note No 10	Other Current Liabilities		
	Advances Received	7,262,500	22,646,792
	TDS Payable	44,469,063	30,584,686
	Professional Tax Payable	30,900	28,500
	Provident Fund Payable	2,117,092	2,036,021
	Vat/Sales tax payable	3,815,510	1,186,134
	Service tax payable	24,224,932	14,713,739
	Book bank overdraft	213	538,004
	Current Maturities of Long term borrowings	222,657,597	117,487,800
	Others	9,953,058	17,267,983
	Total	314,530,864	206,489,658
Note No 11	Short-term provisions		
	(a) Provisions for employees benefits	222,676,442	279,460,440
	(b) Outstanding Expenses	220,882,650	262,156,841
	(c) Audit fee payable	175,000	175,000
	(d) Provision for taxation	162,010,441	61,723,049
	Total	605,744,533	603,515,331

NOTES TO FINANCIAL STATEMENT AS AT
Note No 12 Fixed Assets

(Amount in Rs)

S No	Description of Asset	Gross block				Depreciation				Net block			
		As At 31-Mar-2016	Additions during the year	Deletions during the year	Translation exchange difference	As At 31-Mar-2017	Up to 31-Mar-2016	For the year	On Deletions	Translation exchange difference	Up to 31-Mar-2017	As at 31-Mar-2017	As at 31-Mar-2016
1	Tangible Assets												
	Plant & Machinery												
	[a] Equipment	68,722,310	17,999		-1,483,685	67,256,624	61,667,717	5,291,670	-	-1,521,035	65,438,352	1,818,272	7,054,593
	[b] Electrical Equipment	10,772,502	9,170,528		-	19,943,030	2,746,637	1,508,192	-	-	4,254,829	15,688,201	8,025,865
	[c] Communication Equipment	3,384,693	443,820		-	3,828,513	2,254,510	569,246	-	-	2,823,756	1,004,757	1,130,183
	[d] Air Conditioners	1,629,903	930,805		-	2,560,708	684,934	199,144	-	-	884,078	1,676,630	944,969
2	Computers	50,992,680	6,685,053	807,434	-5,340	56,864,959	26,988,064	10,248,595	81,072	-4,057	37,151,529	19,713,429	24,004,616
3	Furniture & Fixtures	21,084,081	25,639,530		-193,846	46,529,765	10,209,425	2,673,414	-	-195,611	12,687,228	33,842,537	10,874,654
4	Vehicles												
	[a] Scooter & Cycles	14,891			-	14,891	14,889	-	-	-	14,889	2	2
	[b] Car	23,278,599	905,972		-	24,184,571	6,229,712	2,975,430	-	-	9,205,142	14,979,429	17,048,894
	[c] Bike	376,043			-	376,043	61,070	36,145	-	-	97,215	278,828	314,974
5	Lease Hold Properties	5,433,102			-122,046	5,311,056	5,433,102	-	-	-122,046	5,311,056	-	-
	Total Tangible Assets	185,688,804	43,793,707	807,434	-1,804,917	226,870,160	116,290,060	23,501,835	81,072	-1,842,750	137,868,073	89,002,086	69,398,750
	Intangible Assets												
	Soft Ware	65,514,900	30,202,472	122,288	-1,043,237	94,551,847	39,751,756	18,491,395	-	-1,107,484	57,135,667	37,416,183	25,763,148
	Good Will	1,089,471,106	403,294,021	-	-	1,492,765,127	-	-	-	-	-	1,492,765,127	1,089,471,106
	Total Intangible Assets	1,154,986,006	433,496,493	122,288	1,043,237	1,587,316,974	39,751,756	18,491,395	-	-	57,135,667	1,530,181,311	1,115,234,254
	Capital WIP (Research & Development)	7,213,906	3,000,503	-	-	10,214,409	-	-	-	-	-	10,214,409	7,213,906
	Total WIP	7,213,906	3,000,503	-	-	10,214,409	-	-	-	-	-	10,214,409	7,213,906
	Previous years figures	1,203,631,738	1,42,109,230	2,485,377		1,347,888,716	127,981,568	24,886,424	-		156,041,816	1,191,846,909	1,075,650,169



