



INFINITE
POSSIBILITIES
WITH
TECHNOLOGY



KELLTON TECH

ANNUAL REPORT
2014 - 2015



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LETTER TO SHAREHOLDERS

Reflecting on the year gone by, I am proud that Kellton Tech could outpace its momentum over last few years and take giant strides. The fiscal year 2014-15 saw Kellton Tech surging ahead and sail past goals even as it set its sights on newer ones.

The year started with Kellton Tech's strong foray into healthcare and life-sciences market of North America through acquisition of US-based VIVOS Professional Services and culminated with acquisition of US-based ProSoft Technology Group which put the company on the global map in ERP-EAI arena. This year saw the full consolidation and integration of eVantage Technologies that was acquired during last financial year. Today, Kellton Tech is around 1000 people strong organisation with deeper expertise and sharper focus on emerging technologies.

Our acquisition philosophy is guided by the twin objectives of deepening our technical expertise and acquiring customers. Thus, we had always placed a high premium on our long-term interests, without sacrificing our middle-term profitability. Therefore, while we have an excellent prognosis for long-term growth, our performance during the fiscal year 2014-15 has been phenomenal too.

Our revenue grew by 79% over last year and rose to Rs. 239.64 crores. The annualised net profit jumped by a striking 247%, and stands tall at Rs. 22.07 crores, while annualised EPS is up by 193% to Rs. 5.26. The streamlining of overlapping functions and consolidation of existing operations propelled the upward trajectory of Kellton Tech. As our efforts in this direction fructify, we will be able to achieve economies of scale which will further boost our performance and reap more benefits in the coming year. To support its rapid growth, the company plans to build strong tiers of middle and senior management across functional domains.

While US region continues to contribute substantially to our global revenues, we intend to diversify and are looking for opportunities in Europe. Meanwhile, we have invested significantly in ISMAC technologies (Internet of Things, Social, Mobile, Analytics, Cloud), touted to be the next big game-changer in the IT industry, and are geared to capitalise on the opportunities it presents and look forward to help businesses offer great customer experiences. This has already opened a new revenue stream to us, and promises to emerge as a major driver for future growth.

Kellton Tech could achieve these feats within a comparatively short span thanks in no small measure to its prescient investment in digital technologies a full five years before others saw the wave coming. When ISMAC arrived, Kellton Tech was fully-equipped to harness its market potential.

We believe Kellton Tech is at the tipping point of growth and the journey henceforth will be one with giant leaps forward, not just incremental growth. The launch of Kellton Tech developed mobile health solution mSehat in the hands of Shri. Akhilesh Yadav, Honourable Chief Minister, Uttar Pradesh can be seen as a fitting culmination of the company's top-notch performance this year.

As I reminisce over the events in the last year, I cannot help but thank each of you for standing by us throughout our journey and supporting us in our endeavors to embrace more formidable challenges. I would also take this opportunity to assure you that Kellton Tech is fully geared to successfully pursue global growth opportunities.

Thank you.

Niranjan Chintam



SNAPSHOT OF 2014-15



VISION

- Infinite Possibilities with Technology



FOUNDATION

- Acquired two US-based companies. VIVOS Professional Services enabled expansion in verticals of healthcare & life-sciences; ProSoft Group strengthened capabilities in ERP, EAI & BPM.
- Acquisition led growth accelerated overall growth. Successfully integrated all the acquisitions.



FOOTPRINT

- Expanded global foothold. Opened and acquired new offices.
- Offices in USA (Chicago, IL, Cupertino, CA, McLean, VA, Princeton, NJ), India (Gurgaon, Hyderabad, Lucknow, Gandhidham).



CORE STRENGTH

- Increased headcount to around 1000.
- ISO 9001:2008 and CMMi Level 3 certified.
- Listed as one of the 50 fastest growing technology companies in India.
- Ramped up recruitment efforts worldwide to attract the best talent.
- Participated in various conferences and forums globally.



CLIENTELE

- UP CM launches our mobile health solution.
- Contributing to Digital India initiative.
- Serving clients from startups to Fortune 500 companies.





HIGHLIGHTS OF THE YEAR

Kellton Tech acquires US-based ProSoft Group

Kellton Tech acquired US-based ProSoft Technology Group, a leading enterprise solutions and business integration provider. The acquisition strengthens Kellton Tech's ERP-EAI capabilities and increases its total headcount to over 1000. Thus empowered, it aims to reach revenue of Rs. 600 crore by August 2016 and targets Rs. 2000 crore annual revenue in the next three years.

Kellton Tech acquires US-based VIVOS Professional Services, LLC

Kellton Tech acquired VIVOS Professional Services, a New Jersey-based multifaceted organisation providing staffing and consulting solutions in diverse fields with strong focus on healthcare and life-sciences industry.

Kellton Tech listed in Deloitte Technology Fast 50 India 2014

Kellton Tech was ranked 21st on the Deloitte Technology Fast 50 India 2014, a ranking of the 50 fastest growing technology companies in India. Rankings are based on percentage revenue growth over three years. Kellton Tech grew 242% during this period.

Kellton Tech wins the prestigious mSehat project

Kellton Tech has been awarded the mSehat project by SIFPSA (State Innovation in Family Planning Services) for developing a mobile healthcare platform to improve maternal and infant mortality rate outcomes in Uttar Pradesh. It offers an integrated mobile platform for health services delivery that would enhance the work efficiency of health workers.

Kellton Tech mobile health solution 'mSehat' launched in Uttar Pradesh

Kellton Tech developed 'mSehat' was launched in Uttar Pradesh by Chief Minister Akhilesh Yadav. mSehat is a cloud-hosted solution to facilitate remote access and enrolment from across the region through 2G-enabled mobile devices. When completed, the project would be the largest enterprise mobile application rollout in the health and e-governance sector of India.





