KELLTON TECH SOLUTIONS LTD.

Hyderabad, 26th September, 2016

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

Dear Sir/Madam,

Sub: Annual Report for Financial year 2015-2016 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Code: 519602/ Symbol: KELLTONTEC

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for Financial year 2015-2016 as approved and adopted in the 22nd Annual General Meeting of the members of the Company held on Monday, September 26th, 2016 at 11.00 A.M. at Ebony Boutique Hotel, Road No.2, Banjara Hills, near Annapurna Studio, Hyderabad-500033, Telangana is enclosed herewith.

Kindly take the above on record and acknowledge.

Thanking you,

For **Kellton Tech Solutions Limited**

KELLTON TECH SOLUTIONS LTD. HYD

Niranjan Chintam
Director
DIN: 01658591

KELLTON TECH

Annual Report

2015 - 2016

INFINITE POSSIBILITIES WITH TECHNOLOGY

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LETTER TO SHAREHOLDERS

Dear Shareholders,

The journey of Kellton Tech so far is a story of future-driven organisation continuously scaling newer heights of growth and accomplishment with an expert footing. The year 2015-16 will be remembered as a year in which your company emerged as a global leader in digital transformation arena, earning prestigious recognitions along the way.

Fourth Industrial Revolution – Capitalising on the Digital Revolution

Well before it was manifest, your company foresaw the digital-driven era, the fourth revolution as many are calling it,and invested in the digital technologies ahead of the curve. The first industrial revolution used steam engine to mechanise production, the second ushered an era of mass production through electric power, and the third lead to automation of business processes using information technology. The fourth revolution is now upon us: the digital revolution that would unleash the rapid digitisation of industry systems and aims towards universal digital convergence.

The possibilities emerging from this digital wave are enormous and path-breaking, as it allows for unlimited computing power at your fingertips. Despite the upsurge in use of mobile devices, the mobile applications often used to hit the performance wall due to their intrinsic constraints. Digital technologies break through this wall and help tap unlimited resources from the cloud storage without imposing any device-based constraints. Our digital evangelism efforts opened many CIOs to the opportunities derived from unlimited computing. The pay-as-you-go model afforded by these technologies enables one to pay only for what they use (popularly known as "everything as a service" – XaaS model). We educated enterprises to avoid heavy in-house investment on implementing and maintaining solutions (such as traditional data centers), and instead utilise the more cost-effective Kellton Tech's on-demand services (such as cloud). The shift from capital expenditure (Capex) towards operating expenses (Opex), prompted by efficiency and cost-cutting concerns, is driving the opportunities for Kellton Tech. Your company has successfully addressed the reservations of many businesses and enabled them to make the digital leap.

Further, we have successfully allayed the reigning apprehension among many businesses that digital transformation requires ground-up efforts from scratch; we used our past projects to demonstrate that the implementation can be enabled by strategic re-apportioning of existing resources too. Thus, your company is best-positioned to affect digital transformation for both greenfield and brownfield projects i.e. where system needs to be built from ground-up and wherein legacy systems must be incorporated respectively. We make the existing systems in brownfield projects digital-ready by arming them with 'wrappers' that bring digital capabilities while enabling a digitised front-end for applications.

Digital Goes Mainstream

When we started this journey, much of the digital revolution was mostly thriving in new-age companies. Today, digital transformation has moved from the margins to the mainstream as many fence-sitting traditional companies have jumped the digital bandwagon. As a pioneering enabler of digital transformation, your company is playing an integral role in educating businesses to adopt digital.

In tandem, we are continuously investing in these high-yielding digital technologies and are acquiring companies that bring new capabilities and give access to new customers. In retrospect, our plans have panned out perfectly. The acquisition of ProSoft Technology Group turned prescient, as it afforded us advanced enterprise digital capabilities in time to exploit the exploding digital market. In a similar vein, your company acquired US-based Bokanyi Consulting this year, strengthening its ISMAC (Internet of things, Social, Mobile, Analytics, Cloud) stack and adding niche expertise in the in-memory analytics space to its already comprehensive set of digital capabilities.

Though increasingly serving large enterprises, your company has always been true to its roots and has a mandate of having at least 20% of our customers from the start-up community. As these companies are on the cusp of innovation, working with them affords us a bird's eye view of the emerging forces at play. As the innovation matures and mainstream companies start adopting them, your company being one among the very few companies to be well-versed in them, emerges as a go-to partner for implementation. Thus, working with start-ups is enabling us to discern signs of the coming technological wave and capitalise on the emergent opportunities.

Digital is our DNA

Your company is poised to grow at this accelerated rate as digital transformation is one continuous metamorphosis, with no end-state defined. Being a pioneer in digital transformation which has become a part of organisational DNA, our customers recognise the evolutionary edge we bring in this regard and have reposed their complete faith in our capabilities. In terms of head-to-head technology bake-off, your company has leapfrogged the competition and dominates the domains in which it is operating.

At a time when implementing Internet of Things (IoT)-based solution still seems futuristic, your company prides itself incurrently deploying two IoT-based projects. This assumes significance in wake of reports forecasting that the global IoT market would grow to $1.7 trillion by 2020. Thus, Kellton Tech is well-qualified to seize the opportunities that lie ahead in this arena and capture a sizeable pie of the IoT market.

Attaining Strategic Goals

In our last year's letter to shareholders, we evinced interest in foraying into Europe. It gives me great pleasure to observe that we indeed did establish our EMEA (Europe, Middle East and Africa) headquarters in Ireland this year. The Ireland office would serve as our springboard to make inroads into European market and beyond. This region is poised to become, next to US, our largest revenue-contributor in the world.

Your company's significant growth and sustained momentum could not have been possible without the yeoman contribution of our employees who elevated the company to its present heights and continue to push it higher. These are the people who took the pioneering steps in uncharted terrains, armed with only the deep sense of commitment to excellence. We encourage our employees to engage in continuous upskilling and reskilling, setting time aside for fully-dedicated learning periods. This enables them to be fully-equipped to navigate through the coming digital disruptions. Simultaneously, we are incubating Centers of Excellence in various technologies and are constantly innovating to keep ourselves abreast with the technological momentum.

The year has also witnessed the unification of all corporate brands under single brand of Kellton Tech. Henceforth, Kellton Tech will be the market-facing brand identity of the entire group. The brand consolidation will enable us to tap operational synergies and improve our brand recognition and recall in the global market. This is an exciting milestone for the organisation, for it enables us to operate as one global team and helps offer compelling value proposition to customers.

Earning Prestigious Recognitions and Clients

Your company gained prominent recognitions for its achievements as a global leader in digital transformation. It won the category "Digital Innovation in Service Provider Industry" at the prestigious Digitizing India Awards, a Cisco initiative in collaboration with CNBC. Kellton Tech also received dual recognition at the National Awards in IT Excellence – 2016 for 'Best e-governance Implementation' and as 'Emerging IT Company of the Year'. Likewise, investor optimism is best reflected in the naming of Kellton Tech as one among the top 5 growth stocks in India by Dalal Street, a leading capital investment magazine.

Thanks to your confidence in us, today, your company has 40 customers from the Fortune 500 list, and is a proud enabler of digital transformation to three of the largest eCommerce players in India, largest Indian airline, India's leading leisure hospitality provider, a global restaurant chain and two of the largest digital wallet providers among many similar companies.

At the end of this momentous year, we would like to thank you for your ongoing trust and support, which gives us the confidence to make these rapid strides. Your continuing faith will enable us to embark upon more challenging business expeditions and march on the road to digital success.

Thank you.

Niranjan Chintam
Founder and Chairman

KELLTON TECH SOLUTIONS LIMITED

SNAPSHOT OF 2015 - 2016

VISION

Infinite Possibilities with Technology

FOUNDATION

- Acquired US-based Bokanyi Consulting. Realized merger synergies from previous acquisitions.
- Strengthened ISMAC (Internet of Things, Social, Mobile, Analytics, Cloud) focus and added niche expertise in the in-memory and streaming analytics space.
- Enhanced revenues and recognitions demonstrate growing stature of Kellton Tech as a leading enabler of digital transformation.

FOOTPRINT

- Established EMEA (Europe, Middle East, & Africa) headquarters at Drogheda, Ireland.
- Acquired new office at Houston, TX, US.
- Offices in USA (Chicago, IL, Cupertino, CA, McLean, VA, Princeton, NJ), India (Hyderabad, Gurgaon, Lucknow, Gandhidham).

CORE STRENGTH

- Over 1200 people across the globe with significant on-shore presence. Adding strong tiers of middle and top management.
- Awarded at industry-leading platforms. Won prestigious Digitizing India Award, a Cisco initiative in collaboration with CNBC. Also dual recognition at National Awards in ***IT Excellence – 2016.***
- Participated in and sponsored various global conferences and forums. Delivered speeches, enhancing the reputation of company as a knowledge-leader.

CLIENTELE

- Serving 40 customers from the Fortune 500 list.
- Proud enabler of digital transformation to three of the largest eCommerce players in India, largest Indian airline, India's leading leisure hospitality provider, a global restaurant chain and two of the largest digital wallet providers among many similar companies.

HIGHLIGHTS OF THE YEAR

Kellton Tech receives 'Digitizing India' Award as best 'Service Provider'

Image Courtesy : Moneycontrol.com

Kellton Tech was awarded in the category 'Digital Innovations in Service Provider Industry', at the 3rd edition of The Digitizing India Awards, a Cisco initiative in collaboration with CNBC. In the ceremony held in New Delhi on on July 25, 2016, Kellton Tech received this award in recognition of its significant strides towards transforming digital experiences for organizations. It received this prestigious award in recognition of its achievements as a global leader in digital transformation, and in particular for helping SIFPSA make the digital leap in its healthcare systems through mSehat project. Kellton Tech successfully brought tangible improvements in the health status of the target population by harnessing the full power of digital technologies.

Kellton Tech establishes its EMEA headquarters at Drogheda, Ireland

Kellton Tech established its EMEA (Europe, the Middle East and Africa) headquarters at Drogheda, Ireland. The Irish headquarters will be the heart of Kellton Tech's operations in EMEA region, bringing it closer to customers and fortifying its global presence. The office will also house an R&D facility to facilitate the localization of its flagship product KLGAME™ that earned the company much appreciation everywhere it was showcased.

Kellton Tech wins dual recognition at National Awards in IT Excellence

Kellton Tech won two awards at the National Awards in IT Excellence – 2016, endorsed by Asian Confederation of Businesses and 'Stars of the Industry' group. It won the category of 'Best e-governance Implementation' in recognition of its contribution to Digital India, particularly its role in developing and deploying mSehat. was also recognized as the 'Emerging IT Company of the Year'. Having just concluded its ninth acquisition in recent years, it has fortified its strength in the area of digital technologies. Incidentally, Kellton Tech was also ranked 21st on the Deloitte Technology Fast 50 India in 2014, a survey that ranks the top 50 fastest growing technology companies in India. . Kellton Tech received this dual recognition alongside prominent players of Indian industry like Capgemini, SBI, HDFC Bank, Tech Mahindra, Titan, and Reliance Capital among many others.

mSehat declared a major success; touches 1.2 crore lives so far

mSehat is a SIFPSA initiative to empower frontline health workers to improve the maternal and newborn outcomes of five districts of Uttar Pradesh. As implementation partner, Kellton Tech developed this cloud-hosted, mHealth platform that enabled health workers using 2G-enabled mobile-devices to record data and provide care in real-time. The first phase involved equipping the stakeholders with mobile devices, i.e. smartphones to 10,252 ASHA (Accredited Social Health Activists) workers, and tablets to 1,719 ANMs (Auxiliary Nurse Midwives) and 300 people comprising medical officers, medical officers in-charge & SIFPSA staff. Analytics-enabled Dashboard was provisioned for officials to help them in real-time monitoring of activities for target-based intervention.

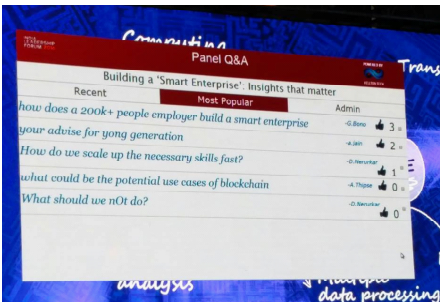
mSehat has surpassed the expected results. ASHA workers succeeded in ten-fold increase in registrations as against their own expected performance, and achieved their three-year targets in the first six months. mSehat has touched over 1.2 crore lives and will influence up to 1.5 crore people soon.

Kellton Tech acquires US-based Bokanyi Consulting; enriches in-memory analytics expertise

Kellton Tech acquired Bokanyi Consulting, Inc. a US-based enterprise, cloud and analytics services provider. Bokanyi has established itself as a heavyweight in enterprise solutions market when it recently earned the recertification of its SAP Partner Center of Expertise (PCoE). The recertification places it in the elite segment of top 3 percent of SAP partners in North America that have the depth and expertise necessary to meet the rigorous standards of SAP. Bokanyi offers full suite of Analytics Solutions providing insightful, customizable infographics and specializes in SAP HANA implementations. The acquisition enriches Kellton Tech's in-memory analytics expertise and boosts its ISMAC strength.

Kellton Tech is mobile app partner for NASSCOM events, custom-develops solution for 4 events

Kellton Tech, as a mobile application partner for NASSCOM events, custom-developed a holistic communication solution that enables interaction between all stakeholders at the event. It incubated its IoT uptake, KLGAME™, into a pragmatic innovation that efficiently met all the communication needs of these events. Indeed, it has already put this KLGAME™-based solution to effective use in four NASSCOM events so far: NASSCOM Game Developer Conference 2015, NASSCOM India Leadership Forum 2016, NASSCOM Big Data and Analytics Summit 2016 and NASSCOM HR Summit 2016.



Kellton Tech introduces end-to-end SAP service line; launches Business Unit at SAPPHIRE NOW

Kellton Tech integrated its two latest acquisitions in the SAP space to launch a comprehensive end-to-end SAP service line. The launch of Kellton Tech brand in the SAP services arena is made possible by the synergies obtained by its strategic acquisitions of Illinois-based ProSoft Technology Group, Inc. and Texas-based Bokanyi Consulting, Inc. Kellton Tech will leverage the combined SAP services partnership of ProSoft along with the SAP Gold VAR and PCoE certification status of Bokanyi to provide end-to-end SAP solutions for their customers.

The new Kellton Tech SAP Business Unit offers a rich set of proven SAP practices and capabilities delivering end-to-end solutions to clients. As a certified SAP Gold Channel Partner, Kellton Tech provides full-life cycle implementation and application support services across S/4HANA, SAP Business All-in-One (ERP), SAP Cloud (SaaS), and SAP Analytics (BI) solutions.

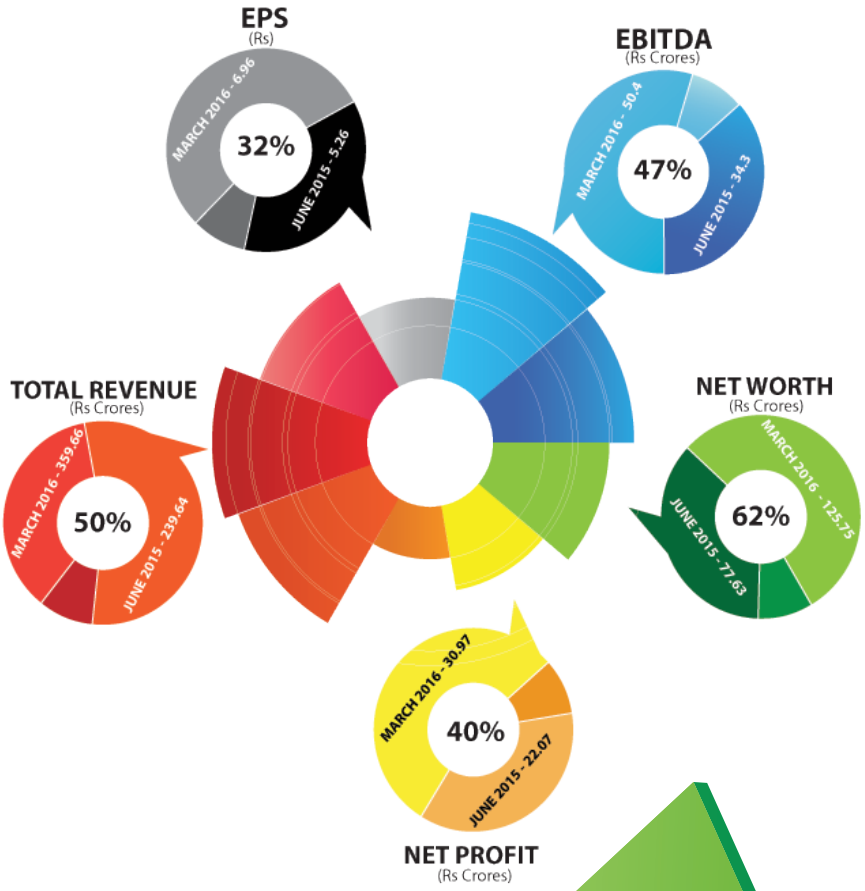
Kellton Tech Develops Mobile App for TiEcon 2016; conducts Scavenger Hunt

Kellton Tech built a mobile app for the largest entrepreneurship conference, TiEcon held on May 6th- 7th, 2016 at Santa Clara Convention Centre, California. The mobile app which is a hub of innovative functionalities, features real-time iBeacon-based game called Scavenger Hunt that was played at the venue. The game showcases real-time communication between user's location and communication of his device with iBeacons.

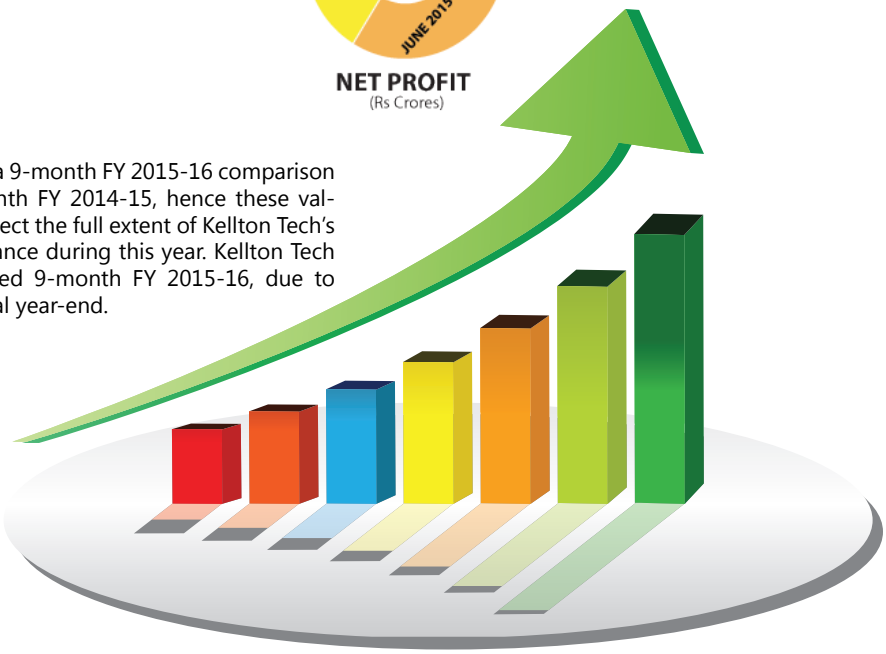
Building Knowledge Leadership in Drupal Technologies

As a prominent stakeholder of Drupal technologies, Kellton Tech has always been at the forefront of engaging with the industry and contributing its bit. Kellton Tech attended the first ever organized DrupalCon Asia held in Mumbai as Gold & Lanyard Sponsor. As a Tote Bag Sponsor at DrupalCon, New Orleans, it continued its relationship with the bearers of this technology. Its CEO, Karanjit Singh, delivered a talk on "Digital Transformation using IoT and Drupal". Further, Kellton Tech organized Drupal Meetup 2016 at Gurgaon, a one-day event hosting sessions on several intuitive topics. Kellton Tech is a Drupal Association Supporting and Drupal Association Inaugural Technology Partner.