		31 March 2017	31 March 2016
Note No 13	Long term loans and advances [Unsecured and considered good] Deposits	24,474,687	16,059,695
	Total	24,474,687	16,059,695
Note No 14	Other non-current assets Misc Expenditure to the extent not written off or adjusted Opening Balance Add: Addition during the year Less: Written off for the year	693,502 - 282,472	905,356 - 211,854
	Total	411,030	693,502
Note No 15	Trade receivables [Unsecured & Considered Good] Outstanding for more than six months Others	138,944,893 1,328,781,066	84,241,057 1,138,692,978
	Total	1,467,725,959	1,222,934,036
Note No 16	Cash and cash equivalents Cash on hand Bank Balance Fixed Deposits	357,415 123,136,411 37,814,486	33,822 66,922,045 11,880,353
	Total	161,308,312	78,836,220
Note No 17	Short-term loans and advances [Unsecured and considered good] Staff Advance Prepaid Taxes MAT Entitlement Unbilled Revenue Other Advances Prepaid Expenses Vat Input	5,602,982 24,226,457 21,680,428 473,344,969 10,672,030 26,166,199 2,999,412	11,752,253 19,009,945 28,407,273 306,294,741 6,071,454 31,091,080 3,135,473
	Total	564,692,478	405,762,220
Note No 18	Other Current Assets [Deposit Others	12,750,237 66,598,206	11,116,674 130,018,879
	Total	79,348,444	141,135,553



NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No	For the period Ended	31 March 2017	31 March 2016
Note No 19	Revenue from Operations		
	Software Services	6,119,636,986	3,496,963,611
	Hardware Services	16,394,641	79,862,824
	Maintenance Services	11,666,963	9,977,720
	Total	6,147,698,590	3,586,804,155
Note No 20	Other Income		
	Interest received	1,974,281	995,132
	Other Income	6,975,381	6,300,798
	Sundry Accounts Written Back	787,383	2,193
	Exchange fluctuations Gain	-	2,497,621
	Profit on sale of Asstes	16,653	3,441
	Total	9,753,698	9,799,185
Note No 21	Cost of Material Consumed		
	Purchase of Stock in trade	987,286	63,027,937
	Changes in inventories of finished goods	9,295,637	-28,542,789
	Total	10,282,922	34,485,148
Note No 22	Employees Benefit Expenses		
	Salaries and Bonus	2,799,846,680	1,714,353,221
	Provident Fund	13,200,884	9,062,863
	Gratuity and Leave encashments	9,159,537	2,506,015
	Staff welfare Exps	195,819,730	171,534,339
	Total	3,018,026,831	1,897,456,438
Note No 23	Financial Cost		
	Finance Charges	12,162,713	9,384,882
	Interest - Vehicle Loan	338,513	469,046
	Interest - Working Capital Loan	33,576,316	26,797,859
	Interest and charges on other Loans	56,789,819	51,015,653
	Total	102,867,361	87,667,441
Note No 24	Depreciation & Amortisation Expense		
	Depreciation	41,993,231	24,886,424
	Miscellaneous Exp w/off	282,472	211,854
	Total	42,275,703	25,098,278
Note No 25	Other Expenses		
	Professional Fee	122,783,399	68,333,398
	Rent	74,476,716	38,580,001
	Travelling and Conveyance	52,788,395	35,560,671
	Travelling and Conveyance -Directors	4,738,594	2,325,765
	Subcontracting Expenses	1,768,838,978	894,687,166
	Product Licencecost	40,947,578	51,770,293
	Internet and webhosting	24,972,570	4,112,534
	Repairs & Maintenance	35,322,303	5,293,589
	Sales and Marketing	18,574,634	6,676,692
	Rates & Taxes	2,141,334	5,611,503
	Exchange fluctuations Loss	4,681,338	-
	CSR Contributions	1,420,890	960,000
	Subscription fees and licences renewal cost	27,331,641	10,751,946
	Written off old balances	3,165,014	-
	Bad Debts	3,567,242	-
	Other Miscellaneous expenses	71,927,918	34,661,782
	Audit Fee		
	(a) Statutory Audit Fee	50,000	50,000
	(b) Taxation	50,000	50,000
	(C) CertificationCharges	25,000	25,000
	Audit Fee for subsidiaries companies	3,807,040	1,515,768
	Total	2,261,610,584	1,160,966,106



NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 26 Contingent Liabilities

All major events occurring after the date of financial statements, which impair the financials, are duly provided

1. Contingent liabilities	31-Mar-2017 Rs.	31-Mar-2016 Rs.
[a] Claims against the company not acknowledged as debts	Nil	Nil
[b] Uncalled liability on shares partly paid	Nil	Nil
[c] Arrears of fixed cumulative dividend	Nil	Nil
[d] Estimated amount of contracts remaining to be paid on capital account not provided for	Nil	Nil
[e] Other money for which the company is contingently liable	Nil	Nil
[f] Bank Guarantees (Gross amount)	75,560,943	69,388,943

Note No 27 Earnings per Share

Particulars	31-Mar-2017	31-Mar-2016
Numerator for EPS		
Net Profit after tax (A)	537,543,769	309,728,963
Actual no. of Outstanding Shares at the year end	47,144,573	46,826,260
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)	47,019,275	44,518,439
Weighted Average no. of Shares considered for Denominator for Diluted EPS (C)	47,534,939	44,597,102
Basic and diluted Earnings Per Share (A)/(B)	11.43	6.96
Diluted Earnings Per Share (A)/(C)	11.31	6.95

Basic earnings per share is computed by dividing net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares if any .

Note No 28. Additional information:

Quantitative details are not applicable since it is a software development company.

a. Domestic & Export Sales	31-Mar-2017 Rs.	31-Mar-2016 Rs.
Export	5,857,137,117	3,310,913,740
Domestic	290,561,473	275,890,416
	6,147,698,590	3,586,804,155



	31-Mar-2017 Amount in For- eign Currency	31-Mar-2017 Amount in INR	31-Mar-2016 Amount in Foreign Cur- rency	31-Mar-2016 Amount in INR
[e] Value of imports during the year	USD	Nil	USD	Nil
[f] Expenditure in foreign currencies	USD 41,786 GBP 15,995 SGD 4,030 CNY 4,640 AED 5,320 EURO 2,170 KWD Nil	2,981,185 1,521,780 2,042,821 57,768 106,134 170,091 KWD Nil	USD 7,465 GBP 30,304 SGD Nil CAD 4,850 AED Nil KWD 338	501,049 3,062,908 SGD Nil 252,440 AED Nil 75,611
[g] Earnings in foreign currencies	USD 4,136,992 GBP 416,937 CAD 408,412	276,214,028 36,103,087 21,952,905	USD 3,047,597 GBP 327,279 CAD Nil	203,530,034 32,087,714

Note No 29. The account contains consolidation of the following subsidiary company:-

- i) Kellton Dbydx Software Private Limited (India) –Wholly Owned Subsidiary
- ii) Kellton Tech Inc (USA) –Wholly Owned Subsidiary
- iii) Kellton Tech Solutions Inc (USA) --Wholly Owned Subsidiary
- iv) Supremesoft Global Inc (USA) – Step Down Subsidiary
- v) Evantage Solutions Inc (USA) – Step Down Subsidiary
- vi) Vivos Professional Services LLC (USA) – Step Down Subsidiary
- vii) Prosoft Technology Group (USA) Step Down Subsidiary Wholly Owned Subsidiary
- viii) Intellipeople Inc (USA) Step Down Subsidiary
- ix) Cyberworld Solutions Inc (USA) Step Down Subsidiary
- x) Bokanyi Consulting Inc (USA) Step Down Subsidiary
- xi) Kellton Tech Limited (Ireland) - Wholly Owned Subsidiary
- xii) Kellton Tech (UK) Limited (Scotland) Step Down Subsidiary
- xiii) Lenmar Consulting ,Inc
- xiv) SID Computer Group, Inc
- xv) Talent Partners, Inc

Note No 30.

- a) The financial statement of the company and its subsidiary companies has been combined on a line by line basis by adding together like items of assets liabilities income and expenses. Intercompany balances and transactions and unrealized profits or losses have been fully eliminated.
- b) The excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity is recognized as Goodwill (on consolidation).. When the cost to the parent of its investment in the subsidiary is less than the parent's portion of equity then the difference is treated as Capital Reserve (on Consolidation) in the consolidated financial statements.
- c) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company.