Kellton Tech's mobile app promotes maternal and child health in AP.

As a part of its CSR efforts, Kellton Tech developed mobile application that empowers ASHA workers in Andhra Pradesh with requisite guidelines on pre & post pregnancy care anywhere, any time. Health Minister Kamineni Srinivas distributed the tablets with app preinstalled at Gannavaram in the presence of project's benefactor Vallabhaneni Vamsi, Gannavaram's MLA and other dignitaries.

Kellton Tech's integrated security solution for Kandla Port Trust goes live

Kandla Port became the first port in India to be equipped with network-based integrated access control system which supervises people and vehicle movement and enhances the security and surveillance of the entire port area. The Kellton Tech developed solution improves monitoring capabilities, operational efficiency & alertness and minimises the need for human intervention.

Kellton Tech introduces KLGAME™ in NASSCOM ATC 2014

Abhishek Vinod Singh, Senior Vice President, spoke at the NASSCOM Annual Technology Conference (NATC) 2014 that was focused on Internet of Things (IoT), Big Data and Cloud. Kellton Tech showcased its innovative IoT application - KLGAME™ (Kellton Tech Location based Gamification, Analytics & rich Messaging Engine) that uses Bluetooth Low Energy devices (beacons), smart phones, wearables and Google Glass.

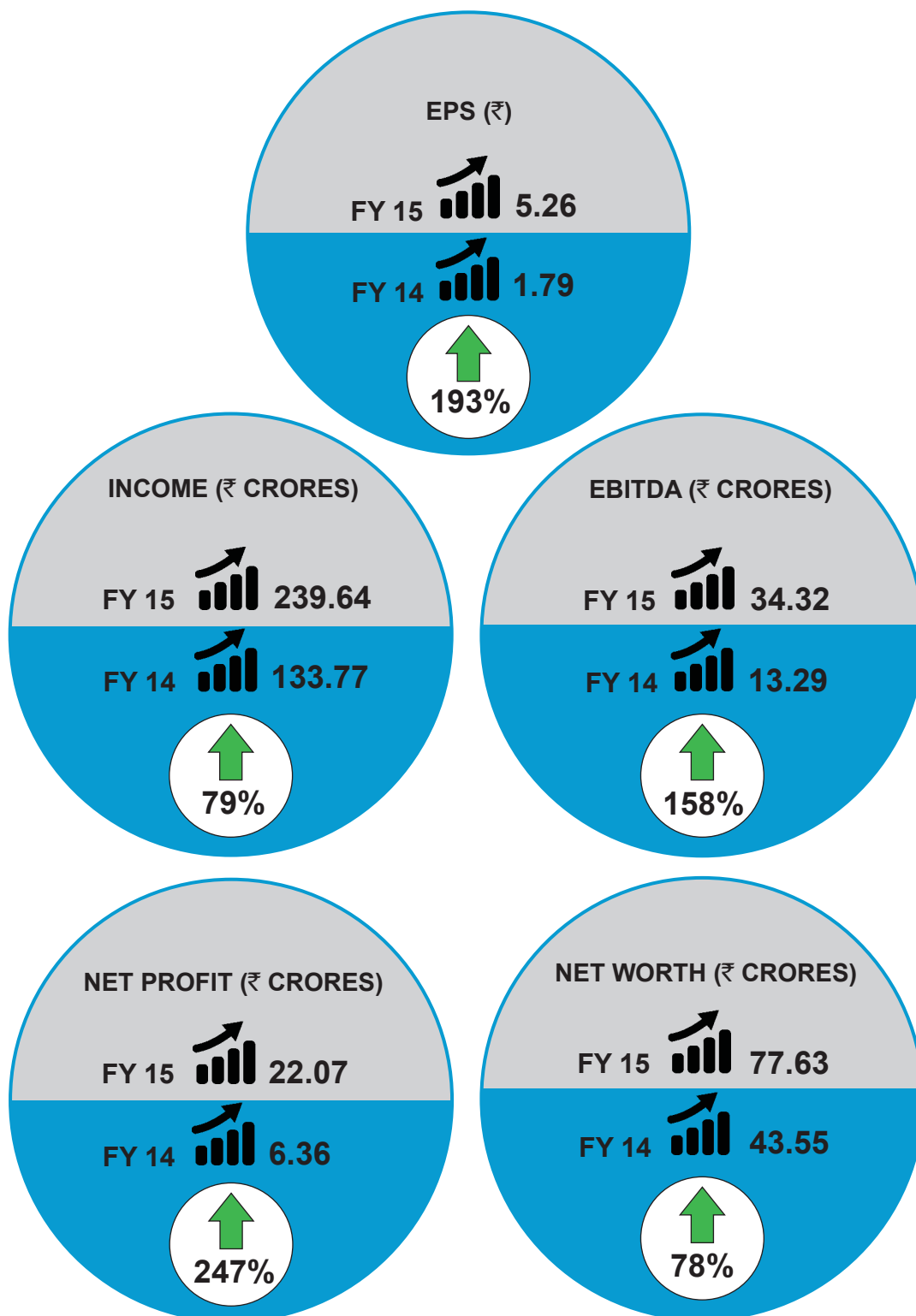
Kellton Tech develops iBeacon powered Conference App for IIT GLC 2015

Kellton Tech built a mobile app to contribute to the Indian Institutes of Technology – Global Leadership Conference 2015 (IIT GLC 2015). The app is aimed to comfort over 4000 attendees with the complete event schedule, speaker details and much more for the three-day event held at Santa Clara, CA, USA. The most attractive point for the mobile app is the convenience of posting questions over the app and receive real-time replies from renowned tech Gurus.