FINANCIAL HIGHLIGHTS



NOTE : This is a 9-month FY 2015-16 comparison with a 12-month FY 2014-15, hence these values do not reflect the full extent of Kellton Tech's solid performance during this year. Kellton Tech had a truncated 9-month FY 2015-16, due to change in fiscal year-end.



ENHANCING CAPABILITIES

TECHNOLOGICAL EXPERTISE

Kellton Tech has added niche expertise in Cloud ERP and in-memory analytics to its offerings-stack. Kellton Tech's relentless focus on strengthening and expanding its capabilities in digital technologies is bound to reap rich dividends in long-term, since digital transformation is one continuous metamorphosis, with no end-state defined.

Its expertise in Digital Connected Enterprise positions it solidly for the imminent paradigm shift in digital systems integration shift from traditional SOA & Webservices to APIs & Microservices. The company is developing reference architecture for digital next-generation integration solutions. Its pragmatic IoT-based innovation KLGAME™ has been used to gamify communication at various conferences; it was chosen as NASSCOM's mobile app partner for its events, and has been implemented in four of its events so far.

WORKFORCE ADVANTAGE

With around 1200 people across the globe, Kellton Tech has on-shore presence in US and Europe. Kellton Tech is in the process of adding tiers of middle and top management to help them navigate through the digital disruption.

Further, the company has undertaken customized training and development initiatives that enable each employee to enrich his expertise. The periodic, fully-dedicated sessions to familiarize them with the latest cutting-edge technologies have helped the company to capitalize on the emerging trends.

GLOBAL REACH

The company established its EMEA headquarters at Ireland, which will serve as the springboard for building inroads in Europe and beyond. The acquisition of Bokanyi Consulting extended Kellton Tech's presence in Houston, US. Armed with this global footprint, Kellton Tech is poised to ride the digital wave and harness on the many opportunities spread across the global market.

STRATEGIC ACQUISITIONS

Kellton Tech acquired US-based Bokanyi Consulting this year, in line with its acquisition focus of adding new customers and new capabilities. The new acquisition brings another layer of synergy of our offerings-portfolio, besides bringing newer capabilities.

The merger synergies from the earlier acquisitions including ProSoft Technology Group, Inc. have been realized, thereby broadening and deepening its offerings-range. Consequently, the latest acquisition further consolidated our strength in US market.

THE WORKFORCE

Kellton Tech owes its present lead and edge to its people, who successfully executed many first-of-its-kind implementations without the benefit of any precedent.

As a pioneering enabler of digital transformation, Kellton Tech is deeply invested in keeping abreast with the technological momentum. It deploys the latest cutting-edge technologies that lie underneath the deceptively simple user-friendly interface and experience. Thus, it realizes its people's role in this service-intensive arena and continuously nurtures their talent through a series of well-timed training and development programmes.

Training

Kellton Tech transformed its approach to training and development, and set aside time periodically for each employee towards dedicated, intensive sessions. Since, it works on the cutting-edge of innovation with many new-age companies it has a unique access to the emerging technologies at play. Its people are empowered to leapfrog the technological chasm by strengthening their skills and knowledge through a combination of learning modules and classroom teaching. By the time these new technologies become mainstream Kellton Tech's people are already well-versed in them and possess the capacity to take the opportunities head on.

Since the scale and the reach of its operations are rapidly expanding, Kellton Tech is also focused on incubating managerial talent to enhance the structural strength of the organization. Several sessions on managerial development were conducted to craft a paradigm shift in their thinking and approach.
Kellton Tech looks to up the ante in its training and development programmes, as it sets eyes on more ambitious goals.

Recreational Activities

In tandem with the rapid growth, there was a spurt of recreational activities this year. There was an ice-cream party to cool the raging heat in the peak of mid-summer, a spicy chat party on a rainy evening aside from the celebration of various festive occasions. Employee participation in cooking contests, potluck and other fun-filled events were very encouraging.

Even as the organization grows, the people bond remains strong and efforts to nurture an excellent social relationship amongst them are always taken. These occasions, apart from giving a break from tough routine, also provide the people a great opportunity to laugh and celebrate.

Further, the offices in Hyderabad were consolidated under one single roof to improve employee interaction and several initiatives were undertaken to provide better facilities to employees and enhance the working conditions.

GLOBAL OFFICES

Kellton Tech established its EMEA headquarters at Ireland. With Ireland as its springboard, Kellton Tech plans to make inroads in the European market and beyond. Kellton Tech has a new office at Houston, TX, US, thanks to Bokanyi Consulting acquisition. This further strengthens its US presence and affords greater proximity with its regional customers.

Today, Kellton Tech is spread over three continents and intends to further expand its presence as it continues to grow at an accelerated pace.

Industry Overview

In today's deeply interknitted global market, developments elsewhere are bound to impact the Indian IT industry too. The industry is closely watching developments like Brexit, anti-immigration stance acquiring popularity in US election discourse and immigration crises in Europe, especially in its economic powerhouse, Germany, among many others. Having deep stakes in these developments, the industry cannot remain insulated from their repercussions, as US is a significant market alongside Europe which has been joining ranks in recent times. Political compulsions might force nations to mediate the line between open market and protectionism, and in the process renegotiate prevailing trade terms. The industry must now brace itself for these challenges.

The bright spot, however, is that many businesses are keen to attain enterprise-wide digital convergence, having woken up to the infinite possibilities that these technologies offer. From the margins the digital story is now mainstream, and the Indian IT industry is well-placed to harness the global digital opportunities. Meanwhile, the trade sentiment about the Indian economy seems largely optimistic. The government's focus on mission Digital India continues to offer hope to masses and businesses. The IT industry is poised to ride this digital wave to their advantage while improving government systems' ability to serve the citizens.

BUSINESS

Overview

The acquisition of US-based Bokanyi Consulting afforded Kellton Tech a stronger grip on digital technologies, particularly in enterprise solutions and in-memory analytics space. Kellton Tech has enriched its ISMAC (Internet of things, Social, Mobile, Analytics, Cloud) through R&D efforts and acquisition of complementary competencies.

To extend its reach, Kellton Tech has established its EMEA headquarters in Ireland. With this office as its base, Kellton Tech intends to expand its presence in Europe and beyond. Kellton Tech's achievements as a leader in digital transformation have earned it prestigious recognitions. The Hyderabad offices of Kellton Tech were consolidated under one single roof to improve intra-organizational communication and collective operational efficiency.

Strategy

Kellton Tech's strategy has been two-fold: to acquire new customers & complementary competencies, and to strengthen existing capabilities through in-house and R&D efforts.

With Ireland as its EMEA base, Kellton Tech is poised to better serve its customers in Europe and beyond. Due to its edge in time-zone difference and language with respect to US, the new office can assist Kellton Tech's US operations by providing technical support & sales-enablement services. This will boost its US operations, which is a major revenue-contributor. It is well-positioned to capitalize on the digital transformation opportunities in the region. With the process of localization applied to its IoT uptake, KLGAME™, Kellton Tech is better-equipped to promote this innovation to the emerging market in the region.

Its cumulative experience of successfully serving a wide range of companies, from mid-cap to Fortune 500 enterprises, gives Kellton Tech a distinctive edge in capitalizing on the digital opportunities. As it expands its offerings-range and global footprint, Kellton Tech is exceptionally well-equipped to further explore cross- and up-selling opportunities with clients. Given its broad spectrum of its offerings, this strategy is poised to significantly contribute to the organic growth of the company.

Thanks to its accelerated growth, Dalal Street has identified Kellton Tech as a top 5 growth stock in India. The investor community has thus validated its growth story and is willing to bet on the company's forward momentum.

Technology

Kellton Tech aims to extend its capabilities across the spectrum of digital possibilities. As a pioneer in ISMAC (Internet of things, Social, Mobile, Analytics, Cloud) armed with acquisitions in ERP arena, Kellton Tech is poised to capitalize on the cloud ERP space such as SAP HANA among others. Indeed, the added strength in the in-memory and streaming analytics space opens new windows of opportunity.

Today, Kellton Tech is fully-equipped to enable businesses to make the digital leap, sustain their forward thrust and help them acclimatize with the new digital landscape. With the emergence of Digital Systems Integration, its traditional integration and BPM services are being re-engineered and re-invented to integrate ISMAC constituents too. Kellton Tech is also at the forefront of capitalizing on the shift from traditional SOA and Webservices to APIs and Microservices.

IoT uptake KLGAME™ has been successfully implemented in various events, where Kellton Tech was a partner. The capability and capacity of the innovation is now beyond apprehension, and its pilot projects reveal the same. Much like the digital wave, which it was able to profitably ride, thanks to its early focus, KLGAME™ is another arena where Kellton Tech has prepared the groundwork ahead of the curve and expects to tap the emergent market.

While Kellton Tech takes pride in the fact that it drives 30% of the digital traffic in the eCommerce market of India, mSehat gives it a unique satisfaction of harnessing the power of digital technologies to affect tangible change among the masses. As more projects of this nature are undertaken with the same effectiveness and efficiency, the mission Digital India will transform the very face of public systems and revolutionize citizen services.

Outlook

The Government of India's thrust on mission Digital India will bring many opportunities to IT companies, and Kellton Tech being a leading enabler of digital transformation stands to gain from these initiatives. Likewise, the global IoT market is growing at a rapid pace and Kellton Tech, armed with its IoT innovation KLGAME™, is well-placed to benefit from this market upsurge. Having harnessed its digital prowess to improve the health outcomes of masses, Kellton Tech will continue to use its cutting-edge technology for the betterment of masses and earn their goodwill.

Meanwhile, as noted earlier, the surge in nationalism appears to have become a global phenomenon. "Glocalization" may not be restricted to offerings portfolio alone, and might extend to people practices, given how politically charged the issue of jobs creation is. However, Kellton Tech is well-positioned in terms of its compliance with local employment stipulations and is poised to ride trends where necessary, whether these are driven by business needs, financial sops or political compulsions.

Risks and Concerns

While the first-mover advantage of Kellton Tech with respect to digital transformation services has enabled it to maintain an impressive lead, more companies are trying their hand in this business. The groundswell of digital opportunities has led to many businesses entering the fray swiftly.

The IoT technology is still considered relatively futuristic and an upswing for rapid shift in market focus is needed. The commodization of services will pose another challenge. The technology cycle for new markets are short, and therefore, due diligence must be applied to separate a fad from a trend. Kellton Tech is an old hand, however, as far as these changes are concerned.

While Kellton Tech remains committed to its ongoing investment in latest technologies, it has continuously identified the outliers from the mainstream changes. It has devoted its focus selectively, and has been able to spot the winning technologies.

Kellton Tech, equipped with wide spectrum of digital technologies, is best-placed to enable businesses make the digital leap and assist them in far-reaching endeavors. This edge is unlikely to be blunted soon, because it takes years of consistent and ever-sharpening focus to achieve it. Awake to its unique assortment of expertise, Kellton Tech is promoting cross-selling possibilities and clients are embracing them with open hands too.

Discussion on financial performance with respect to operational performance

During the year under review, your company has earned an income of Rs. 359.7 crores and net profit of Rs. 30.9 crores. Though the growth rates are significant, they appear relatively less impressive when compared to its momentum because Kellton Tech had a truncated nine-month fiscal year this time. When these numbers are annualized, it becomes clear that the upswing in financial performance has been sustained through this year.

Material Developments in Human Resources

The accomplishments stem from the talent that Kellton Tech recruits and incubates through its innovative work culture. There have been many workshops and training sessions to keep the employees abreast of the latest innovation in technologies. The growth-friendly environment for employees motivates them to undergo intensive training and enhance their professional standing.

In line with its plans to add tiers of middle and top management, Kellton Tech has steadily brought industry-veterans to the organization. The revamped structure is a hybrid of bureaucratic discipline and entrepreneurial agility, though further integration efforts are underway.

To maintain workforce operational efficiency, the organization consolidated its existing offices in Hyderabad under one single roof. Now, all teams work from the same building block and can readily interact with one-another promptly, resulting in faster, smoother decision-making. The unified communication infrastructure also provides employees enhanced capacity to interact with clients in greater detail.

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. Rajendra Vithal Naniwadekar	-	Independent, Non-Executive Director
5. Mr. Brijmohan Venkata Mandala	-	Independent, Non-Executive Director
6. Mr. Srinivas Potluri	-	Non-Executive Director
7. Ms. Jhansi Lakshmi Gorla	-	Additional Director(Independent)
8. Mr. P Srinivasa Rao	-	Additional Director (Independent)

KEY MANAGERIAL PERSONNEL

Mr. Krishna Chintam	Managing Director
Mr. Niranjan Chintam	Chief Financial Officer
Mr. Karanjit Singh	Chief Executive Officer
Ms. Kishni Trivedi	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. Niranjan Chintam	Executive Director	Member

Securities Issuance Committee

Name	Category of Director	Designation
Mr. Niranjan Chintam	Executive Director	Chairman
Mr. Krishna Chintam	Executive Director	Member
Mr. 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

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

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

INTERNAL AUDITOR
Mr. Kiran Yeturu

SECRETARIAL AUDITOR
Mr. Manoj Kumar Koyalkar,
Practicing Company Secretary

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

WEBSITE
www.kelltontech.com

COMPLIANCE OFFICER
Ms. Kishni Trivedi
Company Secretary

BANKERS
Axis Bank | Corporate Banking Branch, Begumpet, Hyderabad – 500 034
Standard Chartered Bank | Jubilee Hills Branch, Hyderabad
Karur Vysya Bank | R.P. Road, Secunderabad Branch
HDFC Bank | Khairatabad Branch, Hyderabad

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 and members who hold shares in physical form are requested to register the same with the following addresses:

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

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

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 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the members of Kellton Tech Solutions Limited will be held on Monday, the 26th day of September, 2016 at 11:00 AM 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 Financial Statements of the Company for the financial year ended March 31, 2016, 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, 2016 and the Report of the Auditors thereon.

2. To appoint a director in place of Mr. Srinivas Potluri (DIN: 03412700), who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint 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 Company hereby appoints M/s. Mahesh, Virender & Sriram, Chartered Accountants (Firm Registration No. 001939S) as the Statutory Auditor of the Company, to hold office from conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company for the financial year ending March 31st, 2017.

SPECIAL BUSINESS:

4. Appointment of Ms. Jhansi Lakshmi Gorla 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. Jhansi Lakshmi Gorla (DIN 00163883), who was appointed as an Additional Director of the Company with effect from 16th December, 2015 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."

5. Appointment of Mr. P Srinivasa Rao 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** Mr. P Srinivasa Rao (DIN 06805347), who was appointed as an Additional Director of the Company with effect from 16th February, 2016 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 his candidature for the office of Director, be and is hereby appointed as Director of the Company."

6. Appointment of Ms. Jhansi Lakshmi Gorla 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. Jhansi Lakshmi Gorla (holding DIN 00163883), 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 16.12.2015, not liable to retire by rotation."

7. Appointment of Mr. P Srinivasa Rao 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, Mr. P Srinivasa Rao (DIN 06805347), a non-executive Independent Director of the Company, who has submitted a declaration that he 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 16.02.2016, not liable to retire by rotation."

8. Re-Appointment of Krishna Chintam as Managing Director of the company

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

"**RESOLVED THAT** pursuant to the provisions of sections 196, 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), as approved by the Nomination and remuneration cum compensation committee and Audit committee, consent of members be and is hereby accorded for re-appointment of Mr. Krishna Chintam (DIN: 01658145) as the Managing Director of the Company for a period of three years w.e.f. 09.04.2015 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee.

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

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

"**RESOLVED FURTHER THAT** any of the Director of the Company be and is hereby authorised to file

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

9. Re-Appointment of Niranjan Chintam as Whole-Time Director and Executive Chairman of the company

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

"**RESOLVED THAT** pursuant to the provisions of sections 196, 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), as approved by the Nomination and remuneration cum compensation committee and Audit committee, consent of members be and is hereby accorded for re-appointment of Mr. Niranjan Chintam (DIN: 01658591) as the Whole Time Director and Executive Chairman of the Company for a period of three years w.e.f. 01.11.2015 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee.

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

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

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

10. "Variation of Employees Stock Option Scheme of the Company"

To consider and if deemed fit, to pass, with or without modification(s), the following as a SPECIAL RESOLUTION:

"**RESOLVED THAT** in partial modification of the special resolution passed at the 19th Annual General Meeting of the company held on 27th December, 2013 ("said resolution") and pursuant to section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the ESOP Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines for the time being in force], the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions 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 including Nomination and Remuneration Committee cum Compensation committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), consent of the members be and is hereby accorded to amend the existing Employee Stock

Option Scheme, 2013 (hereinafter referred to as the "ESOP Scheme, 2013"], and to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in employment of the Company, including Directors of the Company, whether working in India or abroad or otherwise, except the Promoter Directors and Independent Directors, under the ESOP Scheme, 2013, such number of issued equity shares and/or equity linked instruments (including options/Warrants) and/or any other instruments or securities (hereinafter collectively referred to as "Securities") which shall not exceed six percent of the issued share capital of the Company from the earlier approved four percent as on the date of grant of option(s) convertible into equivalent number of Securities, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee."

"**RESOLVED FURTHER THAT** the amendment for increasing the limit from four percent to six percent (with such exceptions as may be considered necessary or appropriate by the board or any committee) be and is hereby approved."

"**RESOLVED FURTHER THAT** the board of directors or any committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard."