NOTES TO FINANCIAL STATEMENT AS AT

Note No 31. Translation of Non-Integral Foreign Operations

Financial statements of non-integral foreign operations are translated as under :

a) Assets and Liabilities both monetary and non monetary are translated at the rate prevailing at the end of the year.

b) Income and expense items are translated at exchange rates at the average rate. Exchange differences arising on translation of non integral foreign operations are accumulated in the foreign currency translation reserves until the disposal of such operations.

Note No 32. Related Party Transactions

I) RELATED PARTY WITH WHOM TRANSACTIONS HAVE TAKEN PLACE

- i) Mr Niranjan Chintam - Chairman and Whole Time Director
- ii) Mr Krishna Chintam - Managing Director
- iii) Mr Karanjit Singh- CEO and Executive Director

III) RELATIVE OF KEY MANAGEMENT PERSONNEL

Sreevidya Chintam- Wife of Chairman

IV) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of transaction	Name of Entity	31-March-2017 12 months	31-March-2016 (9 months)
Remuneration paid during the year	Key Management Personnel		
	Niranjan Chintam	3,000,000	2,250,000
	Krishna Chintam	3,000,000	2,250,000
	Karanjit Singh (other than Esops benefit)	5,471,175	3,767,380
Rent paid for office building	Relative of Key Management personnel		
	Sreevidya Chintam & Niranjana Chintam	15,000,000	2,250,000

V) OUTSTANDING BALANCES

Nil

Note No 33. Depreciation :

Depreciation has been calculated based on estimated economic lives of the fixed assets prescribed by schedule 11 of the Act as per useful life of the assets, whichever is lower. No depreciation is revised on goodwill in view of policy No. 3

Note No 34. Employees Benefit:

a) 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.

b) Leave Encashment: Since leave encashment claims are settled on year to year basis, no actuarial valuation needs to be obtained.



NOTES TO FINANCIAL STATEMENTS AS AT

Note No 35. Operating Leases

The company has entered into cancellable and non cancellable operating lease agreements for leasing office space. The lease agreement provides for cancellation by either party with a notice period, it also contains a clause for renewal of lease agreements either at the option of group or as mutually agreed by both the parties.

Operating leases as lessee

	31-Mar 2017	31-Mar 2016
Not Later than one year	35,918,531	55,880,476
Later than one year but not later than five years	34,450,260	77,957,857
Later than five years	Nil	Nil

Note No 36. Segment Reporting

Primary Segment

The group has determined its primary reportable segment as geography identified on the basis of revenue which in management's opinion is the predominant source of risks and rewards

The group is organized into three key geographic segments comprising India, the United States of America (USA) and others

S. No	Particulars	Geographic Segment	2016-2017 (12 months)	2015-2016 (9 Months)
1	Segment Revenue	USA India Others Total	5,748,073,884 290,561,472 109,063,234 6,147,698,590	3,221,623,607 275,890,415 89,290,134 3,586,804,156
2	Identifiable Expenses	USA India Others Total	4,835,612,547 118,839,060 36,897,730 4,991,349,337	2,693,153,486 399,754,206 Nil 3,092,907,692
3	Segment results before Depreciation Interest and tax	USA India Others Total	912,461,337 171,722,412 72,165,504 1,156,349,253	533,968,504 15,568,212 83,791,751 633,328,467
4	Un allocable Expenses	Total	443,714,064	112,765,718
5	Other income	Total	9,753,698	9,799,185
6	Taxes	Total	184,845,118	81,200,967
7	Profit after tax	Total	537,543,769	309,728,963
8	Segmental Trade Receivable	USA India Others Total	1,299,382,845 132,996,207 35,346,907 1,467,725,959	1,052,317,634 150,000,029 20,616,372 1,222,934,036
9	Unallocated Assets		2,483,552,664	1,867,549,644



NOTES TO FINANCIAL STATEMENT AS AT

Secondary Segment

The group's operations predominantly relate to providing IT services. The secondary reporting segments are identified based on type of services provided to its customers.