FINANCIAL HIGHLIGHTS





ENHANCING CAPABILITIES

Strategic Acquisitions:

Kellton Tech's acquisition philosophy is one that brings it long-term sustainable edge in market without diluting focus on medium-term profits. It has keen interest in exploring synergistic acquisitions that bring new customers or equips it with greater expertise in technology.

The acquisition of VIVOS Professional Services enabled it to enter the healthcare and life-sciences market in North America with flourish. The addition of ProSoft Group helped it strengthen its capabilities in the ERP-EAI arena and consolidate its position in the US market.

Technological Expertise

Kellton Tech has sharpened its focus on I-SMAC (Internet of Things, Social, Mobile, Analytics, Cloud) which is the most happening technological trend surrounding us today. It took the opportunity to showcase its innovative IoT application KLGAME™ at the NASSCOM Annual Technology Conference (NATC) 2014 and Digital Delhi-Media Entertainment Enclave (DME) 2015.

The acquisitions further amplified its technological capabilities, enabling it to offer staffing, consulting & high-tech enterprise solutions in diverse areas.

Workforce Advantage

Kellton Tech is now around 1000 people strong organisation with experienced and sharply-focused professionals across the entire spectrum of IT functions. It has ramped up its recruitment efforts to hire the best talent from prestigious institutions and recruitment fairs. It plans to hire further to better support and sustain the momentum built over last few years.

Improved Global Reach

Today, Kellton Tech has offices in Downers Grove (Illinois, US) through the acquired companies and has opened up a new office at Lucknow (India) too.

Thanks to its participation in various global events and conferences, Kellton Tech is a more familiar brand today at the international market. Further, Kellton Tech has plans to enter the European market in the next year which will be the threshold of a new journey.



THE WORKFORCE

Training:

Over 20 intensive training sessions, several Code Sprints, numerous team-specific brainstorming sessions.

Kellton Tech owes the spectacular progress it made in the last few years to its highly dynamic professionals who take the personal ownership of providing high-quality & prompt services to clients and ensuring complete customer satisfaction. To better equip employees with the latest technological developments and to strengthen their skills and knowledge, Kellton Tech conducts training sessions at regular intervals.

During the last year it had over 20 training sessions. Kellton Tech conducts Code Sprints every fortnight where it makes efforts to contribute to the technology that continues to bring great business opportunities.

These ongoing internal training sessions are the essential part of Kellton Tech's strategy to motivate employees and enable them to enhance their skillset while contributing to the company's growth.

Kellton Tech also encourages teams to independently conduct brainstorming sessions periodically to allow them to freely deliberate on their challenges and frame processes to deal with it.

ProSoft Group, a Kellton Tech company, conducts webinars on weekly and monthly basis. The systematic approach in building in-house talent has paid rich dividends to the company.



Recreational activities:

To reinvigorate employee morale, Kellton Tech punctuates its intense work spells with fun-filled events and activities periodically. Indeed, the welcome break so revitalises the people, that they feel totally energised when resuming their work.

The much required hiatus comes as a breather and enables its people to come closer to each other and understand one-another better. It provides the much needed warm human touch to the professional relationships.

It celebrated Annual Day at Gurgaon office through a flurry of colourful events in which our people chose even more colourful attire, giving them an adrenaline rush in their veins. Gents and ladies at their fashionable best enthusiastically participated in the series of exhilarating events.





PARTICIPATION IN EVENTS



Kellton Tech exhibits at Digital Delhi Media Entertainment Enclave DME 2015

Kellton Tech attended Digital Delhi-Media Entertainment Enclave (DME) 2015, presented its ideas in panel discussions and showcased KLGAME™.



KLGAME™ makes it to finals at HYSEA Annual Summit & Award

Kellton Tech's latest product, KLGAME™ was nominated at HYSEA (Hyderabad Software Enterprises Association) Annual Summit & Awards 2015 in Technology Innovations (Non-Product) category. The product withstood stiff competition from IT giants to reach the finals.



Kellton Tech exhibits at Super Mobility Week 2014, Las Vegas, 2014.

Kellton Tech exhibited at Super Mobility Week 2014, which is North America's largest forum for mobile innovation.



Kellton Tech takes part in TiEcon 2015

Kellton Tech attended world's largest entrepreneurship conference TiEcon 2015 at Santa Clara, California, US. Kellton Tech's highlights, KLGAME™ and Offshore Software Development attracted a lot attention and it spoke to INDTVUSA & TiETV about them. Some students extended their applications to join the company.

Kellton Tech participates in DrupalCon, Los Angeles

Kellton Tech took part in the DrupalCon 2015 at Los Angeles, USA where it had the opportunity to network with many experts & companies. Its team engaged a whole range of crowds visiting its booth to enquire about our offerings. It showcased its expertise in both Drupal and IoT and explained how a slew of opportunities can be derived from unifying IoT and Drupal.

Kellton Tech sponsors Drupal Camp Delhi

Kellton Tech sponsored Drupal Camp Delhi 2015 and exhibited its offerings in the booth amid great response. Its product KLGAME™ received appreciation from Megan Sanicki (Associate Director at Drupal Association), who praised Kellton Tech for having amazingly used Drupal, iBeacon, Google Glass and Smartphones to create a very innovative application.



PARTICIPATION IN EVENTS

Kellton Tech looks East

Kellton Tech exhibited at “Eye for Travel – Online Marketing, Social Media and Mobile in Travel Asia 2015”, Hong Kong. It exhibited its latest innovation KLGAME™ which received applause and appreciation from all.



ProSoft Group at Sapphire Now and ASUG Annual Conference

ProSoft Group was at SAP’s flagship event for all business stakeholders – SAPPHIRE NOW and ASUG Annual Conference, Orlando, US where it exhibited its offerings at a booth and took this opportunity to network with other companies and professionals.