11. Variation of Employees Stock Option Scheme of the Company for the Employees of the Subsidiaries of the Company

To consider and if deemed fit, to pass, with or without modification(s), the following as a SPECIAL RESOLUTION:

"**RESOLVED THAT** in partial modification of the special resolution passed at the 19th Annual General Meeting of the company held on 27 December, 2013 ("said resolution") and pursuant to section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the ESOP Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines for the time being in force], the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions 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 including Nomination and Remuneration Committee cum Compensation committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), consent of the members be and is hereby accorded to amend the existing Employee Stock Option Scheme, 2013 (hereinafter referred to as the "ESOP Scheme, 2013"], and to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Subsidiary Company(ies), including Directors of the Company, whether working in India or abroad or otherwise, except the Promoter Directors and Independent Directors, under the ESOP Scheme, 2013, such number of equity shares and/or equity linked instruments (including options/Warrants) and/or any other instruments or securities (hereinafter collectively referred to as "Securities") which shall not exceed four percent of the issued equity shares capital of the Company from the earlier approved two percent as on the date of grant of option(s) convertible into equivalent number of Securities, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee."

"**RESOLVED FURTHER THAT** the amendment for increasing the limit from two percent to four percent (with such exceptions as may be considered necessary or appropriate by the board or any committee) be and is hereby approved."

"**RESOLVED FURTHER THAT** the board of directors or any committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard."

12. Variation of Terms of Remuneration of Mr. Karanjit Singh

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act,2013("the Act"), read with rules thereof and Schedule V of the Act,2013, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of Nomination and Remuneration committee cum compensation committee of the company, consent of the members be and is hereby accorded to vary the terms of remuneration of Mr. Karanjit Singh, Chief Executive officer (Whole- Time Director) of the company and thereby increase the remuneration payable to the limit of Rs. 84,00,000 and perquisites which may accrue on exercise of options granted and exercisable within a period of three years from date of vesting of options pursuant to ESOP Scheme, 2013 within the limits of Schedule V of the Companies Act, 2013.

"RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time upon the recommendations of Nomination and Remuneration Committee cum Compensation committee, to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority. "

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Place : Hyderabad
Date : 2nd September, 2016

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),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 at least 48 hours before the commencement of 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 22nd AGM and the Annual Report for 2015-2016 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. 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. Voting :

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. Mr. Manoj Kumar Koyalkar, 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 register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e 19.09.2016 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 22nd 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 23.09.2016 and ends at 5 P.M. on 25.09.2016. 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 25.09.2016, (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:

	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 re quested 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.

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

x. 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.

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

xii. Click on EVSN of KELLTON TECH SOLUTIONS LIMITED

xiii. 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.

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

xv. 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.

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

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

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

xix. 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 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.

xx. 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 Manoj Kumar Koyalkar of AGR Reddy & Co., 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. 4 to 11 of the accompanying Notice dated 02.09.2016.

Item No. 4

Ms. Jhansi Lakshmi Gorla, was appointed as an Additional Director of the Company with effect from 16th December,2015 by the Board of Directors under Section 161, 149 (1) of the Act.

In terms of Section 161(1) of the Act, Ms. Jhansi Lakshmi Gorla 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. Jhansi Lakshmi Gorla as a Director.

The Directors are of the view that the appointment of Ms. Jhansi Lakshmi Gorla, 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. Jhansi Lakshmi Gorla, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

Your Directors recommend that the said resolution may be passed as an Ordinary resolution.

Item No: 5

Mr. P Srinivasa Rao , was appointed as an Additional Director of the Company with effect from 16th February,2016 by the Board of Directors under Section 161, 149 (1) of the Act.

In terms of Section 161(1) of the Act, Mr. P Srinivasa Rao 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 Mr. P Srinivasa Rao as a Director.
The Directors are of the view that the appointment of Mr. P Srinivasa Rao, as Director will be beneficial to the operations of the Company and hence said resolution being placed before the members for their approval.

Except Mr. P Srinivasa Rao, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution

Your Directors recommend that the said resolution may be passed as an Ordinary resolution.

Item No: 6 & 7

Ms. Jhansi Lakshmi Gorla and Mr. P Srinivasa Rao, being eligible and offers herself/himself for appointment as Independent Director of the company, It is proposed to be appointed as Independent Directors for five (5) consecutive years commencing from 16.12.2015 and 16.02.2016 respectively .

Except Ms. Jhansi Lakshmi Gorla and Mr. P Srinivasa Rao, 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 & 7 respectively of the Notice.

Your Board recommends the resolution set out in Item No. 6 & 7 for approval of the members as Ordinary resolution.

Item No: 8

Members may note that the Board of Directors at its meeting held on 16.12.2015 had subject to approval of members of the company, in compliance with provisions of Section 196 and Section 197 of Companies act,2013, read with rules thereof and schedule V of the act and as recommended by the Nomination Remuneration cum compensation committee, proposed re- appointment of Mr. Krishna Chintam as Managing Director for a period of three years w.e.f. 09.04.2015 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration cum compensation Committee.
Your Directors recommend that the said resolution may be passed as an Ordinary resolution.

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

Item No. 9.

Members may note that the Board of Directors at its meeting held on 16.12.2015 had subject to approval of members of the company, in compliance with provisions of Section 196 and Section 197 of Companies act,2013, read with rules thereof and schedule V of the act and as recommended by the Nomination and Remuneration cum compensation committee, proposed re- appointment of Mr. Niranjan Chintam as Whole time Director and Executive Chairman for a period of three years w.e.f. 01.11.2015 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration cum compensation Committee. Your Directors recommend that the said resolution may be passed as an Ordinary resolution.

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

Item No. 10 & 11

At the Nineteenth annual general meeting of the company held on 27.12.2013, the members had passed a special resolution approving the introduction and implementation of employee stock option plan 2013 (ESOP 2013), in accordance with erstwhile SEBI (Employee Stock Purchase Scheme) Guidelines 1999 . Pursuant to the said resolution, the employee stock option scheme 2013 was constituted and stock options were granted to employees commencing from 31.01.2014. The members had also authorized the Board/committee to make alterations, modifications or variation in the ESOP 2013, from time to time. The Scheme is administered by the Nomination and remuneration cum compensation committee. Employees stock options are powerful tools which help foster employee motivation. Having a highly motivated team is one of the key essentials for superior performance. Keeping in mind the spirit of the scheme and on recommendation of the Nomination and remuneration cum compensation committee and in the interest of the employees, it is proposed to increase the percentage of options to be granted to the employees of the company and to the employees of subsidiary companies. The Board or the Nomination and remuneration cum compensation committee of the company is authorized to carry out required modifications in the ESOP 2013, to enhance the percentage of options to be granted (i.e, increase from 4% to 6% of issued equity shares of the company as on date of grant of further options to its employees and increase from 2% to 4% of issued equity shares of the company as on date of grant of further options to the employees of its subsidiary company).

A copy of amended ESOP Scheme , 2013 is available for inspection by the members at the registered office of the company , during business hours between 11.00 a.m to 1.00 p.m on any working day upto the date of Annual General meeting and at the meeting.

None of the directors of the company are in any way, concerned or interested in the resolution. As per the SEBI Guidelines, any amendment to the ESOP scheme requires the approval of the shareholders. Accordingly, a special resolution as set out under item no. 10 & 11 of the notice is submitted for the approval of the members.

Item No. 12

Mr. Karanjit Singh (DIN 06898258) was associated with the company as CEO from 9-Jan-2014. The Board of Directors at its meeting held on 30.03.2015, appointed him as an Additional Director and Chief Executive Officer under the provisions of Companies Act, 2013 for a period of 3 (three) years with effect from 30th March, 2015 with an annual remuneration in terms of the provisions of the Companies Act, 2013 including other allowances/perquisites and benefits. Mr Karanjit Singh is designated as whole time key managerial person. His appointment as a Director was regularised at the AGM held on 16.12.2015. Members may note that based on the recommendation of Nomination and Remuneration committee cum compensation committee, the Board of directors at their meeting held on 02.09.2016. approved variation /increase in remuneration of Mr. Karanjit Singh , Chief Executive Officer(Whole time Director) under the provisions of Companies Act,2013 upto limit of Rs. 84,00,000/-

Due to Inadequacy of profits in the company, approval of members is sought through special resolution in compliance with provisions of schedule V of companies Act, 2013

Statement required pursuant to the provisions of Schedule V of Companies Act, 2013 is as follows:

I. GENERAL INFORMATION:

1)	Nature of industry:	IT related Services
2)	Date or expected date of commencement of commercial production:	NA since company has already commenced its business activities
3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable

(4) Financial performance based on given indicators:

(Rs In Lac)

Particulars	June 30, 2014	June 30, 2015	March 31, 2016
Total Income	3386.94	4041.55	4911.64
Depreciation	40.47	92.82	108.89
Total Expenses	2997.10	3329.10	4001.72
Net Profit	392.70	616.24	672.99
Paid up Capital	2069.38	2174.08	2341.31
Reserves & Surplus	1543.92	2343.26	5583.61

(5) Foreign investments or collaborations, if any: There is no direct foreign investment in the Company.

II. INFORMATION ABOUT THE APPOINTEE:

Background details	Given in the body of this statement.
Past Remuneration	Refer Note No. 31 of Standalone Financial Statements
Recognition and Awards	Given in the body of this statement.
Job profile and his suitability	Karanjit leads the company's focus on cutting - edge technologies to provide new business offerings. Under his leadership, the company expanded its product and service portfolio and developed innovative solutions that earned it global appreciation. Karanjit holds more than 23 years of experience of working with large enterprises and SMEs on both Enterprise and Consumer Internet applications. Prior to joining Kellton Tech, Karanjit had a very successful stint a s Director of Product development with JDA Software.

Remuneration Proposed	Maximum limit of Rs. 84,00,000/- and perquisite accruing on exercise of options granted under Kellton ESOP Scheme,2013
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Apart from receiving managerial remuneration and shares as per Employees Stock option scheme ,he does not have any other pecuniary relationship with the company.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into account the size of the company, industry benchmark in general, profile, position, responsibilities, capabilities and involvement of Mr. Karanjit Singh in the Company, the proposed remuneration is reasonable

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

Kellton Tech consolidated profit is Rs.30.97 Crores. Most of the profits are derived from its subsidiary. In addition, Kellton Tech is growing at an aggressive rate and needs skilled management professionals to achieve its growth plans. These skilled managers need to be compensated at the market rate, which reduced the standalone, profit margins.

(2) Steps taken or proposed to be taken for improvement:

Standalone revenues are increase at 20+ % year on year. We plan to continue to grow at aggressive rate and increase the profits further.

(3) Expected increase in productivity and profits in measurable terms:
Expected increase in profits will be on or about 20%.

Your Directors recommend that the said resolution set out in Item No. 12 may be passed as a Special resolution.

None of the directors of the company are in any way, concerned or interested in the resolution except Mr. Karanjit Singh .

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Place: Hyderabad
Date: 2nd September, 2016

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 22nd Annual Report on the business and operations of your company for the financial year ended March 31st, 2016.

Financial Results

The standalone financial performance of the Company for the financial year ended March 31, 2016 is summarized below: **(Rs In Lac)**

Particulars	**2015-16**	**2014-15**
Revenue from operations	4877.79	3990.03
Other Income	33.85	51.52
Total Revenue	**4911.64**	**4041.55**
Total Expenditure	4001.72	3329.09
Profit/(Loss) before taxes	**909.93**	**712.45**
Tax Expense/(Benefit)	236.94	96.2
Profit/(Loss) after Tax	**672.99**	**616.24**
Earnings per equity shares in Rs.	**1.51**	**1.47**

Consolidated **(Rs In Lac)**

Particulars	**2015-16**	**2014-15**
Revenue from operations	35868.04	23790.07
Other Income	97.99	174.22
Total Revenue	**35966.03**	**23964.29**
Total Expenditure	32056.73	21403.8
Profit/(Loss) before taxes	**3909.30**	**2560.49**
Tax Expense/(Benefit)	812.01	582.79
Profit/(Loss) after Tax	**3097.29**	**2207.39**
Earnings per equity shares in Rs.	**6.96**	**5.26**

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. 4877.79 lacs from Rs. 3990.03 lacs, while the Profit before Tax also increased from Rs. 389.43 lacs to Rs. 712.45

The profit after tax also increased to Rs. 672.99 Lacs from Rs. 616.24 Lacs reported in the previous year. The earnings per share is Rs. 1.51 as compared to Rs. 1.47 in the previous year.

The Consolidated revenue of your Company for the year ended 31st March 2016 is Rs. 35966.03 Lacs, as against previous year revenue of Rs. 23964.29 lacs. The consolidated Net Profit for the year stood at Rs. 3097.29 Lacs as against previous year consolidated net profit of Rs. 2207.39 lacs.

NOTE : This is a 9 month FY 2015-16 comparison with a 12-month FY 2014-15, hence these values do not reflect the full extent of Kellton Tech's solid performance during this year. Kellton Tech had a truncated 9-month FY 2015-16, due to change in fiscal year-end.

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 2015-16.

There were no transfers to Reserves during the financial year 2015-2016.

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. 23,41,31,300/- (Rupees Twenty Three Crore Forty-One Lac Thirty One Thousand and Three Hundred) divided into 4,68,26,260 (Four Crore Sixty Eight Lac Twenty Six Thousand Two Hundred and Sixty)equity shares of Rs. 5/- each.

As on date of this report the Paid up Share Capital stands at Rs. 23,50,81,205/- (Rupees Twenty Three Crore Fifty Lac Eighty One Thousand Two Hundred and Five only) divided into 4,70,16,241 (Four Crore Seventy Lac Sixteen Thousand, Two Hundred and Forty One) 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.

Kellton Tech Solutions Employees Stock Option Plan 2013 ("Plan"/ "Esop"/ "Esop 2013")

I) The shareholders of the company has vide resolution passed at the 19 th 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,2016 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 he period	286396
Number of options granted during the year	205000
Number of options forfeited / lapsed during the year	16667
Number of options vested during the year	430000
Number of options exercised during the year	344661
Number of shares arising as a result of exercise of options	344661
Money realized by exercise of options (INR), if scheme is implemented directly by the company	3458677/-
Loan repaid by the Trust during the year from exercise price received	Nil
Number of options outstanding at the end of the year	282076
Number of options exercisable at the end of the year	22835

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 Securities Exchange Board of India (SEBI), on 2nd, September 2015, has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of Listing agreement for different segments of capital market to ensure better enforceability. The said regulations were effective from 1st, December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 months from the effective date. The Company entered into Listing agreement with the National Stock Exchange limited and BSE Limited.
The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 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:
The following appointments to the Board are proposed:

Approval of the shareholders is being sought for the appointment of Mr. Srinivas Potluri (DIN: 03412700) as Director (Non Executive) of the Company, who retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment in accordance with the provisions of the Companies Act and pursuant to Articles of Association of the Company.

Ms. Jhansi Lakshmi Gorla and Mr. P Srinivasa Rao were appointed as an Additional Director of the Company with effect from 16th December,2015 and 16th February, 2016 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, proposing their candidature for the office of Director.

The Board had at its meeting held on 16.12.2015, subject to approval of members in next general meeting, re-appointed Mr. Krishan Chintam, as Managing Director, for a further tenure of 3 years w.e.f 09.04.2015.

The Board had at its meeting held on 16.12.2015, subject to approval of members in next general meeting, re-appointed Mr. Niranjan Chintam, as Executive Chairman and Whole Time Director, for a further tenure of 3 years w.e.f 01.11.2015.

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.

Number of meetings of the board:

Twenty Two Board Meetings were held on 21.07.2015, 29.07.2015, 24.08.2015, 29.08.2015, 02.09.2015, 07.09.2015, 28.09.2015, 07.10.2015, 12.10.2015, 16.10.2015, 14.11.2015, 25.11.2015, 16.12.2015, 30.12.15, 04.01.2016, 05.01.2016, 23.01.2016, 30.01.2016, 05.02.2016, 16.02.2016, 24.02.2016 and 09.03.2016 during the year ended on 31st March 2016. 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:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. 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, 2016 and of the profit/loss of the Company for that year;
c. 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;
d. the annual accounts of the Company have been prepared on a going concern basis;
e. 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;
f. 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. Composition and Scope of Audit Committee is provided under the Corporate Governance report annexed herewith.

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 Solution Inc	Wholly Owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly Owned Subsidiary
Evantage Solution 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 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 Inc)

A statement showing the salient features of the financial statements of the subsidiaries for the financial year ended March 31, 2016 is enclosed as an **Annexure I** to this Report.

Material Subsidiary Policy

The Company has adopted a policy for determining material subsidiary, in line with the requirements of the Listing Agreement. The Policy on Material Subsidiary is available on the website of the Company at www.kelltontech.com.

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, 2016 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.

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.

Particulars of Employees

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **'Annexure III'** to this Report.

In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.
The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – III** and forms part of this Report

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 as Annexure IV and forms part of this Report. Your company will continue to adhere in letter and spirit to good corporate governance policies.

Statutory Auditors

M/s. Mahesh, Virender & Sriram, Chartered Accountants, Hyderabad, who retire at this Annual General Meeting, have signified their willingness for reappointment and accordingly Directors have recommended the reappointment of M/s Mahesh, Virender & Sriram, Chartered Accountants, Hyderabad, who confirmed their eligibility under Section 139(1) of the Companies Act, 2013.

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

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

With reference to observations made in Auditor's Report, the notes of account is self-explanatory and therefore do not call for any further comments.

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 Practicing Company Secretary. Mr. Manoj Kumar Koyalkar, Practising company secretary was appointed to issue Secretarial Audit Report for the financial year 2015-16.

Secretarial Audit Report issued by Mr. Manoj Kumar Koyalkar, Practising company secretary in Form MR-3 for the financial year 2015-16 forms part to this report as **Annexure V.**

Management Replies To Secretarial Audit Report

With reference to observations made in the said report pertaining to Form AOC-4, we state as follows:

The Company is unable to file Form AOC-4 for the financial year 2014-2015 as the same is under revision and not available on the website of the Ministry of Corporate affairs as on date of the said report. The form would be filed as soon as it is available on the MCA portal.

All other observations are self explanatory and therefore do not call for any further comments.

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.

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.

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.

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 clause 49 of the listing agreement entered with stock exchanges, 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, 2016, the Company has not received any complaints pertaining to Sexual Harassment.

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.