S.No	Particulars	Type of Service provided	FY-2016-17 (12 months)	FY-2015-16 (9 months)
1	Segment Revenue	Digital transformation	3,305,952,011	1,636,858,974
		Enterprise Solutions	1,618,647,427	1,368,276,174
		Consulting	1,223,099,152	581,669,007
		Total	6,147,698,590	3,586,804,155
2	Segmental Trade Re- ceivable	Digital transformation	844,779,229	660,586,868
		Enterprise Solutions	242,500,328	356,447,374
		Consulting	380,446,402	205,899,794
		Total	1,467,725,959	1,222,934,035

Note No 37. Capital Work in Progress includes Research and Development expenditure on KLGAME a unique software product, which will be commercially exploited upon successful completion.

Note No 38. The Company through its wholly owned subsidiary Kellton Tech Inc acquired the entire equity capital of US based Lenmar Consulting Inc, Talent Partners, Inc and SID Computer Group Inc

Note No 39. The company has deposited Rs 95000 in bank at the time of demonetization

Date	Amount
11-Nov-2016	79,500
13-Nov-2016	15,500

Note No 40. Previous year figures have been regrouped wherever necessary.

Note No 41. The previous year figures represents only 9 months and are not comparable with the current year figures as on 31 March 2017 which is for 12 months.

Signatories to schedules 1 to 41
For and on behalf of Board of Directors

Vide our report of even date
For **Mahesh Virender&Sriram**
Chartered Accountants
Registration Number – 001939S

Sd/-
Krishna Chintam
Managing Director

Sd/-
Niranjana Chintam
CFO & Chariman

Sd/-
B R Mahesh
Partner
Membership No - 018628

Sd/-
Pawani Bhawe
Company Secretary

Place : Hyderabad
Date : 30/05/2017



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)



KELLTON TECH SOLUTIONS LIMITED

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

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on the Wednesday September 27th 2017 at 11 AM at Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033 and at any adjournment thereof in respect of such resolutions as are indicated below:

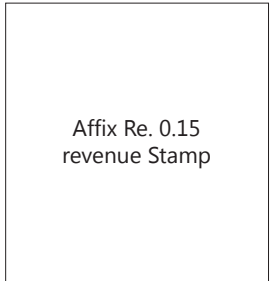


Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1	To receive, consider and adopt (i) the audited standalone financial statements of the Company for the financial year ended 31st March, 2017, the Reports of the Board of Directors and the Auditors thereon. (ii) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the Report of the Auditors thereon		
2.	To appoint a Director in place of Mr. Karanjit Singh, who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Mr. Krishna Chintam, who retires by rotation and, being eligible offers himself for re-appointment		
4.	Appointment of M/s. Sastri & Shah, Chartered Accountants Statutory Auditors of the Company		
5.	Appointment of Ms. Kunda Kalpana as Director of the Company		
6.	Appointment of Ms. Kunda Kalpana as an Independent Director		
7.	Further issuance of securities		
8.	Variation of Employees Stock Option Scheme of the Company		

*** Applicable for investors holding shares in Electronic form.**

Signed this ____ day of ____ 20__



Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
across revenue stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company



KELLTON TECH SOLUTIONS LIMITED

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

ATTENDANCE SLIP

23rd Annual General Meeting on Wednesday September 27th 2017 at 11 AM at Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033

Full name of the members attending _____ (In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 23rd Annual General Meeting of Kellton Tech Solutions Limited held at _____, on _____

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

No Gifts, Gift Coupons, Cash in lieu of Gifts will be given at the AGM to any member.



ROUTE MAP TO VENUE OF ANNUAL GENERAL MEETING (AGM)



AGM VENUE :

EBONY BOUTIQUE HOTEL

DOOR NO. 8-2-120/C/198/192, ROAD NUMBER 2
BANJARA HILLS, NEAR ANNAPURNA STUDIO
HYDERABAD, TELANGANA -500033

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING ON WEDNESDAY SEPTEMBER 27TH 2017 AT 11 AM AT EBONY BOUTIQUE HOTEL, DOOR NO. 8-2-120/C/198/192, ROAD NUMBER 2, BANJARA HILLS, NEAR ANNAPURNA STUDIO, HYDERABAD, TELANGANA-500033

LEADING THE WAY
TO THE FUTURE OF
INFINITE POSSIBILITIES



KELLTON TECH

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