ProSoft Group at IBM Interconnect, Las Vegas, US

ProSoft Group took part in the premier cloud innovation conference IBM Interconnect at Las Vegas, US.



ProSoft Group at Innovation World (Software AG WebMethods), New Orleans, LA

ProSoft Group was at the Innovation World, Software AG’s largest conference in the world. ProSoft showcased its expertise to the visitors at the booth and the follow-up to enquiries was very successful.



Prosoft Group as the Platinum Sponsor at Innovation World 2015, Las Vegas, US

ProSoft Group had the opportunity to demonstrate KLGAME™ on Software AG’s technologies Apama and webMethods to visitors among whom SAG Chairman and CEO Karl-Heinz Streibich spent considerable time to learn about its functioning and was excited about the opportunities it presented to various industries.

INTERNAL MEETINGS

To keep themselves abreast of latest developments in business landscape and to develop strategies to combat the looming challenges, Kellton Tech's leadership team periodically conducts global strategy meetings where several brainstorming sessions are held over a span of 2-3 days.

Global Sales and Marketing Meeting at Las Vegas, US.

In light of recent high-profile developments, including acquisition of ProSoft Group, the Kellton Tech leadership team had a three-day meet at Las Vegas, US to discuss on key issues about global sales and marketing.

The leaders took stock of the current situation and devised a comprehensive integrated strategy to guide all sales and marketing efforts globally. Deliberations on brand architecture followed, and there were talks towards achieving brand consolidation and integration.

Now that Kellton Tech is set on the path of accelerated growth, it was decided that it would further intensify its efforts in brand building and explore organic and inorganic growth possibilities with greater fervour to maintain the momentum.





GLOBAL OFFICES



Kellton Tech has been steadily expanding its reach to better serve its global clientele. In the year under review it has new offices in Downers Grove (Illinois, US) through the acquired companies and has opened up a new office at Lucknow (India) too.

In the upcoming year, it plans to further expand its geographic reach and explore new markets.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Overview

India gave a decisive mandate for a strong government last year and the new government has since been actively working to inspire global confidence in India's growth story and IT industry has been accorded special focus in the new scheme of affairs. The recently launched Digital India Campaign would open up a plethora of opportunities for IT companies.

The vision of smart cities is a challenge that Indian IT industry is well-equipped to tackle and this is a golden opportunity to demonstrate its technological prowess while contributing to the nation-building.

Now that the tremors from Greek Crises have been absorbed, Indian IT companies can look forward to serve European customers too.

Business

Overview

Kellton Tech is steadily expanding its offerings portfolio through organic growth and synergistic acquisitions. It has strengthened its foothold in technology and through its expanded workforce it is capable of offering a diverse range of IT services and solutions.

Today, its offerings include I-SMAC (Internet of Things, Social, Mobile, Analytics, Cloud), Enterprise Resource Planning, and Enterprise Application Integration apart from the its other traditional offerings.

Strategy

Kellton Tech has invested significantly in building its expertise in various technologies. Its heightened sensitivity to the emerging market trends and evolving customer expectations has enabled it to tap into niche markets in vogue while retaining its strong focus on its key traditional areas. Kellton Tech could successfully pursue cross-selling opportunities and leverage its enhanced capabilities to full potential during this period. The enhanced capabilities were derived from organic efforts to strengthen and expand its offerings portfolio, and through acquired companies.

Kellton Tech looks forward to smaller acquisitions to fulfill its long-term strategy of offering the complete spectrum of IT offerings. Its dual strategy of acquiring companies that bring customers or deepen its technological expertise has ensured that it has a solid springboard for growth. With uncompromising focus on long-term prospects, Kellton Tech has managed to demonstrate results in medium-term too.

It has consolidated its hold in US market during this year and looks forward to step into European market shortly.

Technology

Kellton Tech's KLGAME™ has opened to thunderous reception at every stage it was showcased. The product is a testimony of Kellton Tech's expertise in the cutting-edge technologies like IoT, its team's ability to successfully integrate several technologies to produce a revolutionary application. Its R&D efforts have been amply rewarded.

Kellton Tech foresaw the rise of digital technologies ahead of the curve and invested in building the requisite expertise well before it appeared on the horizon. Its sharp focus on I-SMAC has enabled it to consolidate its hold in this market. Indeed, Kellton Tech powers 30% of the 21 billion dollar eCommerce market in India through its clients.

Further, its expertise in ERP-EAI has received a boost through acquisition of ProSoft Group.

Management Discussion & Analysis Report:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principle (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs profits and cash flows for the year.

OUTLOOK, RISKS AND CONCERN

Outlook

Globalisation has made it impossible for any nation to be insulated from the economic tremors from elsewhere. This was reinforced when the news of Greek Crises and Chinese Stock market crash were received with concern globally. Thankfully, the Greek Crises appeared to be resolved for now, and Europe can look forward to future with renewed optimism.

Increasingly, the traditional advantage of English-speaking people that India earlier possessed, can no longer be solely relied upon. Many South Asian nations apparently provide a ready, cheaper alternative in this respect. However, Indian IT industry, by and large, has met this challenge by trying to realign its focus on value-added products and services. But this will require pouring more efforts and resources in the R&D endeavours.

Kellton Tech's R&D efforts (whose latest brainchild is KLGAME™) have been handsomely rewarded even as it prepares itself for the long haul.

Risks and Concerns

There is a tendency to rush towards latest fads in technology, and by the time a company equips itself with the necessary specific expertise, the fad may be no longer be in vogue. Technology being highly volatile, there is a need to be able to cater to newly developed markets in quick notice and capitalise on the opportunities they offer. However, companies risk being caught off-guard if after all the efforts they put in, the market need has evolved or moved on.