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 statues, 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 statues, 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 : 2nd September, 2016

ANNEXURE A

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 growth strategy involving a balanced mix of inorganic growth and 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, 2016*	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2016*	Nil
Equity Shares held in the Company	571143
Relationship between Directors inter-se	Brother to Mr. Niranjan Chintam

Name of Director	**Mr. Niranjan Chintam**
Date of Birth	29.06.1967
Date of Appointment	01.11.2015
Qualification	Graduated from Wharton Business School with an MBA. Holds an engineering degree in India.
Expertise in specific functional areas	Niranjan spearheaded the expansion drive of Kellton Tech and oversaw a series of acquisitions and capacity- building measures that put Kellton Tech on the global IT map. Under his leadership, Kellton Tech became around 1000 member strong organization and earned a place in top 50 fastest growing IT companies in India. With over two decades of global diversified experience, Niranjan lived and worked on three continents and in eight countries, managing globally dispersed teams. He created and implemented strategies for Fortune 500 companies and government agencies in the US and India.
List of other companies in which directorship is held as on March 31, 2016*	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2016*	Nil
Equity Shares held in the Company	Nil
Relationship between Directors inter-se	Brother to Mr. Krishna Chintam

Name of Director	**Mr. Srinivas Potluri**
Date of Birth	10.09.1965
Date of Appointment	31.12.2009
Qualification	Graduated from Mumbai University with a bachelor's in Environmental Engineering. He holds a master's in Environmental Engineering from Virginia Polytechnic Institute and State University, Virginia, US. He pursued MBA from Kellogg School of Management, US.
Expertise in specific functional areas	Srinivas leads Kellton Tech's US operations and provides direction to the regional business while aligning it to global objectives. Srinivas has over 25 years of global experience in engineering and technology services with a special focus on systems integration and large system deployments. His diverse experience includes working in the automotive, financial, healthcare, telecommunications and commodities industries. Prior to joining Kellton Tech, Srini worked at Parsons, Price-waterhouse Coopers (PwC) and France Telecom. He was involved in various projects for the Department of Defence, Department of Treasury, EPA and state public departments at Parsons. At PwC, he was a management consultant focused on addressing the IT needs of Fortune 500 clients such as GM, Keebler, Warnaco, and TetraPak. In the financial sector, Srinivas has consulted with Citizens Bank to set up their online banking system. With France Telecom, he developed, managed and maintained their business services systems and was instrumental in setting up a captive to transfer IT operations from centers around the world to India.
List of other companies in which directorship is held as on March 31, 2016*	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2016*	Nil
Equity Shares held in the Company	1,00,000
Relationship between Directors inter-se	Nil

Name of Director	**Ms. Jhansi Lakshmi Gorla**
Date of Birth	08.04.1967
Date of Appointment	16.12.2015
Qualification	Graduated in Electrical and Electronics Engineering.
Expertise in specific functional areas	Jhansi Lakshmi has over 25 years of experience spanning work in the fields of design of electrical distribution network, automated meter reading, distribution transformer Monitoring system, remote telecom tower management systems, broadband over power lines and business development and marketing. She is a Certified Energy Auditor with expertise in the fields of energy conservation and energy efficiency. She underwent training on Energy Conservation Techniques and Methodologies and Online condition monitoring of Equipment in Japan conducted by JICA. She is a co-founder of Green Ark, driving product development and green infra projects and is part of the core team of IGBC Green Homes Rating System. She worked with Visakhapatnam Steel Plant, Boston Blu (India) Ltd., ICSA India Pvt. Ltd., Sugan Automatics Pvt. Ltd before co-founding Green Ark.
List of other companies in which directorship is held as on March 31, 2016*	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2016*	Nil
Equity Shares held in the Company	Nil
Relationship between Directors inter-se	Nil

Name of Director	**Mr. P Srinivasa Rao**
Date of Birth	09.07.1968
Date of Appointment	16.02.2016
Qualification	He holds B.Tech and PGDBM from premier institutes of excellence in India.
Expertise in specific functional areas	Srinivasa Rao has vast experience in various industries and has served market-leading companies in senior executive roles. Earlier, he served as the CEO of a regional market for a leading telecom company of India. He was also the Chief Operating Officer of a leading motorcycle manufacturer in India. He brings decades of executive experience across various market-verticals and has extensive knowledge of various domains including marketing, finance, strategy and hands-on expertise in all facets of organization-building.
List of other companies in which directorship is held as on March 31, 2016*	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2016*	Nil
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.*

ANNEXURE B

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, 2016 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 Officer

Place : Hyderabad
Date : 2nd September, 2016

ANNEXURE I

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.)

Sl.No.	Particulars	Details		
1	Name of the subsidiary	Kellton Dbydx SoftwarePrivate Limited	Kellton Tech Inc.	Kellton Tech Solutions Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2016	31.12.2015	31.12.2015
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: 66.23 INR	Reporting Currency: USD Exchange Rate: 66.23 INR
4	Share capital	83,23,765	96,908,130	167,814,900
5	Reserves & surplus	92,73,641	187,955,806	66,854,272
6	Total assets	2,87,60,331	1,132,908,971	1,148,831,488
7	Total Liabilities	1,11,62,923	848,045,036	914,162,315
8	Investments	-	-	-
9.	Turnover	3,42,14,651	1,386,932,665	1,954,348,495
10	Profit before taxation	(99,02,310)	216,379,169	113,840,021
11	Provision for taxation	-	85,139,413	47,892,863
12	Profit after taxation	(99,02,310)	131,239,756	65,947,159
13	Proposed Dividend	-	-	-
14	% of shareholding	100	100	100

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

1. Names of subsidiaries which are yet to commence operations : Kellton Tech (UK) Limited
2. 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 uditedBalance Sheet	
Profit/Loss for the year Considered in Consolidation Not Considered in Consolidation	

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

ANNEXURE-II

FORM NO. 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 thecontracts/ 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	-
Sreevidya Chintam & Niranjan Chintam Director & Relatives	Rent Deposit Paid for Office Building	Not Applicable	Rs. 3,35,000 paid as security deposit for office building	09.03.2016	-
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 No:01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 2nd September, 2016

ANNEXURE-III

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

PART- A

Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(1) Companies (Appointment and remuneration of managerial personnel) Rules, 2014 and forming part of Directors Report for the year ended March 31, 2016.

(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. Niranjan Chintam	5.59
2.	Mr. Krishna Chintam	5.59
3.	Mr. Karanjit Singh	21.24
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

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

S.No	Name of the Director/ KMP	Percentage increase in remuneration
1.	Mr. Niranjan Chintam	Nil
2.	Mr. Krishna Chintam	Nil
3.	Mr. Karanjit Singh	7%
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. Kishni Trivedi	Nil

iii) Percentage increase /(decrease) in the median remuneration of the employees in the financial year : 6.73%

iv) Number of permanent employees on the rolls of the Company as at 31st March, 2016 : 592

(v) 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: Average percentage increase in salaries of employees other than Managerial Personnel is 7.8%. Average increase in the remuneration of directors and other key managerial personnel was 7%.

(vi) 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) 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, 2016.

1) Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration aggregating Rs 1,00,00,000 (1 Crore) or more								
Name of the Employee	Designation	Remuneration (in Rs.)	Qualification	Experience (years)	Date of Commencement 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 the aggregate, was not less than Rs. 8,50,000 rupees Per month								
Name of the Employee	Designation	Remuneration (in Rs.)	Qualification	Experience (years)	Date of Commencement of Employment	Age	Last employment held before joining the company	% of equity shares held in the Company
Nil								

(iii) Employee employed throughout the financial year or the part thereof, was in receipt of remuneration in 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
Mangaing Director
DIN: 01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 2nd September,2016

ANNEXURE-IV

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Kellton Tech Solutions Limited ('the Company') is committed to achieve transparency and accountability, the basic parameters of Corporate Governance norms, across the operations of the Company and in its interaction with all the stakeholders, to establish an enduring relationship with and maximize the wealth of stake holders. The Company believes that these practices will not only result in sustainable growth of the company but will also result in meeting every stake holder 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, 2016

Category	No. of Directors
Promoter Executive Directors	2 (Two)
Non-promoter Executive Director	1(One)
Non Executive 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 .

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. Srinivas Potluri	Director (Non-Independent, Non-Executive)
Mr. Karan Jit Singh	Whole Time Director (Executive)
Ms. Jhansi Lakshmi Gorla	Additional Director (Independent, Non-Executive)
Mr. P Srinivasa Rao	Additional Director (Independent, Non-Executive)

b) Attendance of each director at the Board meetings held during the year 2015-16 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)	22	22	Yes
Mr. Krishna Chintam	Managing Director (Promoter, Executive)	22	21	Yes
Mr. Rajendra Vithal Naniwadekar	Independent, Non-Executive	22	22	Yes
Mr. Brijmohan Venkata Mandala	Independent, Non-Executive	22	22	Yes
Mr. Srinivas Potluri	Non-Independent, Non-Executive	22	08	No
Ms. Sreevidya Chintam (ceased to be a Director w.e.f. 30.12.2015)	Executive Director	22	14	No
Mr. Karanjit Singh	Whole Time Director (Executive)	22	18	Yes
Ms. Jhansi Lakshmi Gorla	Additional Director (Independent, Non-Executive)	22	08	No
Mr. P Srinivasa Rao	Additional Director (Independent, Non-Executive)	22	0	No

c) No. of other Boards/Board Committees in which the Directors are either Member or Chairman as at March 31, 2016

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
Mr. P Srinivasa Rao	None	None	None	None

**excludes directorship and membership in Kellton Tech 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 2015-16

Quarter	No. of Meetings	Dates on which held
1st Quarter	Seven	21.07.2015 29.07.2015 24.08.2015 29.08.2015 02.09.2015 07.09.2015 28.09.2015
2nd Quarter	Seven	07.10.2015 12.10.2015 16.10.2015 14.11.2015 25.11.2015 16.12.2015 30.12.2015
3rd Quarter	Eight	04.01.2016 05.01.2016 23.01.2016 30.01.2016 05.02.2016 16.02.2016 24.02.2016 09.03.2016

e) Disclosure of relationships between directors inter-se:
Directors of the company are not related to each other and are independent, except Mr. Niranjan 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	225200	--
2.	Brijmohan Venkata Mandala	100000	--
3.	Srinivas Potluri	100000	--
4.	Jhansi Lakshmi Gorla	Nil	--
5.	P Srinivasa Rao	Nil	--

g) Web link:

The details of familiarization programmes imparted to independent directors are disclosed at the website http://www.kelltontech.com/

Independent Directors Meeting

A meeting of the Independent Directors was held on January 30th, 2016 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.

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.

i) Brief description of terms of reference
The terms of reference of the Audit Committee include the following:

a. 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;

b. Recommending the appointment, removal of external auditors, fixation of audit fee, terms of appointment and also approval for payment for any other services.

c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:

- 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;
- Any changes in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Qualifications in the draft audit report;
- Significant adjustments made in the financial statements arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with listing and legal requirements concerning financial statements;

d. Reviewing, with the management and auditors, and the adequacy of internal control systems;

e. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

f. Reviewing, with the management, the quarterly financial statements and auditor's report before submission to the Board for approval;

g. Reviewing, with the management, the statement of uses/application of funds raised through an issue, 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

h. Approval or any subsequent modification of transactions of the listed entity with related parties;

i. Scrutiny of inter-corporate loans and investments;

j. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

k. Evaluation of internal financial controls and risk management systems;

l. 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;

m. 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;

n. To review the functioning of the whistle blower mechanism;

o. Approval of the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

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 2015- 2016

Name of the Member	Meetings held during the year	Meetings attended
Rajendra Vithal Naniwadekar	03	03
Niranjan Chintam	03	03
Brijmohan Venkata Mandala	03	03

4. NOMINATION AND REMUNERATION COMMITTEE

i. Brief description of terms of reference

a. formulation of the criteria for determining qualifications, positive attributes and independence of a

director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b. formulation of criteria for evaluation of performance of independent directors and the board of directors;
c. devising a policy on diversity of board of directors;
d. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

ii. 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

iii. Meetings and Attendance during the year 2015-16:

Name of the Member	Meetings held during the year	Meetings attended
Rajendra Vithal Naniwadekar	07	07
Brijmohan Venkata Mandala	07	07
Srinivas Potluri	07	03

iv. Remuneration Policy
The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, 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.

v. Details of remuneration to the directors

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

**Refer Note No. 31 to Standalone financial statement*

The performance incentive/commission is determined based on certain pre-agreed performance parameters.
Directors are not paid any sitting fees for any Board / Committee meetings attended by them.

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.
i. 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

**The Stakeholders' Relationship Committee was reconstituted in compliance with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Board of Directors meeting held on 30.05.2016. Before that Mr. Krishna Chintam was the Chairman of the committee and Mr. Brijmohan Venkata Mandala was the member of the committee.*

Name, designation and address of the Compliance Officer:

Ms. Kishni Dhruvakumar Trivedi
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**

a. During the year the Company had received two complaints from the investors out of which one was resolved and one was pending at the close of the financial year. However the same was resolved on 04.05.2016.

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	02	02	Nil
6	Stock Exchanges	Nil	Nil	Nil
Total		02	02	Nil

ii. The terms of reference of the Stakeholders Relationship Committee are as follows:

a. To consider and resolve the grievances of the securityholders of the company including complaints related to transfer of shares,non-receipt of annual report and non-receipt of declared dividends;

b. transfer/transmission of shares/debentures and such other securities as may be issued by the Company fromtime to time;

c. issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced ordestroyed, as per the laid down procedure;

d. issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates /certificates relating to other securities;

e. issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;

f. to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
g. to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental orrelated thereto;

h. to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change ofaddress for correspondence etc. and to monitor action taken;

i. monitoring expeditious redressal of investors / stakeholders grievances;

j. all other matters incidental or related to shares, debenture.

6. GENERAL BODY MEETINGS

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
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

2012-13	Hotel Kens, Plot No 53, Sri Nagar Colony, Hyderabad – 500 073, Andhra Pradesh	27.12.2013; 11.00 A.M.	05	1. Variation in terms of appointment of Mr. Niranjan Chintam, executive Chairman of the Company. 2. Variation in terms of appointment of Mr. KrishnaChintam, executive Chairman of the Company. 3. To consider and approve issue of share warrants. 4. To Issue Equity Shares to Employees of the Company under the ESOP Scheme. 5. To Issue Equity Shares to Employees of the Subsidiaries of the Company under the ESOP Scheme of the company.

ii) Extraordinary General Meeting / Postal ballot

During the F.Y 2015-16 the company did not have any extra ordinary General Meeting. However the following resolutions were passed through postal ballot:

1. Increase In Authorised Share Capital
2. Alteration of Capital Clause of Memorandum of Association
3. Alteration of The Main Objects (Clause III A) of The Memorandum of Association
4. Alteration of Incidental or Ancillary objects (CLAUSE III B) of The Memorandum of Association
5. Deletion of the Other Objects (Clause III C) of the Memorandum of Association
6. Alteration of Articles of Association
7. To Consider and Approve Issue of Share Warrants
8. To make Investments, give Loans, Guarantees and provide securities beyond the prescribed Limits
9. To Increase the Borrowing Powers of The Company
10. Creation of Charge / Mortgage on Assets of The Company

Scrutinizer for postal ballot has declared the results of ballot on 02.07.2015. the process of conduct of postal ballot was in accordance with the provisions of Companies Act,2013 read with rules thereof.

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 : 10 Special resolutions were passed during the financial 2015-16 through postal ballot

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

7. DISCLOSURES

(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 year: 1,01,64,491	Nil	Nil
2	Subsidiary	Loans and Advances		
		Subsidiaries	Associates	Companies/firms in which directors are interested
		Nil	Nil	Nil
3	Holding Company	Nil		

(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" as **Annexure A**.

(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

(vi) The shareholding of the Non–Executive Directors in the Company as on March 31, 2016 is as under:

S.No	Name of the Director	Shares held
1.	Srinivas Potluri	100000
2.	Brijmohan Venkata Mandala	100000
3.	Rajendra Vithal Naniwadekar	225200
4.	Jhansi Lakshmi Gorla	NIL
5.	P Srinivasa Rao	NIL

(vii) Pecuniary transactions with Non-Executive Directors
There were no pecuniary transactions with any of the Non-Executive Directors of the Company.

(viii) 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.

(ix) As required under Schedule V 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 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

(i) 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.
(ii) The Company posts all the vital information relating to the Company and its performance / results including the press releases on its web site http://www.kelltontech.com for the benefit of the shareholders and public at large.

(iii) Quarterly financial results are published in leading newspapers, viz. The Financial Express in English, and 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.

(iv) The presentations made to the investors are also uploaded on the website of the company.

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

(vi) The Management Discussion and Analysis Report is attached and forms part of the Annual Report

(vii) 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.

(viii) As per the vigil mechanism applicable to the company, there is an ombudsman who is responsible for its implementation.

(ix) 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	Monday, 26th day of September, 2016 at 11:00 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	01.07.2015 - 31.03.2016 (In compliance with provisions of Companies Act,2013, financial year has been changed from 01st July – 31st March and the financial year 2016-17 will be from 01st April-31st March)
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 i
x. Dematerialisation of shares and Liquidity	As on 31st March,2016, 43046416 shares representing 91.93% of shareholding have been dematerialised. The balance 3779844 equity shares representing 8.07% 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, 2016, there were no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company. Conversion of 30 lakhs warrants into equity took place at the Board of Directors meeting held on 04.01.2016
xii. Commodity price risk or foreign exchange risk and hedging activities;	Not Applicable
xiii. Plant locations/offices;	The company operates from : Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad, Telangana– 500033 AND Plot No. 270, Udyog Vihar Phase -2, Gurgaon, Haryana-122016, India.
xiv. Registered Office/ address for correspondence	Investor correspondence may be addressed to: M/s XL Softech Systems limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: mail@xlsoftech.com For Correspondence to theCompany Kellton Tech Solutions Limited Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 , Telangana Tel No - 040-44333030 Emailid: compliance@kelltontech.com Website: www.kelltontech.com
xv. Market Price Data High, Low during each month on BSE and NSE	

Month	High	Low	Close
BSE			
July	82.35	63.90	74.95
August	81.85	55.50	76.75
September	80.50	66.50	77.95
October	176.00	76.40	134.80
November	149.70	128.10	138.40
December	197.00	135.10	179.90
January	233.80	177.70	223.80
February	234.90	148.20	169.30
March	236.80	168.10	214.00
NSE*			
March	246.50	186.55	214.30

xvi. Performance in comparison to BSE Sensex	As per attached Annexure ii

**Since the Company got listed on the NSE on 29.02.2016, the price information for the month of March is stated.*

xvii. Capital Build up during the Financial Year

During the year under review, the Authorised Share Capital of the company was Increased to 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 Alloted	Date of Allotment	Reason for allotment
1.	39999	01.10.2015	Allotment of equity shares pursuant to ESOP Plan, 2013
2.	3000000	04.01.2016	Allotment of equity shares on conversion of warrants
3.	145498	30.01.2016	Allotment of equity shares pursuant to ESOP Plan, 2013
4.	150831	19.02.2016	Allotment of equity shares pursuant to ESOP Plan, 2013

ANNEXURE-i

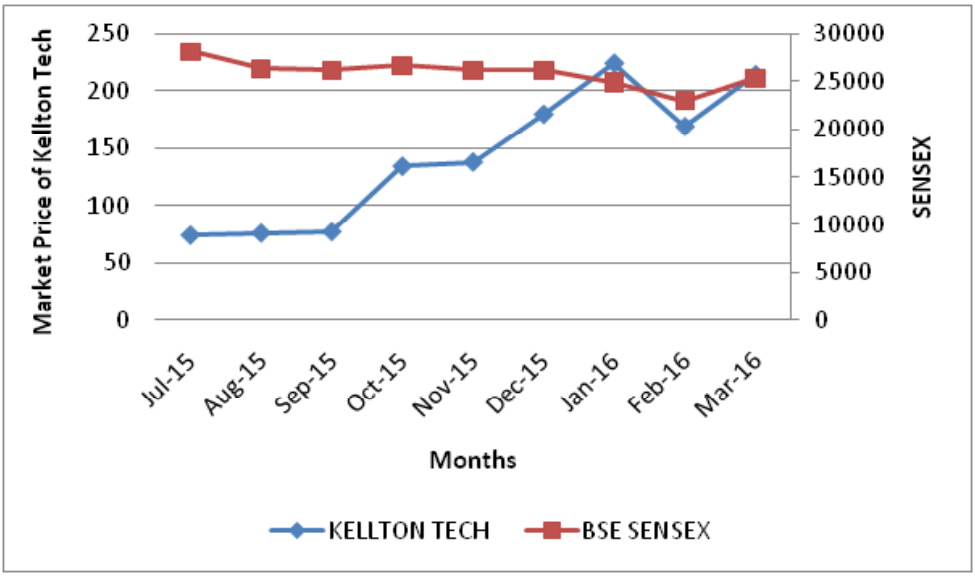
Distribution of Shareholding as on March 31, 2016:

Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	6516	72.63	5531935	2.36
2	5001- 10000	1017	11.34	4133545	1.77
3	10001- 20000	542	6.04	4156240	1.78
4	20001- 30000	237	2.64	3077825	1.31
5	30001- 40000	147	1.64	2627095	1.12
6	40001- 50000	110	1.23	2588210	1.11
7	50001- 100000	203	2.26	7376625	3.15
8	100001 & Above	199	2.22	204639825	87.40
	Total:	8971	100.00	234131300	100.00

ANNEXURE-ii

Performance in comparison to broad-based indices such as BSE Sensex index

The performance of the Company's shares relative to the BSE Sensex Index is given in the graph below:



11. SHAREHOLDING PATTERN AS ON 31st MARCH, 2016:

Category	No. of shares held	Percentage of shareholding
Promoters	11,97,192	2.56
Promoters Body Corporate	2,79,85,950	59.77
Mutual funds / UTI	-	-
Financial Institutions /Banks	-	-
Foreign Institutional Investors	-	-
Venture Capital Funds	-	-
Bodies Corporate	30,24,845	6.46
Foreign Bodies Corporate	-	-
Retail individuals/NRIs/Trusts / others	1,46,18,273	31.27
Total	**4,68,26,260**	**100**

12. 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/ MD/ WTD 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.