Therefore, Kellton Tech has dual focus on both meeting the immediate requirements in contemporary market while keeping the long-range customer needs in mind.

Kellton Tech is agile enough to promptly assemble a proper team for new projects from its large workforce and the intensive training sessions ensure that the team is quickly equipped with the necessary expertise to carry out the projects. Kellton Tech has mitigated the risk of commoditisation of various services, through re-directing its focus on offering value-added services and solutions.

Internal Control Systems and their Adequacy

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.





MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Kellton Tech is now around 1000 member strong organisation and comprises people from a diverse range of technological and managerial fields. It has gone far and wide to attract the best talent and its recruitment efforts during the last year include avenues like IIMs in India, and abroad it has been to Career & Internship Fair at Radford University, James Madison University and George Mason University Career Fair among others.

The Company's Corporate HRD policy emphasises on practising the best employee motivation techniques to enable employees to productively utilise their skillset towards betterment of company while advancing their personal learning goals. The company has conducted over 20 training sessions during the year that boosted employee performance in various projects. The company gives a free rein to its people in allowing them to come up with fresh ideas and implement them.

As Kellton Tech looks forward to scaling greater heights, it is ably supported by a large team of competent professionals across diverse fields.

Discussion On Financial Performance With Respect To Operational Performance - Standalone.

During the year under review, your company has earned Standalone Income of Rs 39.90 Crs and profit of Rs. 6.16 Crs and consolidated Income of Rs 239.64 s. and profit of Rs. 22.07 Crs.



Corporate Social Responsibility

As a part of its CSR efforts, Kellton Tech developed a mobile application for ASHA workers in the state of Andhra Pradesh to enable them to reduce maternal infant mortality rates. The application was launched by Health Minister Kamineni Srinivas to coincide with the 65th birthday celebrations of Chief Minister Shri. N Chandrababu Naidu.

In our REACH OUT program, employees at Hyderabad voluntarily donated their bit towards the improvement of facilities at MNC Cancer Hospital. The Gurgaon based employees generously contributed towards offering blankets & woollen clothes to those unfortunate people left out in the wilderness of winter.

Even as the company has branched out to newer territories, it is deeply committed to its roots. It donated water purifiers to government junior college at Ulavapadu, Prakasham District, AP, as a mark of thanksgiving to the educational institute with which the company's founding family was associated with.

In their own way, Kellton Tech people have tried to contribute their bit to the society and have stood steadfast in their will and resolve to help the needy.

Cautionary Statement

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.



BOARD OF DIRECTORS

1. Mr. Niranjana Chintam	-	Chairman & Whole-Time Director
2. Mr. Krishna Chintam	-	Managing Director
3. Mr. Rajendra Vithal Naniwadekar	-	Independent, Non-Executive Director
4. Mr. Brij Mohan Venkata Mandala	-	Independent, Non-Executive Director
5. Mr. Srinivas Potluri	-	Executive Director
6. Ms. Sreevidya Chintam	-	Additional Director
7. Mr. Karanjit Singh	-	Additional Director
Mr. Srikanth Reddy Kolli	-	Company Secretary

Key Managerial Personnel

1. Mr. Krishna Chintam	-	Managing Director
2. Mr. Niranjana Chintam	-	Chief Financial Officer
3. Mr. Srikanth Reddy Kolli	-	Company Secretary

Committees of the Board

Audit Committee

1. Mr. Rajendra Vithal Naniwadekar	-	Chairman
2. Mr. Brijmohan Venkata Mandala	-	Member
3. Mr. Krishna Chintam	-	Member

Nomination & Remuneration Committee cum Compensation Committee

1. Mr. Rajendra Vithal Naniwadekar	-	Chairman
2. Mr. Brijmohan Venkata Mandala	-	Member
3. Mr. Srinivas Potluri	-	Member

Stakeholders Relationship Committee

1. Mr. Krishna Chintam	-	Chairman
2. Mr. Brijmohan Venkata Mandala	-	Member
3. Mr. Rajendra Vithal Naniwadekar	-	Member

Corporate Social Responsibility Committee

1. Mr. Rajendra Vithal Naniwadekar	-	Chairman
2. Mr. Krishna Chintam	-	Member
3. Mr. Brijmohan Venkata Mandala	-	Member

RISK Management Committee

- | | |
|------------------------------------|------------|
| 1. Mr. Rajendra Vithal Naniwadekar | - Chairman |
| 2. Mr. Brijmohan Venkata Mandala | - Member |
| 3. Mr. Niranjana Chintam | - Member |

Corporate Identity Number: L72200TG1993PLC016819

Corporate and Registered Office

Plot No. 1367, Road No. 45,
Jubilee Hills,
Hyderabad - 500 033
Telangana
Tel No - 040 - 44333030
Email id: info@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
Website : www.xlsoftech.com
Phone: 040-23545913

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
Phone: 040-23401738

WEBSITE:

www.kelltontech.com

Compliance Officer

Mr. Krishna Chintam
Managing Director

PHYSICAL & DEMAT REGISTRARS

M/s XL Softech System Limited
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad - 500 034
Telangana
Email ID: mail@xlsoftech.com
Phone: 040-23545913

BANKERS

Axis Bank
Corporate Banking Branch, Hyderabad - 500 034

Standard Chartered Bank
Jubilee Hills Branch - 500033

ICICI Bank
Khairatabad Branch - 500004

Karur Vysya Bank
Secundrabad - Branch - 500003

Indian Bank
Jubilee Hills Branch - 500033

HDFC Bank
Lakdikapul Branch - 500004





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 email addresses, so far, are requested to register their email addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the following addresses.

Corporate Office:

M/s XL Softech System Limited

Plot No. 1367, Road No. 45,
Jubilee Hills,
Hyderabad - 500 033
Telangana
Tel No - 040-44333030
Email id: info@kelltontech.com
Website: www.kelltontech.com

Registered Office :
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad - 500 034,
Telangana
Email: 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

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Kellton Tech Solutions Limited will be held on Wednesday 16th day of December 2015 at 11.00 AM at Hotel Kens ,Plot No 53, Sri Nagar Colony ,Hyderabad-500073, Telangana to transact the following business.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited financial statements for the year ended 30th June, 2015 along with Notes, Directors' Reports and Auditors' Report thereon.
- 2) To appoint a Director in place of Mr. Niranjan Chintam who retires by rotation and being eligible offers himself for re-appointment.
- 3) To re-appoint the Statutory Auditors of the Company

To consider and if thought fit, to pass with or without modifications the following resolutions as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 all other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and as approved by the Board of Directors, the Company hereby re-appoint the retiring Auditor's Mahesh, Virender & Sriram, Chartered Accountants (Firm Registration No. 001939S), as the Statutory Auditors of the Company for a period of 1 years to hold office from the conclusion of this meeting until the conclusion of the 22nd Annual General Meeting (Subject to ratification by members at subsequent AGM) on such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT Ms. Sreevidya Chintam (DIN 01658584), who was appointed as an Additional Director of the Company with effect from 30th March, 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. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Karanjit Singh (DIN 06898258), who was appointed as an Additional Director of the Company with effect from 30th March, 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 his candidature for the office of Director, be and is hereby appointed as Director of the Company."

6. Alteration of Articles of Association of the Company

To consider and if thought fit to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under consent of the members be and is hereby accorded for alteration of Articles of Association by replacing the existing Article Nos. 166 of the Articles of Association of the Company by new Articles as provided below:



Article No.166 (i) The company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and for the purpose of the equalisation of dividends any sums from time to time in accordance with these presents carried to the reserve, depreciation, or other special funds may be applied in payment thereof. The dividends so declared by the General Body shall not exceed the amount, so recommended by the Directors.

(ii) Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

(iii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(iv) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(v) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. No dividend shall bear interest against the company.

(vi) Unclaimed dividend, if any to be treated in compliance with the provisions of Companies Act, 2013 read with rules thereof Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

7. Increase In Authorised Share Capital

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

“RESOLVED THAT pursuant to Section 61, 64 and other applicable provisions of the Companies Act, 2013 the Authorised Share Capital of the Company be and is hereby increased from Rs. 28,50,00,000/- (Rupees Twenty Eight Crores, Fifty Lakhs) divided in to 5,70,00,000 (Five Crores, Seventy Lakhs) equity shares of Rs. 5/- (Rupees five) each 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 .”

8. Alteration Of Capital Clause Of Memorandum Of Association

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

“RESOLVED THAT pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, if any, the existing Capital Clause V of the Memorandum of Association of the Company be and is hereby substituted with the following:

Clause V

The Authorised Share Capital of the Company is Rs. 31,00,00,000/- (Rupees Thirty One Crores) divided in to 62,00,00,000 (Six Crores Twenty Lakhs) equity shares of Rs. 5/- (Rupees five) each. The company will have the right to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential ,qualified or special rights privileges or conditions as may be determined by or in accordance with the regulations of the company for the time being to vary modify or abrogate any such rights, privileges or conditions in such manner as for the time being be provided by the Companies Act, 2013 or provided by the company for the time being.”



9. Approval For Further Issuance Of Securities

“RESOLVED THAT pursuant to the provisions of Sections 42 and 62(1)(c) read with the rules and regulations made thereunder and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) (“Companies Act”), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment, modification, variation or re-enactment thereof) (“ICDR Regulations”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the ICDR Regulations, the applicable equity listing agreements entered into by the Company with the stock exchange(s) where the equity shares of the Company of face value of Rs. 5 each (“Equity Shares”) are listed or are currently proposed to be listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/ or re-enactment thereof (“FEMA”) and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident outside India) Regulations, 2000 including any amendments, statutory modification(s) and/ or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended (“FCCB Scheme”) and the Depository Receipts Scheme, 2014 (“GDR Scheme”) and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India (“GOI”), Ministry of Corporate Affairs (“MCA”), the Reserve Bank of India (“RBI”), BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”), the Securities and Exchange Board of India (“SEBI”), and/ or any other regulatory/ statutory authorities, in India or abroad from time to time, to the extent applicable and subject to the consents and approvals of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution), the Company be and is hereby authorised to offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, for such part of issue and for such categories of persons as may be permitted) such number of Equity Shares, global depository receipts (“GDRs”), American depository receipts (“ADRs”), foreign currency convertible bonds (“FCCBs”) and/ or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or convertible preference shares or any security convertible into Equity Shares (hereinafter referred to as “Securities”), or any combination thereof, in one or more tranches, in the course of Indian and / or international offering(s) in one or more foreign markets, for cash, at such price or prices, at market price(s) or at a discount, as may be permissible under applicable law or premium to market price(s) in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the merchant banker(s) and/ or other advisor(s) or otherwise, for an aggregate amount up to Rs. 175 crores (Rupees One Hundred and seventy five crores only) by way of a public issue or a private placement, including a qualified institutions placement (“QIP”) in accordance with the provisions of Chapter VIII of the ICDR Regulations, to such investors that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers (“QIBs”) as defined in the ICDR Regulations, document(s), whether or not such investors are members of the Company, to all or any of them, jointly or severally through an offer/ placement document and/ or other letter or circular (“Offering Circular”) as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at a price not less than the price calculated as per the applicable pricing formulae and as may be permitted by the relevant regulatory/ statutory authority, together with any amendments and modifications thereto, but without requiring any further approval or consent from the shareholders.