13. 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, 2016 your Company has 312,525 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 01.07.2016	375
2.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	10
3.	number of shareholders to whom shares were transferred from suspense account during the year;	10
4.	aggregate number of shareholders and the outstanding shares in the suspense account lying ason 31.03.2016	number of shareholders :365 number of shares: 312525

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 share-

holder 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

Place : Hyderabad
Date :2nd September,2016

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Sd/-
Niranjan Chintam
Executive Chairman
DIN: 01658591

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, 2016.

Place : Hyderabad
Date : 2nd September,2016

Sd/-
Niranjan Chintam
Whole Time Director/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, 2016, 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

Manoj Kumar Koyalkar
Membership Number: 19445
Certificate of Practice Number: 10004

Hyderabad, September 2, 2016

ANNEXURE-V

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
M/s **KELLTON TECH SOLUTIONS LIMITED**
Plot No 1367, Road No- 45, Jubilee Hills,
Hyderabad-500033, Telangana, India

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 ended on March 31, 2016, ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

(ix) 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:

Secretarial Standard-1 and Secretarial Standard-2, with respect to Board and General Meetings respectively, issued by The Institute of Company Secretaries of India,

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

I further report that:

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

• The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

• 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 while the dissenting members' views, if any, are captured and recorded as part of the minutes.

• The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

• I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

• I report further that, during the audit period, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having major bearing on the Company's affairs.

I further observed that

Pursuant to section 137 (1) of the Act read with Rule 12 (1) Companies (Accounts) Rule, 2014 the company has not filed E Form AOC -4 for the financial year 2014-2015, the company was advised to file the same at the earliest.

for AGR Reddy & Co.
Company Secretaries

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

Hyderabad, September 2, 2016

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

ANNEXURE-A

The Members,
M/s **KELLTON TECH SOLUTIONS LIMITED**
Plot No 1367, Road No- 45, Jubilee Hills,
Hyderabad-500033, Telangana, India

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

a. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

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

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

e. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

for AGR Reddy & Co.
Company Secretaries

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

Hyderabad, September 2, 2016

ANNEXURE-VI

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2016

[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 SoftwarePrivate Limited	U72200TG2005PTC094635	Subsidary	100%	Sec 2(87)
2	Kellton Tech Inc, USA	46-3594835	Subsidary	100%	Sec 2(87)
3	Kellton Tech Solutions Inc., USA	47-4003633	Subsidary	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	1186807	0	1186807	2.73	1197192	0	1197192	2.56	0.17
b) Central Govt	0	0	0	0	0	0	0	0	Nil
c) State Govt(s)	0	0	0	0	0	0	0	0	Nil
d) Bodies Corp.	26085950	0	26085950	59.99	27985950	0	27985950	59.77	0.22
e) Banks / FI	0	0	0	0	0	0	0	0	Nil
f) Any other	0	0	0	0	0	0	0	0	Nil
Sub-total(A)(1):	27272757	0	27272757	62.72	29183142	0	29183142	62.32	0.4
(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)	**27272757**	**0**	**27272757**	**62.72**	**29183142**	**0**	**29183142**	**62.32**	**0.4**
B. PUBLIC SHAREHOLDING (1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e)Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h)Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0

Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
(2)Non-Institutions a) Bodies Corp.									
i) Indian	2223508	39500	2263008	5.20	2985345	39500	3024845	6.46	1.26
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3750529	360267	4110796	9.45	6020938	336500	6357438	13.58	4.13
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8226729	414544	8641273	19.87	6566386	403844	6970230	14.89	4.98
c) Others	1193765	0	1193765	2.75	1290605	0	1290605	2.75	Nil
Sub-total(B)(2):	15394531	814311	16208842	37.28	16863274	779844	17643118	37.68	0.4
Total Public Shareholding (B)=(B)(1)+(B)(2)	**15394531**	**814311**	**16208842**	**37.28**	**16863274**	**779844**	**17643118**	**37.68**	**0.4**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**42667288**	**814311**	**43481599**	**100.00**	**46046416**	**779844**	**46826260**	**100.00**	**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 Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	LAKSHMI CHINTAM	10,385	0.02	0.00	10,385	0.02	0.00	Nil
2	MOHANA REDDY CHINTAM	164,276	0.38	0.00	164,276	0.35	0.00	0.03
3	SREEVIDYA CHINTAM	451,388	1.04	0.00	451,388	0.96	0.00	0.08
4	KRISHNA CHINTAM	571,143	1.31	0.00	571,143	1.22	0.00	0.09
5	KELLTON WEALTH MANAGEMENT PVT LTD	45,00,000	10.35	0.00	64,00,000	13.67	0.00	3.32
6	MATNIC FINVEST PRIVATE LIMITED	2,15,85,950	49.64	0.00	2,15,85,950	46.10	5.56	3.54
	Total	**2,72,72,757**	**62.72**	**0.00**	**2,91,83,142**	**62.32**	**5.56**	**0.4**

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1)	KELLTON WEALTH MANAGEMENT PRIVATE LIMITED	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	45,00,000	10.35	45,00,000	10.35
	Equity Shares allotted on conversion of warrants on 04.01.2016	19,00,000	-	64,00,000	13.67
	At the End of the year			64,00,000	13.67

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	RICCO INTERNATIONAL PRIVATE LIMITED	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	850000	1.95	850000	1.95
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	-	-	850000	1.82
	At the End of the year (or on the date of separation, if separated during the year)	-	-	850000	1.82

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	PROSOFT CYBERWORLD PVT LTD	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Equity Shares allotted on conversion of warrants on 04.01.2016	800000	-	800000	1.71
	At the End of the year (or on the date of separation, if separated during the year)	-	-	800000	1.71

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	VENKATA SOMA SEKHARA REDDY VEMIREDDY	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	950000	2.18	950000	2.18
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	(212891)	-	737109	1.57
	At the End of the year (or on the date of separation, if separated during the year)	-	-	737109	1.57

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4	BHAVANI SANNA REDDY	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	753407	1.73	753407	1.73
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	(121696)	-	63171	1.35
	At the End of the year (or on the date of separation, if separated during the year)	-	-	631711	1.35

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5	NANDINI BHASKAR RAO	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	262500	0.60	262500	0.60
	Equity Shares allotted on conversion of warrants on 04.01.2016	150000	-	412500	0.88
	At the End of the year (or on the date of separation, if separated during the year)	-	-	412500	0.88

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	UDAYAN KANUBHAI MANDAVIA	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	389973	0.90	389973	0.90
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	(18005)	-	371968	0.79
	At the End of the year (or on the date of separation, if separated during the year)	-	-	371968	0.79

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7	VIMAL SAGARMAL JAIN	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	325000	0.75	325000	0.75
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	-	-	325000	0.69
	At the End of the year (or on the date of separation, if separated during the year)	-	-	325000	0.69

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8	ASHISH KUMAR	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	646731	1.49	646731	1.49
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	(327397)	-	319334	0.68
	At the End of the year (or on the date of separation, if separated during the year)	-	-	319334	0.68

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9	MAHENDRA RAMAKRISHNA DANDEKAR	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	267846	0.62	267846	0.62
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	25	-	267871	0.57
	At the End of the year (or on the date of separation, if separated during the year)	-	-	267871	0.57

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	POOJA MAHESHWARI	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Transactions (sale/ purchase) from July 01, 2015 up to March 31, 2016	252500	-	252500	0.54
	At the End of the year (or on the date of separation, if separated during the year)	-	-	252500	0.54

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	Krishna Chintam - Managing Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	571143	1.31	571143	1.31
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year			571143	1.22
3	Rajendra Vithal Naniwadekar– Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	326503	0.75	326503	0.75
	Sale on 04.09.2015	(15000)	-	311503	0.72
	Sale on 15.09.2015	(12303)	-	299200	0.69
	Sale on 15.10.2015	(35000)	-	264200	0.60
	Sale on 23.10.2015	(10000)	-	254200	0.58
	Sale on 08.01.2016	(10000)	-	244200	0.55
	Sale on 11.01.2016	(10000)	-	234200	0.53
	Sale on 09.02.2016	(9000)	-	225200	0.51
	At the End of the year			225200	0.48
4	Brijmohan Venkata Mandala- Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	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)	Nil	Nil	Nil	Nil
	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	
5	Karanjit Singh – Chief Executive Officer	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	53412	0.12	53412	0.12
	Increase in shareholding pursuant to Shares allotted under ESOP Policy	33333		86745	0.18
	At the End of the year			86745	0.18
6	Srinivas Potluri –Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	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)	Nil	Nil	Nil	Nil
	At the End of the year			100000	0.21
7	Jhansi Lakshmi Gorla – Additional Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
8	P Srinivasa Rao- Additional Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

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

VI. 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	8.16	2.00	Nil	10.16
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**8.16**	**2.00**	**Nil**	**10.16**
Change in Indebtedness during the financial year				
Addition	0.53	Nil	Nil	0.53
Reduction	Nil	2	Nil	2
Net Change	0.53	2	Nil	1.46
Indebtedness at the end of the financial year				
i) i) Principal Amount	8.69	Nil	Nil	8.69
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	0.002	Nil	Nil	0.002
Total (i+ii+iii)	**8.69**	**Nil**	**Nil**	**8.69**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager*:

**Refer Note No. 31 of Standalone financial Statement*

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Rajendra V Naniwadekar	Brijmohan V Mandala	Srinivas Potluri	P Srinivasa Rao	Jhansi lakhsmi Gorla	
1	Independent Directors						
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	2. Other Non-Executive Directors						
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total (1+2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Overall Ceiling as per the Act : The act provides for paying sitting fees upto Rs 1,00,000 per meeting.						

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

(Amount in Rs.)

Sl. No.	**Particulars of Remuneration**	**Key Managerial Personnel**		
		Company Secretary	**CFO**	**Total**
1	Gross salary	4,00,000	0	4,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,00,000	0	4,00,000
	(b) Value of perquisites u/s	17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please Specify	0	0	0
	Total	**4,00,000**	**0**	**4,00,000**

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 : 2nd September,2016

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

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

ANNEXURE-VII

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 attaches special weightage 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.

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:

- Healthcare
- Child education
- Destitute care

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 1,000 crore or more or a net profit of 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 fiscal 2016 are as follows:

- Average Net profit for the preceding three Financial Years for the purpose of computation of CSR : Rs. 4,68,43,436/-

- Prescribed CSR expenditure (2% of Average Net Profit) : Rs. 9,36,869/-

- Details of CSR spent for the financial year :

  a. Total amount spent during the financial year 2015-16: Rs. 9,60,000/-

  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. Overheads	Cumulative expenditure upto reporting period	Amount Spent: Direct or through implementing agency
1.	Scholarship fund	Education	Telangana	20,000	20,000	20,000	Kellton Tech Solutions Limited
2	Fund provided to NGO for child education-Aashritha Samaj	Education	Telangana	84,000	84,000	84,000	Kellton Tech Solutions Limited
3	Fund provided to NGO for disease eradication through education and prevention-Deep Trust	Health	Telangana	5,56,000	5,56,000	5,56,000	Kellton Tech Solutions Limited
4.	Funds to non-profit organization	Environment & Women Empowerment	Telangana	3,00,000	3,00,000	3,00,000	Centre for Research Information Publication & Training

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.

Sd/-
Rajendra Naniwadekar
CSR committee Chairman

Sd/-
Krishna Chintam
Managing Director

Place : Hyderabad
Date : 2nd September,2016

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, 2016, 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 2016, 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 section143 of the Act, we give in the Annexure 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act ;

f. 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.

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

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

Place : Hyderabad
Date : 30th May 2016

ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016.

(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 & Service Tax .

(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 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**
Chartered Accountants
(Firm's Registration No.001939S)

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

Place : Hyderabad
Date : 30th May 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 8(f) under 'Report on other Legal and Regulatory Requirements' of our report of even date)

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, 2016 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 judgement, 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 of 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 31,2016, 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 2016

STANDALONE BALANCE SHEET AS AT

(Amount in Rs)

Particulars	Note No	31st March 2016	30th June 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(A) Share Capital	2	234,131,300	217,407,995
(B) Reserves and Surplus	3	558,360,671	234,325,602
(C) Money received against share warrants	4	--	123,650,000
(2) Share application money pending allotment		333,300	-
(3) Non-Current Liabilities			
(A) Long-term borrowings	5	494,736	5,074,603
(B) Deferred tax liabilities (Net)	6	6,084,500	2,399,659
(C) Other Long term liabilities	-	-	-
(D) Long term provisions	7	2,887,507	2,406,075
(4) Current Liabilities			
(A) Short-term borrowings	8	86,435,089	90,774,805
(B) Trade payables	9	19,281,237	30,113,676
(C) Other current liabilities	10	63,449,466	31,894,764
(D) Short-term provisions	11	47,158,999	23,907,532
Total		1,018,616,805	761,954,712
II.ASSETS			
1) Non-Current assets			
(A) Fixed assets	12		
(i) Tangible assets		57,311,891	55,031,723
(ii) Intangible assets		98,192,153	98,967,047
(iii) Capital work-in-progress		7,213,906	1,481,917
(iv) Intangible assets under development		-	-
(B) Non-current investments	13	407,025,609	259,031,794
(C) Deferred tax assets (net)		-	-
(D) Long term loans and advances	14	10,957,827	8,926,844
(E) Other non-current assets	15	693,502	905,356
(2) Current assets			
(A) Current investments		-	-
(B) Inventories		33,215,545	4,672,756
(C) Trade receivables	16	178,973,785	127,226,098
(D) Cash and cash equivalents	17	21,900,853	34,448,319
(E) Short-term loans and advances	18	120,532,042	96,175,499
(F) Other current assets	19	82,599,692	75,087,361
Total		1,018,616,805	761,954,712

Accounting policies 1

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

For and on behalf of Board of Directors

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

Sd/-
B R Mahesh
Partner
M No - 18628
Place : Hyderabad
Date : 30-05-2016

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
Kishni Trivedi
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in Rs)

Particulars	Note No	31st March 2016	30th June 2015
INCOME			
Revenue from operations	20	487,779,497	399,002,799
Other Income	21	3,384,783	5,152,488
Total Revenue		**491,164,280**	**404,155,286**
EXPENSES			
Cost of materials consumed	22	34,485,148	27,980,419
Employee benefit expense	23	267,730,592	220,880,387
Financial costs	24	18,514,590	14,982,986
Depreciation and amortization expense	25	10,889,737	9,281,611
Other expenses	26	68,551,593	59,784,648
Total Expenses		**400,171,660**	**332,910,052**
Profit / Loss before taxes		**90,992,620**	**71,245,234**
TAX EXPENSE			
(1) Current tax		20,008,752	19,441,504
(2) Mat Credit		-	-11,341,504
(3) Deferred tax		3,684,841	1,520,931
(4) Taxes Prior Period		-	-
Profit / Loss for the period		**67,299,027**	**61,624,303**
EARNING PER EQUITY SHARE			
(1) Basic		1.51	1.47
(2) Diluted		1.51	1.47

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

Sd/-
B R Mahesh
Partner
M No - 18628

Place : Hyderabad
Date : 30-05-2016

For and on behalf of Board of Directors

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
Kishni Trivedi
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in Rs)

	Particulars	31 March 2016 9 Months	30 June 2015 12 Months
a	**Cash flow from operating activities**		
	Net Loss/Profit before tax	90,992,620	71,245,234
	Depreciation and Amortization	10,889,737	9,281,611
	Interest & Finance Charges	18,514,590	14,982,986
	(Profit)/loss on sale of assets	-3,441	-
	Miscellaneous Expenses written back	-2,193	-
	Sundry Accounts Written Back	-	-
	Operating profit before working capital changes	**120,391,313**	**95,509,831**
	Adjustments for (increase)/decrease in operating assets		
	(Increase)/Decrease in Trade & other Receivables	-51,747,687	-70,000,824
	(Increase)/Decrease in Short-Term Loans and Advances	-24,356,543	-34,197,372
	(Increase)/Decrease in Other Current Assets	-7,512,331	-52,434,960
	(Increase)/Decrease in Inventories	-28,542,789	1,519,947
	(Increase)/Decrease in Long Term Loans and Advances	-2,030,983	-2,374,733
	Adjustments for (increase)/decrease in operating liabilities		
	Increase/(Decrease) in Other Current Liabilties	31,556,895	21,874,347
	(Decrease) /Increase in Short Term Borrowing	-4,339,716	28,160,279
	(Decrease) /Increase in Short Term Provisions	20,788,622	13,547,165
	(Decrease) /Increase in Trade Payable	-10,832,439	20,744,456
	(Decrease) /Increase in Long Term Provisions	481,432	495,045
	(Decrease) /Increase in Other Long-Term Liabilities	-	-8,283,593
	Cash generated from operations	**43,855,773**	**14,559,590**
	Direct Taxes	-17,545,907	-4,167,445
	Extra ordinary items	-	-2,312,667
	Net cash from operating activity	**26,309,866**	**8,079,477**
b	**Cash flow from investing activity**		
	Purchase of fixed assets	-17,911,706	-35,434,935
	(Increase) in Investments	-147,993,815	-82,850,783
	Net cash used in investing activities	**-165,905,521**	**-118,285,718**
c	**Cash flow from financing activities**		
	Proceeds of share application, allotment and share premium	150,142,647	30,463,731
	Increase General Reserves	-	-1,683,908
	(Decrease) /Increase in long term borrowings	-4,579,868	332,515
	Proceeds from Share Warrants Proceeds	-	116,519,160
	Interest & finance charges paid	-18,514,590	-14,982,986
	Net cash accured in Financing activities	**127,048,189**	**130,648,511**
	Net increase in cash and cash equivalent	-12,547,466	20,442,270
	Cash & Cash equivalent as at 1st day	34,448,319	14,006,049
	Cash & cash equivalent as at last day	21,900,853	34,448,319

As per our report of even date
For **Mahesh Virender & Sriram**
Firms' Registration Number: 0019395
Chartered Accountants

Sd/-
B R Mahesh
Partner
M No - 18628
Place : Hyderabad
Date : 30-05-2016

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
Kishni Trivedi
Company Secretary

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.

NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2016

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.

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.

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

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 31st March 2016 (INR)	30th June 2015 (INR)
NOTE NO : 2 (A) SHARE CAPITAL (a) Authorised 62000000 EQUITY SHARES OF RS.5 EACH (PREVIOUS YEAR 47000000 EQUITY SHARES RS. 5 EACH)	310,000,000	235,000,000
(b) Issued Subscribed & Paid Up 46826260 Equity Shares of Rs 5 each (Previous year- 43481599 Equity shares of Rs 5 each)	234,131,300	217,407,995
TOTAL	**234,131,300**	**217,407,995**
(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 2016**	**Number**	**As at 30th June 2015**
Shares outstanding at the beginning of the year Shares issued during the year Shares bought back during the year	43,481,599 3,344,661 Nil	217,407,995 16,723,305 Nil	41,387,544 2,094,055 Nil	206,937,720 10,470,275 Nil
Shares outstanding at the end of the year	46,826,260	234,131,300	43,481,599	217,407,995

(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 disribution 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

	As at 31st March 2016		As at 30th June 2015	
Name of Share Holder	No of Shares Held	% of Hold-ing	No of Shares Held	% of Hold-ing
Matnic Finvest Private Limited	21,585,950	46.10%	21,585,950	48.65%
Kellton Wealth Management Private Limited	6,400,000	13.67%	4,500,000	10.87%

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

Note No 3		Notes to Financial Statements as at	31 March 2016	30 June 2015
	[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**	335,713,938	78,977,896
		Closing Balance	**335,713,938**	**78,977,896**
	[d]	**Surplus** Opening Balance Net Profit / Loss for the current year	141,228,862 67,299,027	79,604,559 61,624,303
		Closing Balance	**208,527,889**	**141,228,862**
		Grand Total of Reserve & Surplus	558,360,671	234,325,602
Note No 4		**Money received against share warrants** Share Warrants	---	123,650,000
		Total	**---**	**123,650,000**
Note No 5		**Non-Current Liabilities**		
		Long Term Borrowings **Secured** HDFC Bank Ltd (repayble in 60 equated installments out of which 19 are paid)	494,736	624,539
		Term Loan Axis Bank Limited Secured by exclusive charge on the entire current asstes with collateral of movable fixed asstes and extention of EM on premises of Director	Nil	1,927,473
		ICICI Bank Ltd (repayble in 35 equated installments out of which 21 are paid)	Nil	291,989
		Kotak Mahindra Prime Ltd (Current Maturities CY Nil (PY Rs 1403511) transferred to Current Liabilities)	Nil	2,230,601
		Total	**494,736**	**5,074,603**
Note No 6		**Deferred tax Liabilities (Net)** Opening Balance Current year transfer	2,399,659 3,684,841	878,728 1,520,931
		Closing Balance	**6,084,500**	**2,399,659**
Note No 7		**Other Long Term Provisions** Provision for Gratuity Provision for Leave Encashment	2,684,984 202,523	2,112,467 293,608
		Total	**2,887,507**	**2,406,075**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

	Notes to Financial Statements as at	31 March 2016	30 June 2015
Note No 8	**Short Term Borrowings**		
	Secured Loans From Banks		
	Term Loan - Vehicle		
	ICICI Bank Ltd	733,050	-
	Kotak Mahindra Prime Ltd	2,594,055	-
	ICICI Bank Ltd	-	235,767
	Working capital loan - Axis Bank Limited	30,333,554	70,539,038
	Working capital loan - Axis Bank Limited	50,243,442	-
	Term Loan Axis Bank Limited	2,530,988	-
	Other Short term borrowings	Nil	20,000,000
	Total	**86,435,089**	**90,774,805**

Lender	Nature	Rate of interest	Security	Terms of Repayment
ICICI Bank Ltd	Vehicle Loan	9.30%	Vehicle	35 equated installments out of which 30 are paid
Kotak Mahindra Prime Ltd	Vehicle Loan	9.52%	Vehicle	36 equated installments out of which 19 are paid
Axis Bank Limited	Cash Credit	Base Rate +3.15%	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 Guarantee and comfort letters from promoters.	Yearly Renewals
	Term Loan	Base rate +4%		48 equated installments out of which 36 are paid
	FCDL	Libor+5.88%		Rollover (based on availability of FC funds) or Bullet repayment at the end of six months

Note No 9	**Trade payables**		
	Sundry Creditors	19,281,237	30,113,676
	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	**19,281,237**	**30,113,676**
Note No 10	**Other Current Liabilities**		
	Advances Received	21,789,808	271,100
	Others (staff reimbursements)	519,421	222,696
	TDS Payable	25,547,518	12,696,827
	Professional Tax Payable	28,300	31,850
	Provident Fund Payable	2,008,057	1,857,781
	Service tax payable	12,847,501	11,048,487
	Book bank overdraft	538,004	-
	Current Maturities of Long term borrowings	170,857	5,766,024
	Total	**63,449,466**	**31,894,764**
Note No 11	**Short-term provisions**		
	(a) Provisions for employees benefits	22,197,538	18,489,527
	(b) Outstanding Expenses	25,743	68,572
	[c] Audit fee payable	100,000	75,000
	[d] Provision for taxation	21,651,833	2,090,548
	[e] Mat Credit	3,183,885	3,183,885
	Total	**47,158,999**	**23,907,532**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

Note 12 Fixed Assets

S No	Description of Asset	Gross block				Depreication			Net block	
		As At 30-Jun-2015	Additions during the year	Deletions during the year	As At 31-Mar-2016	Up to 30-Jun-2015	For the year	Up to 31-Mar-2016	As at 31-Mar-2016	As at 30-Jun-2015
	Tangible Assets									
1	Plant & Machinery									
	[a] Equipment	1,767,458	60,003	-	1,827,461	534,613	5,591	540,204	1,287,257	1,232,845
	[b] Electrical Equipment	10,082,593	1	-	10,082,594	1,903,642	803,150	2,706,792	7,375,802	8,178,951
	[c] Communication Equipment	1,750,359	54,494	-	1,804,853	883,677	324,515	1,208,192	596,661	866,682
	[d] Air Conditioners	1,514,804	26,499	-	1,541,303	581,207	94,867	676,074	865,229	933,597
2	Computers	34,330,765	9,100	43,943	34,295,922	13,493,956	5,065,157	18,546,416	15,749,506	20,836,809
3	Furniture & Fixtures	6,966,127	151,330	-	7,117,457	752,599	523,767	1,276,366	5,841,091	6,213,528
4	Vehicles									
	[a] Scooter & Cycles	14,891	-	-	14,891	14,889	-	14,889	2	2
	[b] Car	20,267,847	-	-	20,267,847	3,768,001	1,891,188	5,659,189	14,608,658	16,499,853
	[c] MotorCycle	306,721	-	-	306,721	37,265	22,271	59,536	247,185	269,457
	Total Tangible Assets	**77,001,565**	**301,427**		**77,259,049**	**21,969,849**	**8,730,506**	**30,687,658**	**46,571,391**	**55,031,724**
	Intangible Assets									
	Soft Ware	11,912,401	-	-	11,912,401	9,195,353	774,893	9,970,246	1,942,159	2,717,047
	Good Will	96,250,000	-	-	96,250,000	-	-	-	96,250,000	96,250,000
	Total Intangible Assets	**108,162,401**	**-**	**-**	**108,162,401**	**9,195,353**	**774,893**	**9,970,246**	**98,192,159**	**98,967,047**
	Capital WIP (Research & Development)	1,481,917	5,731,989	-	7,213,906	-	-	-	7,213,906	1,481,917
	Total WIP	**1,481,917**	**5,731,989**	**-**	**7,213,906**	**-**	**-**	**-**	**7,213,906**	**1,481,917**
	Previous years figures	**151,146,923**	**36,998,958**	**1,500,000**	**186,645,882**	**20,482,150**	**8,999,144**	**31,165,203**	**155,480,687**	**130,664,773**

NOTES TO 13 NON-CURRENT INVESTMENTS

(Amount in Rs)

Investments in Equity Instruments

S NO	Name of the Body Corporate	Subsidiary / Associate JV / Controlled entity / Others	No.of Shares/Units		Quoted/ Un Quoted	Partly paid / Fully paid	Extent of Holding (%)		Amount		Whether stated at Cost Yes/ No	If Answer to column (9) is 'No' Basics of Valuation
			31-Mar-16	30-Jun-15			31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15		
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	
2	Kellton Tech Inc, USA	Subsidiary	546,000	546,000	Unquoted	Fully Paid	100%	100%	90,332,500	90,332,500	Yes	
3	Kellton Tech Solution Inc, USA	Subsidiary	1,274	606	Unquoted	Fully Paid	100%	100%	276,113,816	128,120,000	Yes	
4	*Kellton Tech Limited, Ireland	Subsidiary	0	0	Unquoted	0	100%		-		NA	NA
	Total								**407,025,609**	**259,031,794**		

*Kellton Tech Limited is incorporated as100% subsidiary in Ireland, but no capital is infused till 31-Mar-2016

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

	Non-current assets	31 March 2016	30 June 2015
Note No 14	**Long term loans and advances**		
	[Unsecured and considered good]		
	Deposits	10,957,827	8,926,844
	Total	**10,957,827**	**8,926,844**
Note No 15	**Other non-current assets**		
	Misc Expenditure to the extent not written off or adjusted		
	Opening Balance	905,356	1,187,830
	Add: Addition during the year	-	-
	Less: Written off for the year	211,854	282,474
	Total	**693,502**	**905,356**
Note No 16	**Current assets**		
	Trade receivables		
	[Unsecured & Considered Good]		
	Outstanding for more than six months	52,785,178	8,744,016
	Others	126,188,607	118,482,082
	Total	**178,973,785**	**127,226,098**
	* Trade Receivables includes 42562781 from the subsidiaries		
Note No 17	**Cash and cash equivalents**		
	Cash on hand	33,786	184,259
	Bank Balance	10,011,647	23,504,584
	Fixed Deposits	11,855,420	10,759,476
	Total	**21,900,853**	**34,448,319**
Note No 18	**Short-term loans and advances**		
	[Unsecured and considered good]		
	Staff Advance	1,809,783	1,104,012
	Prepaid Taxes	19,009,945	14,279,716
	MAT Entitlement	28,363,534	15,995,323
	Loan to Subsidiary	10,164,491	23,877,124
	Other Advances	5,663,758	2,002,861
	Prepaid Expenses	15,294,165	14,188,138
	Interest Accrued on Fixed Deposit	-	260,976
	Advance to Suppliers	-	200,000
	Vat Input	3,031,781	2,920,584
	Unbilled Reveue	37,194,585	21,346,764
	Total	**120,532,042**	**96,175,499**
Note No 19	**Other Current Assets**		
	Retention Money	1,105,013	517,553
	Deposit	10,011,661	10,011,661
	Others	71,483,018	64,558,147
	Total	**82,599,692**	**75,087,361**
Note No 20	**Revenue from Operations**		
	Software Sevices	397,938,953	357,995,899
	Hardware Services	79,862,824	41,006,899
	Maintenance Services	9,977,720	-
	Total	**487,779,497**	**399,002,799**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs)

	Non-current assets	31 March 2016	30 June 2015
Note No 21	**Other Income**		
	Interest received	995,132	208,340
	Writtern off old balances	2,193	-
	Exchange fluctuations Gain	2,384,017	2,631,480
	Profit on sale of Asstes	3,441	-
	Other Income	-	2,312,667
	Total	**3,384,783**	**5,152,488**
Note No 22	**Cost of Material Consumed**		
	Purchase of Stock in trade	63,027,937	26,460,471
	Changes in inventories of finished goods	-28,542,789	1,519,948
	Total	**34,485,148**	**27,980,419**
Note No 23	**Employees Benefit Expenses**		
	Salaries and Bonus	247,195,938	203,200,899
	Provident Fund	8,914,225	6,608,974
	Gratuity and Leave encashments	915,658	1,500,241
	Staff welfare Exps	10,704,771	9,570,274
	Total	**267,730,592**	**220,880,387**
Note No 24	**Financial Cost**		
	Finance Charges	4,683,494	1,250,603
	Interest - Vehicle Loan	417,772	572,417
	Interest - Working Capital Loan	7,119,108	9,613,381
	Interst and charges on other Loans	6,294,216	3,546,586
	Total	**18,514,590**	**14,982,986**
Note No 25	**Depreciation & Amortisation Expense**		
	Deprecitation	10,677,883	8,999,137
	Miscellaneous Exp w/off	211,854	282,474
	Total	**10,889,737**	**9,281,611**
Note No 26	**Other Expenses**		
	Professional Fee	12,103,132	12,880,865
	Rent	15,655,595	12,712,306
	Travelling and Conveyance	11,536,503	9,111,327
	Travelling and Conveyance -Directors	2,325,765	2,540,927
	Subcontracting Expenses	313,415	721,256
	Communication Expenses	1,227,039	1,352,296
	Electricity	5,031,048	4,168,728
	Internet and webhosting	3,314,517	1,720,235
	Office Maintenance	3,048,958	2,756,582
	Printing & Staionery	742,047	758,824
	Advertisement Exps	75,870	190,736
	AGM Expenses	24,595	60,560
	Repairs & Maintenance	4,147,362	2,769,652
	Sales and Marketing	2,861,046	3,283,342
	Rates & Taxes	1,106,207	162,998
	CSR Contributions	960,000	638,850
	Subscription fees and licences renewal cost	1,492,372	954,967
	Written off old balances	-	2,542,867
	Other Miscellaneous expenses	2,486,122	382,330
	(a) Statutory Audit Fee	50,000	50,000
	(b) Taxation	25,000	25,000
	(c)Certification fee	25,000	-
	Total	**68,551,593**	**59,784,648**

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

Note No 27 Contingent Liabilities

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

1. Contingent liabilities	31-Mar-2016	30-June-2015
[a] Claims against the company not acknowledged as debts	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)	6,93,88,943	5,96,56,701
[g] SBLC Guarantee	13,46,49,900	15,68,25,000

Note No 28. Earnings per Share

Particulars	31-Mar-2016	30-June-2015
Numerator for EPS		
Net Profit after tax (A)	6,72,99,027	6,16,24,303
Actual no. of Outstanding Shares at the year end	4,68,26,260	4,34,81,599
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)	4,45,18,439	4,19,75,792
Weighted Average no. of Shares considered for Denominator for Diluted EPS (C)	4,45,97,102	4,19,75,792
Basic and diluted Earnings Per Share (A)/(B)	1.51	1.47
Diluted Earnings Per Share (A)/(C)	1.51	1.47

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 29. Particulars of employees in accordance with section 217 2A of the companies act, 2013

Particulars of employees	31-Mar-2016	30-June-2015
Name of employee	Nil	Nil

Note No 30. Additional information

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

a. Domestic & Export Sales	31-Mar-2016	30-June-2015
Export	22,64,61,773	13,32,79,479
Domestic	26,13,17,724	17,42,86,378
	48,77,79,497	39,90,02,799

	31-Mar-2016 Amount in Foreign Currency	31-Mar-2016 Amount in INR	30-June-2015 Amount in Foreign Currency	30-June-2015 Amount in INR
Value of imports during the year	USD	Nil	USD	Nil
Expenditure in foreign currencies	USD 7,465 GBP 30304 HKD Nil CAD 4,850 KWD 338	5,01,049 30,62,908 2,52,440 75,611	USD 3,307 GBP 6,969 HKD 4,460	209,372 6,78,901 3,9548
Earnings in foreign currencies	USD 29,69,443 GBP 286631 CAD Nil SGD Nil	19,83,69,559 2,80,92,214 Nil Nil	USD 2,76,6094 GBP 1,90,601 CAD 17,925 SGD 35,137	16,92,99,532 187,46,409 17,55,541 16,92,919

Note 31. Related Party Transactions

I) RELATED PARTIES WHERE CONTROL EXISTS

Names of the parties	Description of relationship
Kellton Tech Inc	Wholly owned Subsidiary
Kellton Dbydx Software Private Limited	Wholly owned Subsidiary
Kellton Tech Solutions Inc	Wholly owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly owned Subsidiary
Evantage Solutions Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
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)
IntellipeopleInc	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 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

NOTES TO FINANCIAL STATEMENTS

(Amount in Rs.)

IV) ENTITIES OVER WHICH A KEY MANAGEMENT PERSONNEL HAS SIGNIFICANT INFLUENCE

Kellton Wealth Management Private Limited
Matnic Finvest Private Limited
Kellton Financial Services Private Limited

V) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of transactios	Name of Entity	31-March-2016	30-June-2015
Sale of Services	Subsidiaries		
	Prosoft Technology Group Inc	9,47,35,500	2,55,73,000
	Kellton Tech Limited	67,61,341	Nil
Rent paid for office building	Relative of Key Management personnel		
	Sreevidya Chintam & Niranjan Chintam	22,50,000	30,00,000
	Rent Deposit paid	3,35,000	-
	Entities over which management personnel has significant influence		
Loan Received			
	Kellton Financial Services Private Limited	Nil	1,50,00,000
Repayment of Loan taken			
	Kellton Financial Services Private Limited	1,50,00,000	Nil
Interest Payment			
	Kellton Financial Services Private Limited	8,81,506	Nil
Receipt of Share Warrants money			
	Kellton Wealth Management Private Limited	11,00,00,000	1,16,90,000
	Matnic Finvest Private Limited	Nil	1,63,30,000
Receipt of Loan to Subsidiaries			
	Kellton Dbydx Software Limited	1,37,12,633	
Loan to Subsidiaries	Kellton Dbydx Software Limited		35,96,244

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	
	Gross salary	22,50,000	22,50,000		37,67,380
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	22,50,000	22,50,000		37,67,380
	(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*	-
3	Sweat Equity	0	0		0
4	Commission	0	0		
	- as % of profit	0	0		0
	- others, specify	0	0		0
5	Others, please specify	0	0		0
	Total	22,50,000	22,50,000		37,67,380
	Ceiling as per the Act (On pro-rata basis for 9 months) – Minimum remuneration in case of inadequacy profits	31,50,000	31,50,000		63,00,000#

**The No. of options exercised during the year.*
 # The ceiling limit is doubled as a special resolution was passed by shareholders for appointment and remuneration of Mr. Karanjit Singh.

VI) OUTSTANDING BALANCES

		31-March -2016	30-June-2015
Trade Receivable	Prosoft Technology Group Inc	4,01,07,326	64,45,046
	Kellton Tech Limited	24,55,455	Nil
Loan Amount Outstanding	Kellton Financial Services Private Limited	Nil	1,50,00,000
Equity Investment in Subsidiaries	Kellton Dbydx Software Private Limited (Formerly SkanDbydx Software Private Limited)	4,05,79,293	4,05,79,293
	Kellton Tech Inc	9,03,32,500	9,03,32,500
	Kellton Tech Solutions Inc	27,61,13,816	12,81,20,000
Loan to subsidiaries	Kellton Dbydx Software Private Limited	1,01,64,491	2,38,77,124

Note No 32. 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 33.Employees Benefit:

a) Gratuity: The Company has provided for gratuity liability based on internal assessment subject to actuarial valuation by internal authority.

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

Note No 34. 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.

	31-Mar 2016	30-June-2015
Not Later than one year	2,11,50,500	2,00,72,500
Later than one year but not later than five years	1,93,50,000	5,53,64,250
Later than five years	Nil	Nil

Note No 35. 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	19723409
India	261384952
Others	29160515

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	41,20,98,247
Enterprise Solutions	4,50,81,624
Consulting	3,05,99,626

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 36. During the year company allotted warrants and subsequently convert those into equity shares as follow:-

	Details	Number of Warrants	Face Value	Security Premium
	Opening Balance	Nil		
Less	Converted into Equity Share of Rs 5 each	30,00,000	1,50,00,000	25,50,00,000
	Closing Balance	Nil	Nil	Nil

NOTES TO FINANCIAL STATEMENTS

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

Note No 38. Previous year figures have been regrouped wherever necessary.

Note No 39. In terms of the Company Act 2013, the Accounts of the company have been closedas on 31st Mar 2016, as against 30th June every year.Accordingly the current year figures represent only 9 months and are not comparable with the previous year figures as on 30 June 2015.

Signatories to schedules 1 to 39
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/-
Krishna Chintam
Managing Director

Sd/-
Niranjan Chintam
CFO & Chairman

Sd/-
B R Mahesh
Partner
Membership No - 018628

Sd/-
Kishni Trivedi
Company Secretary

Place : Hyderabad
Date : 30/05/2016

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 Kellton Tech Solutions Limited ("the Company") and its subsidiaries, which comprise the Balance sheet as at 31st March, 2016, 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, Kellton Tech Inc & Kellton Tech Solutions Inc, USA as on 31.12.2015. It also includes the audited financial statements of one Indian Subsidiary, SKAN DbyDx Software Private Limited as on 31.03.2016. It includes the unaudited financial statements of one Foreign Subsidiary Kellton Tech Limited, Ireland as at 31.03.2016.

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 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 2016, 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 section143 of the Act, we give in the Annexure 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act ;

f) 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

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

Place : Hyderabad
Date : 30th May 2016

ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016.

(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 & Service Tax .

(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 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 2016

KELLTON TECH SOLUTIONS LIMITED

CONSOLIDATED BALANCE SHEET AS AT

(Amount in Rs)

Particulars	Note No	31st March 2016	30th June 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(A) Share Capital	2	234,131,300	217,407,995
(B) Reserves and Surplus	3	1,023,078,213	435,336,212
(C) Money received against share warrants	4	-	123,650,000
(2) Share application money pending allotment		333,300	-
(3) Non-Current Liabilities			
(A) Long-term borrowings	5	321,469,486	309,759,132
(B) Deferred tax liabilities (Net)	6	14,269,514	2,432,845
(C) Other Long term liabilities	7	78,416,734	116,166,603
(D) Long term provisions	8	4,674,496	3,639,050
(4) Current Liabilities			
(A) Short-term borrowings	9	428,012,740	386,641,350
(B) Trade payables	10	176,092,909	231,647,633
(C) Other current liabilities	11	206,489,658	173,570,684
(D) Short-term provisions	12	603,515,331	367,599,267
Total		**3,090,483,680**	**2,367,850,772**
II.Assets			
(A) Fixed assets	13		
(i) Tangible assets		69,398,750	70,738,877
(ii) Intangible assets		1,115,234,253	1,003,429,375
(iii) Capital work-in-progress		7,213,906	1,481,917
(iv) Intangible assets under development		-	-
(B) Non-current investments		-	-
(C) Deferred tax assets (net)		-	-
(D) Long term loans and advances	14	16,059,695	15,123,968
(E) Other non-current assets	15	693,502	905,356
(2) Current assets		-	-
(A) Current investments		-	-
(B) Inventories		33,215,545	4,672,756
(C) Trade receivables	16	1,222,934,036	763,787,778
(D) Cash and cash equivalents	17	78,836,220	167,815,662
(E) Short-term loans and advances	18	405,762,220	264,807,722
(F) Other current assets	19	141,135,553	75,087,361
Total		**3,090,483,680**	**2,367,850,772**

Accounting policies 1

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

For and on behalf of Board of Directors

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

Sd/-
B R Mahesh
Partner
M No - 18628
Place : Hyderabad
Date : 30-05-2016

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
Kishni Trivedi
Company Secretary

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

Particulars	Note No	31st March 2016	30th June 2015
Income:			
Revenue from operations	20	3,586,804,155	2,379,007,337
Other Income	21	9,799,185	17,421,997
Total		**3,596,603,341**	**2,396,429,333**
Expenses:			
Cost of materials consumed	22	34,485,148	27,980,419
Employee benefit expense	23	1,897,456,438	1,279,751,234
Financial costs	24	87,667,441	58,721,478
Depreciation and amortization expense	25	25,098,278	28,393,793
Other expenses	26	1,160,966,106	745,532,984
Total Expenses		**3,205,673,410**	**2,140,379,907**
Profit / Loss before taxes		**390,929,930**	**256,049,426**
Tax expense:			
(1) Current tax		69,392,358	46,794,796
(2) Mat Credit		-	-11,341,504
(2) Deferred tax		11,808,609	-142,918
(3) Taxes Prior Period			
Profit / Loss for the period		**309,728,963**	**220,739,052**
Earning per equity share:			
(1) Basic		6.96	5.26
(2) Diluted		6.95	5.26

Accounting policies 1

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

For and on behalf of Board of Directors

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

Sd/-
B R Mahesh
Partner

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

M No - 18628
Place : Hyderabad
Date : 30-05-2016

Sd/-
Kishni Trivedi
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in Rs)

	Particulars	31st March 2016	30th June 2015
a.	**Cash flow from operating activities**		
	Net Loss/Profit before tax	390,929,930	256,049,426
	Depreciation and Amortization	25,098,278	28,393,793
	Interest & Finance Charges	87,667,441	58,721,478
	Change in Foreign currency translation reserve	25,336,844	4,030,359
	(Profit)/loss on sale of assets	-3,441	-
	Miscellaneous Expenses written back	-2,193	-
	Sundry Accounts Written Back	-	-
	Operating profit before working capital changes	**529,026,859**	**347,195,055**
	Adjustments for (increase)/decrease in operating assets		
	(Increase)/Decrease in Trade & other Receivables	-248,871,932	-470,996,594
	(Increase)/Decrease in Short-Term Loans and Advances	-119,204,003	-212,612,147
	(Increase)/Decrease in Other Current Assets	-66,048,192	-50,292,862
	(Increase)/Decrease in Inventories	-28,542,789	1,519,947
	(Increase)/Decrease in Long Term Loans and Advances	-935,727	-1,892,562
	Other Non-Current Assets	-	282,474
	Adjustments for (increase)/decrease in operating liabilities		
	Increase/(Decrease) in Other Current Liabilties	16,203,814	40,975,191
	(Decrease) /Increase in Short Term Borrowing	41,371,389	142,811,571
	(Decrease) /Increase in Short Term Provisions	148,913,219	310,855,255
	(Decrease) /Increase in Trade Payable	-43,158,908	162,419,748
	(Decrease) /Increase in Long Term Provisions	1,035,446	480,292
	(Decrease) /Increase in Other Long-Term Liabilities	-37,749,869	-50,917,355
	Cash generated from operations	**192,039,305**	**219,828,013**
	Direct Taxes	-55,722,826	-46,794,796
	Extra ordinary items	-	-3,437,925
	Net cash from operating activity	**136,316,479**	**169,595,292**
b.	**Cash flow from investing activity**		
	Purchase of fixed assets	-291,079,723	-580,636,558
	(Increase) in Investments	-	18,149,552
	Net cash used in investing activities	**-291,079,723**	**-562,487,006**
c.	**Cash flow from financing activities**		
	Proceeds of share application, allotment and share premium	150,142,647	30,463,731
	(Decrease) /Increase in Reserves and Surplus	-8,401,757	-
	(Decrease) /Increase in long term borrowings	11,710,354	423,361,967
	Proceeds from Share Warrants	-	116,519,161
	Interest & finance charges paid	-87,667,441	-58,721,478
	Net cash accured in Financing activities	**65,783,803**	**511,623,382**
	Net increase in cash and cash equivalent	**-88,979,442**	**118,731,667**
	Cash & Cash equivalent as at 1st day	**167,815,662**	**49,083,995**
	Cash & cash equivalent as at last day	**78,836,220**	**167,815,662**

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

Sd/-
B R Mahesh
Partner
M No - 18628
Place : Hyderabad
Date : 30-05-2016

Sd/-
Niranjan Chintam
CFO and Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
Kishni Trivedi
Company Secretary

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 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

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 31st March 2016	As at 30th June 2015
(A) Share Capital		
(a) Authorised 62000000 Equity Shares of Rs.5 Each (Previous Year 47000000 Equity shares Rs. 5 each)	310,000,000	235,000,000
(b) Issued Subscribed & Paid Up		
46826260 Equity Shares of Rs 5 each (Previous year- 43481599 Equity shares of Rs 5 each)	234,131,300	217,407,995
Total	**234,131,300**	**217,407,995**

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

	Number	As at 31st March 2016	Number	As at 30th June 2015
Shares outstanding at the beginning of the year	43,481,599	217,407,995	41387544	206937720
Shares issued during the year	3,344,661	16,723,305	2094055	10470275
Shares bought back during the year	Nil	Nil	Nil	-
Shares outstanding at the end of the year	**46,826,260**	**234,131,300**	**43,481,599**	**217,407,995**

(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 disribution 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 2016		As at 30th June 2015	
	No of Shares Held	% of holding	No of Shares Held	% of holding
Matnic Finvest Private Limited	21,585,950	46.10%	21,585,950	48.65%
Kellton Wealth Management Private Limited	**6,400,000**	**13.67%**	**4,500,000**	**10.87%**

NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 3		31 March 2016	30 June 2015
	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	335,713,938	78,977,896
	Closing Balance	**335,713,938**	**78,977,896**
	[d] Surplus Opening Balance Net Profit / Loss for the current year Write backs Translation exchange difference	338,938,076 309,728,963 - 25,308,784	121,451,739 220,739,052 -4,702,813 1,450,098
	Closing Balance	**673,975,823**	**338,938,076**
	[e] Foreign Exchange Currency Transalation	1,023,625	5,055,413
	Closing Balance	**1,023,625**	**5,055,413**
	Grand Total of Reserve & Surplus	**1,023,078,213**	**435,336,212**
Note No 4	**Money received against share warrants** Share Warrants	-	123,650,000
	Total	**-**	**123,650,000**
	Non-Current Liabilities		
Note No 5	**Long Term Borrowings** **Secured** Vehicle Loans a) HDFC Bank Ltd b) ICICI Bank Ltd c) Kotak Mahindra Prime Ltd d) Kotak Mahindra Prime Ltd e) Suntrust IN Term Loan Axis Bank Limited SBLC -Axis Bank Limited Singapore Other Long Term Borrowings	 494,736 - - 249,986 - - 96,178,500 224,546,264	 624,539 291,989 2,230,601 426,295 1,356,357 1,927,473 119,850,000 183,051,878
	Total	**321,469,486**	**309,759,132**

Lender	Nature	Rate of interest	Security	Terms of Repayment
HDFC Bank	Vehicle Loan	10.12%	Vehicle	Repayable in 60 equated installments out of which 19 are paid
Kotak Mahindra Prime Ltd	Vehicle Loan	10.56%	Vehicle	Repayable in 36 equated installments out of which 19 are paid
Axis Bank Singapore	Stand by Lettter of credit	Libor+4bps	Securities applicable to cash credit facilities	Repayable in 20 Installments out of which 7 are paid
Itria Ventures LLC	Acquisition Finance	10-18%	Personal Guarantee of Promoters	Repayable bi weekly over three years
Whochford	Acquisition Finance	12%	Unsecured	Two years
Others	Acquisition Finance	10%	Unsecured	Repayable on demand over next three years

NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 6		31 March 2016	30 June 2015
	Deferred tax Liabilities (Net)		
	Opening Balance	2,432,845	2,575,763
	Current year transfer	11,808,609	-142,918
	Foreign Exchange Currency Transalation	28,060	-
	Closing Balance	**14,269,514**	**2,432,845**
Note No 7	**Other Long Term Liabilities**		
	Others	78,416,734	116,166,603
	Total	**78,416,734**	**116,166,603**
Note No 8	**Other Long Term Provisions**		
	Provision for Gratuity	4,202,832	3,074,707
	Provision for Leave Encashment	471,664	564,343
	Closing Balance	**4,674,496**	**3,639,050**
Note No 9	**Short Term Borrowings**		
	Secured Loans From Banks		
	Term Loan - Vehicle		
	ICICI Bank Ltd	733,050	-
	Kotak Mahindra Prime Ltd	2,594,055	-
	ICICI Bank Ltd	-	235,767
	Working capital loan - Axis Bank Limited	30,333,554	70,539,038
	Working capital loan - Axis Bank Limited	50,243,442	-
	Term Loan Axis Bank Limited	2,530,988	-
	Working capital Line of Credit (From Bridge Bank -Secured by charge on receivables)	242,082,651	217,604,250
	Working capital Line of Credit (From Savoy Bank -Secured by charge on receivables)	99,495,000	95,625,000
	Other Short term borrowings	-	2,637,295
	Total	**428,012,740**	**386,641,350**

Lender	Nature	Rate of interest	Security	Terms of Repayment
ICICI Bank Ltd	Vehicle Loan	9.30%	Vehicle	35 equated installments out of which 30 are paid
Kotak Mahindra Prime Ltd	Vehicle Loan	9.52%	Vehicle	36 equated installments out of which 19 are paid
Axis Bank Limited	Cash Credit	Base Rate +3.15%	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 Guarantee and comfort letters from promoters.	Yearly Renewals
	Term Loan	Base rate +4%		48 equated installments out of which 36 are paid
	FCDL	Libor+5.88%		Rollover (based on availability of FC funds) or Bullet repayment at the end of six months
Bridge Bank	Working Capital	Primerate +2%	All Assets of the Company	Yearly Renewals
Savoy Bank	Working Capital	Primerate +3.25 %	All Assets of the Company including promoters guarantee	Yearly Renewals

NOTES TO FINANCIAL STATEMENT AS AT

(Amount in Rs)

		31 March 2016	30 June 2015
	Current Liabilities		
Note No 10	**Trade payables**		
	Sundry Creditors	176,092,909	231,647,633
	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	**176,092,909**	**231,647,633**
Note No 11	**Other Current Liabilities**		
	Advances Received	22,646,792	271,100
	Others (staff reimbursements)	552,823	1,736,041
	TDS Payable	30,584,686	16,019,728
	Professional Tax Payable	28,500	32,050
	Provident Fund Payable	2,036,021	1,897,587
	Vat payable	1,186,134	-
	Service tax payable	14,713,739	12,511,335
	Book bank overdraft	538,004	-
	Current Maturities of Long term borrowings	117,487,800	126,738,282
	Others	16,715,160	14,364,562
	Total	**206,489,658**	**173,570,684**
Note No 12	**Short-term provisions**		
	(a) Provisions for employees benefits	279,460,440	229,903,589
	(b) Outstanding Expenses	262,156,841	106,615,601
	[c] Audit fee payable	175,000	125,000
	[d] Provision for taxation	61,723,049	30,955,077
	Total	**603,515,331**	**367,599,267**

NOTES TO FINANCIAL STATEMENT AS AT

(Amount in Rs)