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

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



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

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

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

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

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

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

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



10. Increase in Limit of Foreign Investment in the Company

“RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, read with master circular on foreign direct investment dated July 1, 2015 issued by Reserve Bank of India, Securities Exchange Board of India (Foreign Portfolio Investor) Regulations, 2015, the Consolidated FDI Policy effective from May 12, 2015, as subsequently amended, and all other applicable rules, and regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board, consent, approval and sanction of the shareholders be and are hereby accorded to permit Foreign Portfolio Investors (“FPIs”), including Foreign Institutional Investors, their sub-accounts and Qualified Financial Investors, registered with the Securities Exchange Board of India (“SEBI”) to acquire and hold on their own account and on behalf of each of their respective sub-accounts registered with SEBI, such number of equity shares aggregating up to 49% of the issued, subscribed and paid-up equity share capital of the Company for the time being, subject to applicable laws, rules and regulations.

“RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith on incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Directors or officer of the Company.

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director, be forwarded to concerned authorities for necessary action.”

11. Increase in Limit of NRI Investment in the Company

“RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, read with master circular on foreign direct investment dated July 1, 2015 issued by Reserve Bank of India, Securities Exchange Board of India (Foreign Portfolio Investor) Regulations, 2015, the Consolidated FDI Policy effective from May 12, 2015, as subsequently amended, and all other applicable rules, and regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board, consent, approval and sanction of the shareholders be and are hereby accorded to permit Non Resident Indians (“NRIs”), to acquire and hold on their own account such number of equity shares aggregating up to 24% of the issued, subscribed and paid-up equity share capital of the Company for the time being, subject to applicable laws, rules and regulations.

“RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith on incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Directors or officer of the Company.

“RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director, be forwarded to concerned authorities for necessary action.”

12. Appointment and 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 196, 197, 203, Schedule V and other applicable provisions if any, of the Companies Act, 2013 and Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the company, consent of the members be and is hereby accorded for the appointment of



Mr. Karanjit Singh as Director and Chief Executive Officer (Whole-time Director) of the Company for a period of three years, w.e.f 30-Mar-2015 at a remuneration, in any financial year, not exceeding 5% (Five Percent) of the Net Profits of the Company, per annum, as per section 197 of the Companies Act, 2013 (in case of adequacy of profits) or limits prescribed under Schedule V, per annum.”

“RESOLVED FURTHER THAT Mr. Karanjit Singh will be paid remuneration as approved by the Nomination and Remuneration Committee from time to time but, in any financial year, not exceeding 5% (Five Percent) of the Net Profits of the Company, per annum, as per section 197 of the Companies Act, 2013 (in case of adequacy of profits) or limits prescribed under Schedule V, per annum.” “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 to its Chief Executive Officer, remuneration in accordance with the limits as per the provisions of Schedule V of 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, 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 No:01658145

Place: Hyderabad
Date: 25-11-2015

Registered Office

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



Notes:

1. The relevant Explanatory Statement pursuant to 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. A statement giving the relevant details of the Directors seeking appointment and re-appointment under the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith. The Directors have furnished the requisite declarations for their appointment/re-appointment.

3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) member and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing is given to the Company

5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

6. 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.

7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.

8. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

9. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

10. The Register of Members and Share Transfer Books of the Company shall remain closed from 9th Dec, 2015 to 16th Dec, 2015 (both days inclusive).

11. 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).

12. Members holding shares in dematerialized form (electronic form) are requested to intimate any changes in their respective addresses, bank mandates etc., directly to their respective Depository Participants.



13. 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 are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following: mail@xlsofttech.com

14. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

15. 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 21st 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 13th Dec, 2015 and ends at 5 P.M. on 15th Dec, 2015 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 8th Dec, 2015 (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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. • The respective sequence number will be printed on the address sticker of the annual report cover sent to the shareholders
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

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.

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



- c. After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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 after the AGM of the Company. The results along with the Scrutinizer’s Report shall be placed on the Company’s website www.kelltontech.com within two (2) days of passing of the resolutions at the AGM of the Company and be communicated to the Stock Exchanges.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

17. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) 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 of the accompanying Notice dated 25-11-2015.

Item No. 4

Ms. Sreevidya Chintam, was appointed as an Additional Director of the Company with effect from 30th March, 2015 by the Board of Directors under Section 161, 149 (1) of the Act.

In terms of Section 161(1) of the Act, Ms. Sreevidya Chintam 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. Sreevidya Chintam as a Director.

The Directors are of the view that the appointment of Ms. Sreevidya Chintam, 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. Sreevidya Chintam, Mr. Niranjana Chintam and 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: 5

Mr. Karanjit Singh, was appointed as an Additional Director of the Company with effect from 30th March, 2015 by the Board of Directors under Section 161, 149 (1) of the Act.

In terms of Section 161(1) of the Act, Mr. Karanjit Singh 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. Karanjit Singh as a Director.

The Directors are of the view that the appointment of Mr. Karanjit Singh, 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. Karanjit Singh, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in this resolution

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

Item No: 6

Members may please note that as the existing Articles of Association, are required to be amended in order to include provisions with respect to dividend and reserves. It is proposed to amend the Articles of Association to provide in brief a clause governing dividends.

Altered Article of Association is available for inspection at the registered office of the company during Business hour.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this Resolution. The Board commends the Special Resolution as set out at Item no. 6 for approval of the Members.

Item No. 7 and 8:

With a view to enlarge and expand the Business activities, the Board of Directors were of the opinion to increase the Authorised Capital of the Company from Rs. 28,50,00,000/- (Rupees Twenty Eight Crores, Fifty Lakhs) divided in to 5,70,00,000 (Five Crores, Seventy Lakhs) equity shares of Rs.5/- (Rupees five) each to Rs. 31,00,00,000 (Rupees_Thirty One Crores) divided into 6,20,00,000 (Six Crore Twenty Lacs) equity shares of Rs.5/- (Rupees five) each."