Note No 13 Fixed Assets

S No	Description of Asset	Gross block					'Depreication				Net block	
		As At 30-Jun-2015	Additions during the year	Deletions during the year	Transla-tion exchange difference	As At 31-Mar-2016	Up to 30-Jun-2015	For the year	Transla-tion ex-change differ-ence	Up to 31-Mar-2016	As at 31-Mar-2016	As at 30-Jun-2015
	Tangible Assets											
1	**Plant & Machinery**											
	[a] Equipment	64,998,784	1,197,252	-	2,526,274	68,722,310	56,521,456	2,888,538	2,257,723	61,667,717	7,054,594	8,477,328
	[b] Electrical Equip-ment	10,082,593	689,909	-	-	10,772,502	1,903,642	842,995	-	2,746,637	8,025,865	8,178,951
	[c] Communication Equipment	2,739,407	645,286	-	-	3,384,693	1,832,961	421,549	-	2,254,510	1,130,183	906,446
	[d] Air Conditioners	1,526,154	103,749	-	-	1,629,903	584,165	100,769	-	684,934	944,970	941,990
2	**Computers**	44,307,452	6,725,799	43,943	3,372	50,992,680	20,916,394	6,083,448	920	26,988,064	24,004,622	23,391,058
3	**Furniture & Fixtures**	16,011,602	4,736,824	-	335,654	21,084,080	8,884,542	1,009,776	315,108	10,209,425	10,874,655	7,127,060
4	**Vehicles**											
	[a] Scooter & Cycles	14,891	-	-	-	14,891	14,889	-	-	14,889	2	2
	[b] Car	25,720,033	-	2,441,434	-	23,278,599	4,273,447	2,159,691	-	6,229,712	17,048,887	21,446,585
	[c] Bike	306,721	69,322	-	-	376,043	37,265	23,805	-	61,070	314,973	269,457
5	Lease Hold Proper-ties	5,221,774	-	-	211,328	5,433,102	5,221,774	-	211,328	5,433,102	-	-
	Total Tangible Assets	170,929,411	14,168,141	2,485,377	3,076,629	185,688,804	100,190,534	13,530,571	2,785,078	116,290,060	69,398,750	70,738,877
	Intangible Assets											
	Soft Ware	57,533,283	6,425,122	-	1,556,495	65,514,900	27,791,034	11,355,804	604,919	39,751,756	25,763,147	29,742,247
	Good Will	973,687,128	115,783,978	-	-	1,089,471,106	-	-	-	-	1,089,471,106	973,687,128
	Total Intangible Assets	**1,031,220,410**	**122,209,100**	**-**	**1,556,495**	**1,154,986,006**	**27,791,034**	**11,355,804**	**604,919**	**39,751,756**	**1,115,234,253**	**1,003,429,375**
	Capital WIP (Re-search & Develop-ment)	1,481,917	5,731,989	-	-	7,213,906	-	-	-	-	7,213,906	1,481,917
	Total WIP	**1,481,917**	**5,731,989**	**-**	**-**	**7,213,906**	**-**	**-**	**-**	**-**	**7,213,906**	**1,481,917**
	Previous years figures	**599,384,051**	**598,233,367**	**91,841,138**	**-**	**1,203,631,738**	**59,867,800**	**28,111,319**	**-**	**127,981,568**	**1,075,650,169**	**539,516,248**

NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 14	For the period Ended	31 March 2016	30 June 2015
	Long term loans and advances		
	[Unsecured and considered good]		
	Deposits	16,059,695	15,123,968
	Total	**16,059,695**	**15,123,968**
Note No 15	**Other non-current assets**		
	Misc Expenditure to the extent not written off or adjusted		
	Opening Balance	905,356	1,187,830
	Add: Addition during the year	-	-
	Less: Written off for the year	211,854	282,474
	Total	**693,502**	**905,356**
Note No 16	**Trade receivables**		
	[Unsecured & Considered Good]		
	Outstanding for more than six months	84,241,057	23,718,407
	Others	1,138,692,978	740,069,371
	Total	**1,222,934,036**	**763,787,778**
Note No 17	**Cash and cash equivalents**		
	Cash on hand	33,822	184,295
	Bank Balance	66,922,045	156,846,958
	Fixed Deposits	11,880,353	10,784,409
	Total	**78,836,220**	**167,815,662**
Note No 18	**Short-term loans and advances**		
	[Unsecured and considered good]		
	Staff Advance	11,752,253	8,921,502
	Prepaid Taxes	19,009,945	14,279,717
	MAT Entitlement	28,407,273	16,039,062
	Unbilled Revenue	306,294,741	179,424,444
	Other Advances	6,071,454	10,500,943
	Prepaid Expenses	31,091,080	32,156,803
	Interest Accrued on Fixed Deposit	-	260,976
	Advance to Suppliers	-	200,000
	Vat Input	3,135,473	3,024,276
	Total	**405,762,220**	**264,807,722**
Note No 19	**Other Current Assets**		
	Retention Money	1,105,013	517,553
	Deposit	10,011,661	10,011,661
	Others	130,018,879	64,558,147
	Total	**141,135,553**	**75,087,361**
Note No 20	**Revenue from Operations**		
	Software Sevices	3,496,963,611	2,338,000,437
	Hardware Services	79,862,824	41,006,899
	Maintenance Services	9,977,720	-
	Total	**3,586,804,155**	**2,379,007,337**

NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 21	**Other Income**		
	Interest received	995,132	208,340
	Other Income	6,300,798	4,974,658
	Writtern off old balances	2,193	8,790,256
	Exchange fluctuations Gain	2,497,621	3,448,743
	Profit on sale of Asstes	3,441	Nil
	Total	**9,799,185**	**17,421,997**
Note No 22	**Cost of Material Consumed**		
	Purchase of Stock in trade	63,027,937	26,460,471
	Changes in inventories of finished goods	-28,542,789	1,519,948
	Total	**34,485,148**	**27,980,419**
Note No 23v	**Employees Benefit Expenses**		
	Salaries and Bonus	1,714,353,221	1,199,421,561
	Provident Fund	9,062,863	6,845,703
	Gratuity and Leave encashments	2,506,015	1,589,481
	Staff welfare Exps	171,534,339	71,894,489
	Total	**1,897,456,438**	**1,279,751,234**
Note No 24	**Financial Cost**		
	Finance Charges	9,384,882	6,193,132
	Interest - Vehicle Loan	469,046	678,085
	Interest - Working Capital Loan	70,883,555	12,324,378
	Interest and charges on other Loans	6,929,957	39,525,883
	Total	**87,667,441**	**58,721,478**
Note No 25	**Depreciation & Amortisation Expense**		
	Deprecitation	24,886,424	28,111,319
	Miscellaneous Exp w/off	211,854	282,474
	Total	**25,098,278**	**28,393,793**
Note No 26	**Other Expenses**		
	Professional Fee	68,333,398	55,846,943
	Rent	38,580,001	29,764,586
	Travelling and Conveyance	35,560,671	21,611,009
	Travelling and Conveyance -Directors	2,325,765	2,540,927
	Subcontracting Expenses	894,687,166	576,418,550
	Product Licencecost	51,770,293	Nil
	Communication Expenses	5,471,203	4,444,537
	Electricity	7,256,511	6,389,125
	Internet and webhosting	4,112,534	2,951,934
	Office Maintenance	13,788,898	23,214,758
	Printing & Staionery	1,022,843	1,476,318
	Advertisement Exps	722,945	1,421,089
	AGM Expenses	24,595	60,560
	Repairs & Maintenance	5,293,589	6,681,779
	Sales and Marketing	6,676,692	8,812,870
	Rates & Taxes	5,611,503	617,393
	CSR Contributions	960,000	657,471
	Subscription fees and licences renewal cost	10,751,946	954,967
	Other Miscellaneous expenses	6,374,787	456,696
	Audit Fee		
	(a) Statutory Audit Fee	90,000	90,000
	(b) Taxation	35,000	35,000
	(C) CertifcationCharges	25,000	-
	Audit Fee for subsidiaries companies	1,490,768	1,086,473
	Total	**1,160,966,106**	**745,532,984**

NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs)

Note No 27 Contingent Liabilities

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

1. Contingent liabilities	31-Mar-2016 Rs.	30-June-2015 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)	6,93,88,943	5,96,56,701

Note No 28 Earnings per Share

Particulars	31-Mar-2016	30-June-2015
Numerator for EPS		
Net Profit after tax (A)	30,97,28,963	6,16,24,303
Actual no. of Outstanding Shares at the year end	4,68,26,260	4,34,81,599
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)	4,45,18,439	4,19,75,792
Weighted Average no. of Shares considered for Denominator for Diluted EPS (C)	4,45,97,102	4,19,75,792
Basic and diluted Earnings Per Share (A)/(B)	**6.96**	**1.47**
Diluted Earnings Per Share (A)/(C)	**6.95**	**1.47**

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 29. Particulars of employees in accordance with section 217 2A of the companies act,2013

Particulars of employees	31-Mar-2016	30-June-2015
Name of employee	Nil	Nil

Note No 30. Additional information:

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

a. Domestic & Export Sales	31-Mar-2016 RS	30-June-2015 RS
Export	3,31,09,13,740	21,73,614,367
Domestic	27,58,90,416	2,05,39,2970
	3,58,68,04,155	**2,37,90,07,337**

NOTES TO FINANCIAL STATEMENT AS AT (Amount in Rs.)

	31-Mar-2016 Amount in Foreign Currency	31-Mar-2016 Amount in INR	30-June-2015 Amount in Foreign Currency	30-June-2015 Amount in INR
[e] Value of imports during the year	USD	Nil	USD	Nil
[f] Expenditure in foreign currencies	USD 7,465 GBP 30304 HKD Nil CAD 4,850 KWD 338	5,01,049 30,62,908 HKD Nil 2,52,440 75,611	USD 3,307 GBP 6,969 HKD 4,460	209,372 6,78,901 3,9548
[g] Earnings in foreign currencies	USD 30,47,597 GBP 3,27,279 CAD Nil SGD Nil	20,35,30,034 3,20,87,714	USD 30,72,715 GBP 2,27,938 CAD 17,925 SGD 35,137 HKD 81,510	18,81,75,807 2,24,03,752 17,55,541 16,92,919 6,22,402

Note No 31 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 ServicesLLC (USA) – Step Down Subsidiary
vii) Prosoft Technology Group (USA) - Step Down Subsidiary Wholly Owned Subsidiary
viii) IntellipeopleInc (USA) - Step Down Subsidiary
ix) Cyberworld Solutions Inc (USA) - Step Down Subsidiary
x) Bokanyi Consulting Inc(USA) - Step Down Subsidiary (wef 1-Jan-16)
xi) Kellton Tech Limited (Ireland) - Wholly Owned Subsidiary
xii) Kellton Tech (UK) Limited (Scotland) - Step Down Subsidiary

Note No 32. Principles of Consolidation:

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.

Note No 33. Translation of Non-Integral Foreign Operations

a) Financial statements of non-integral foreign operations are translated as under:
b) Assets and Liabilities both monetary and non monetary are translated at the rate prevailing at the end of the year.
c) 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 34. 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
iv) Mr Srinivas Potluri - Executive & Non Independent Director

III) RELATIVE OF KEY MANAGEMENT PERSONNEL

Sreevidya Chintam- Wife of Chairman

IV) ENTITIES OVER WHICH A KEY MANAGEMENT PERSONNEL HAS SIGNIFICANT INFLUENCE

Kellton Wealth ManagementPrivate Limited
MatnicFinvest Private Limited
Kellton Financial Services Private Limited

V) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of transactions	Name of Entity	31-March-2016	30-June-2015
Remuneration paid during the year	Key Management Personnel		
	Niranjan Chintam	22,50,000	30,00,000
	Krishna Chintam	22,50,000	30,00,000
	Karanjit Singh (other than Esops benefit)	37,67,380	12,43,439
Rent paid for office building	Relative of Key Management personnel		
	Sreevidya Chintam & Niranjan Chintam	22,50,000	30,00,000
	Rent Deposit paid	3,35,000	
	Entities over which management personnel has significant influence		
Loan Received	Kellton Financial Services Private Limited	Nil	1,50,00,000
Repayment of Loan taken	Kellton Financial Services Private Limited	1,50,00,000	Nil
Interest payment	Kellton Financial Services Private Limited	8,81,506	Nil
Receipt of Share Warrants money	Kellton Wealth Management Private Limited	11,00,00,000	1,16,90,000
	MatnicFinvest Private Limited	Nil	1,63,30,000

VI) OUTSTANDING BALANCES

Nature of transaction	Name of Entity	31-March -2016	30-June-2015
Loan Amount Outstanding	Kellton Financial Services Private Limited	Nil	1,50,00,000

Note No 35. 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.

NOTES TO FINANCIAL STATEMENT AS AT

(Amount in Rs.)

Note No 36.Employees Benefit:

a) Gratuity: The Company has provided for gratuity liability based on internal assessment subject to actuarial valuation by internal authority.

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

Note No 37.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 2016	30-June-2015
Not Later than one year	5,58,80,476	4,52,47,494
Later than one year but not later than five years	7,79,57,857	1,56,87,196
Later than five years	Nil	Nil

Note No 38. 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	2015-2016 (9 months)	2014-15 (12 Months)
1	Segment Revenue	USA	3,22,16,23,607	2,123,681,818
		India	27,58,90,415	205,392,970
		Others	8,92,90,134	49,932,551
		Total	35,86,68,04,156	2,37,90,07,339
2	Identifiable Expenses	USA	2,69,31,53,486	1,724,198,082
		India	39,97,54,206	27,980,419
		Others	Nil	Nil
		Total	3,09,29,07,692	1,75,21,78,501
3	Segment results before Depreciation Interest and tax	USA	53,39,68,504	39,94,83,736
		India	1,55,68,212	17,74,12,551
		Others	8,37,91,751	4,99,32,551
		Total	63,33,28,467	62,68,28,838

NOTES TO FINANCIAL STATEMENTS AS AT

(Amount in Rs.)

4	Un allocable Expenses	Total	11,27,65,718	38,82,01,406
5	Other income	Total	97,99,185	1,74,21,997
6	Taxes	Total	7,14,84,267	353,10,374
7	Profit after tax	Total	31,94,45,663	2207,39.052
9	SegmentalTradeReceivable	USA	1,05,23,17,634	687,059,451
		India	15,00,00,029	63,788,789
		Others	2,06,16,372	12,939,538
		Total	1,22,29,34,036	76,37,87,778
10.	Unallocated Assets		1,89,98,84,030	1,62,00,73,480

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-2015-16 (9 months)	Fy-2014-15 (12 months)
1	Segment Revenue	Digital transformation	1,63,68,58,974	1,400,822,367
		Enterprise Solutions	1,36,82,76,174	716,052,722
		Consulting	58,16,69,007	262,132,248
		Total	3,58,68,04,155	2,379,007,337
2	Segmental Trade Receivable	Digital transformation	66,05,86,868	483,190,189
		Enterprise Solutions	35,64,47,374	211,074,735
		Consulting	20,58,99,794	69,522,854
		Total	**1,22,29,34,035**	**7,63,787,778**

Note No 39.During the year company allotted warrants and subsequently convert those into equity shares as follow:-

	Details	Number of Warrants	Face Value	Security Premium
	Opening Balance	Nil		
Less	Converted into Equity Share of Rs 5 each	30,00,000	1,50,00,000	25,50,00,000
	Closing Balance	Nil	Nil	Nil

Note No 40. 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 41. The Company through its wholly owned subsidiary Kellton Tech Inc acquired the entireequity capital of US based Bokanyi Consulting Inc for an upfront consideration of USD 1.2 million. The stock purchase agreement provides for additional consideration of 3.8 milion contingent upon certain conditions being met in future years.. The contingent consideration would be recorded as and when the contingency is resolved and the consideration becomes payable.

NOTES TO FINANCIAL STATEMENTS AS AT

Note No 42. Previous year figures have been regrouped wherever necessary.

Note No 43. In terms of the Company Act 2013, the Accounts of the company have been closed as on 31st Mar 2016, as against 30th June every year. Accordingly the current year figures represent only 9 months and are not comparable with the previous year figures as on 30 June 2015.

Signatories to schedules 1 to 43
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/-
Niranjan Chintam
CFO &Chariman

Sd/-
B R Mahesh
Partner
Membership No - 018628

Sd/-
Kishni Trivedi
Company Secretary

Place : Hyderabad
Date : 30/05/2016

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 22nd Annual General Meeting of the company, to be held on the _____ at _____ and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
2.	To appoint a Director in place of Mr. Srinivas Potluri, who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Re-appointment of Statutory Auditors of the Company		
4.	Appointment of Ms. Jhansi Lakshmi Gorla as Director of the Company		
5.	Appointment of Mr. P Srinivasa Rao as Director of the Company		
6.	Appointment of Ms. Jhansi Lakshmi Gorla as an Independent Director		
7.	Appointment of Mr. P Srinivasa Rao as an Independent Director		
8.	Re-Appointment of Krishna Chintam as Managing Director of the company		
9.	Re-Appointment of Niranjan Chintam as Whole-Time Director and Executive Chairman of the company		
10.	Variation of Employees Stock Option Scheme of the Company		
11.	Variation of Employees Stock Option Scheme of the Company for the Employees of the Subsidiaries of the Company		
12.	Variation of Terms of Remuneration of Mr. Karanjit Singh		

*** Applicable for investors holding shares in Electronic form.**
Signed this ____day of ____20__

Affix Re. 0.15
revenue Stamp

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

22nd Annual General Meeting on _____

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 the22nd 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.

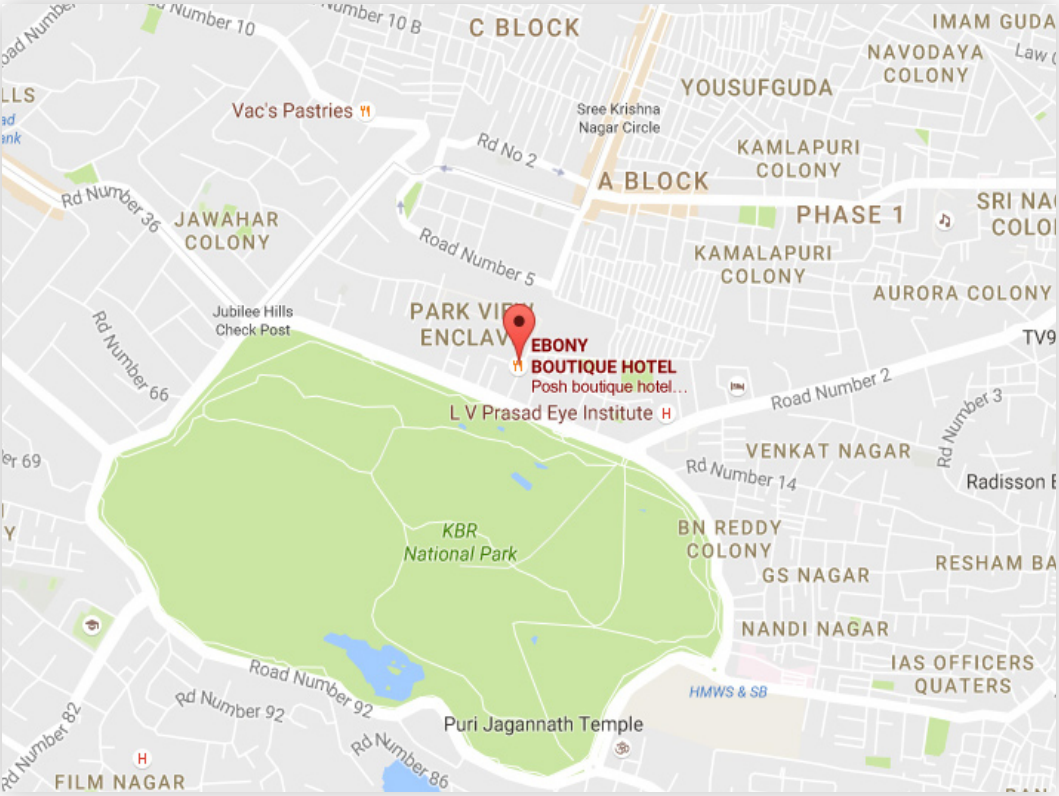
3) A Proxy need not be a member of the Company.

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 MONDAY, THE 26TH DAY OF SEPTEMBER, 2016 AT 11:00 AM

KELLTON TECH

www.kelltontech.com