Altered Memorandum of Association is available for inspection at the registered office of the Company during Business hours.

Resolutions are passed pursuant to Sections 61, 64 & 13 for the purpose of increasing the Authorized Share Capital for which shareholders approval is required.

Your Directors, therefore, recommend the resolution for your approval.

The Board of Directors has recommended the proposal for approval of shareholders.

None of the Directors, Key Managerial Person, and relatives of such persons is interested or concerned in the resolutions except to the extent of shares held by them in the Company.

Item No: 9

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



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

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

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

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

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

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

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

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

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

The Board believes that the proposed offering is in the interest of the Company and therefore recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

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

Item No: 10

In terms of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, read with master circular on foreign direct investment dated July 1, 2015 issued by Reserve Bank of India, Securities Exchange Board of India (Foreign Portfolio Investor) Regulations, 2015, the Consolidated FDI Policy effective from May 12, 2015, as amended, the total holding of all foreign institutional investors (“FIIs”) as well as its SEBI approved sub-accounts and Foreign Portfolio Investors registered with Securities Exchange Board of India (“SEBI”), NRIs/ Foreign Nationals (FN) shall not exceed 24 per cent of the paid up equity share capital of the Company. However, this ceiling of 24% can be further increased up to the sectoral cap/statutory ceiling as applicable, by passing a resolution of the Board, a Special Resolution to that effect by its members and followed by necessary filings with the Reserve Bank of India (“RBI”) and Foreign Investment Promotion Board (“FIPB”).



As of June 30, 2015 holding of FII/FPIs in the Company is Nil. To create more headroom for FIIs to invest in the equity of the Company, it is proposed subject to receipt of the necessary approvals including approval from FIPB to increase the limit of FII/FPI or NRI/FN shareholding in the Company to 49% (forty nine per cent) of the paid up equity share capital of the Company.

The Board had vide a resolution passed dated 25-11-2015, decided to increase the aggregate permissible limit of FIIs/FPIs or NRI/FN in equity shareholding of the Company from 24% (twenty four per cent) to 49% (forty nine per cent) of the paid-up Equity Share Capital of the Company, subject to the approval of the members of the Company.

Accordingly, the Resolution of this Notice is proposed to enable the FIIs/FPIs, NRIs/FNs to acquire equity shares of the Company up to the revised ceiling limit of 49% (forty nine percent) of the paid-up Equity Share Capital of the Company.

The Board believes that the proposed resolution is in the interest of the Company and therefore recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the members.

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

Item No.11

In terms of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, read with master circular on foreign direct investment dated July 1, 2015 issued by Reserve Bank of India, Securities Exchange Board of India (Foreign Portfolio Investor) Regulations, 2015, the Consolidated FDI Policy effective from May 12, 2015, as amended, the total holding of all Non Resident Indians ("NRIs") NRIs/ shall not exceed 10 per cent of the paid up equity share capital of the Company. However, this ceiling of 10% can be further increased up to the sectoral cap/statutory ceiling as applicable, by passing a resolution of the Board, a Special Resolution to that effect by its members and followed by necessary filings with the Reserve Bank of India ("RBI") and Foreign Investment Promotion Board (FIPB).

As of June 30, 2015 holding of NRIs in the Company is 2.74% .To create more headroom for NRIs to invest in the equity of the Company, it is proposed subject to receipt of the necessary approvals to increase the limit of NRI shareholding in the Company to 24% (twenty four per cent) of paid up equity share capital of the Company.

The Board had vide a resolution passed dated 25-11-2015, decided to increase the aggregate permissible limit of NRI in equity shareholding of the Company from 10% (ten per cent) to 24% (twenty four per cent) of the paid-up Equity Share Capital of the Company, subject to the approval of the members of the Company.

Accordingly, the Resolution of this Notice is proposed to enable the NRIs to acquire equity shares of the Company up to the revised ceiling limit of 24% (Twenty four percent) of the paid-up Equity Share Capital of the Company.

The Board believes that the proposed resolution is in the interest of the Company and therefore recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the members.

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

Item No. 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 . The Nomination and Remuneration Committee shall be authorised to review and fix monthly salary and also determine performance linked incentives either on quarterly, half-yearly or yearly basis.

Remuneration, if any drawn from subsidiary, the aggregate remuneration shall not exceed the higher maximum limit admissible from any one of the companies in compliance with Schedule V of the Companies Act,2013.

In case the Company has no profits or its profits are inadequate, then the remuneration shall be paid in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.



Statement of disclosure in pursuance to schedule V of the 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:

Particulars	June 30, 2013	June 30, 2014	June 30, 2015
Total Income	1470.79	3386.94	4041.55
Depreciation	45.79	40.47	92.82
Total Expenses	1167.37	2997.10	3329.10
Net Profit	265.96	392.70	616.24
Paid up Capital	1774.46	2069.38	2174.08
Reserves & Surplus	512.75	1543.92	2343.26

(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	46.60
Recognition and Awards	N/A
Job profile and his suitability	Information given under the requirements of Clause 49 of the Listing Agreement.
Remuneration Proposed	Not exceeding 5% (Five Percent) of the Net Profits of the Company, per annum, as per section 197 of the Companies Act, 2013 (in case of adequacy of profits) or limits prescribed under Schedule V, per annum.
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)

With the increased size and turnover, it is necessary for any company to have highly qualified professionals having specialized knowledge and skills to manage our company.

It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business, Mr Kantanjit has successfully proved his experience in very effective manner in past. Hence, the Board of Directors considers that the remuneration proposed to him is justified commensurate with other organizations of the similar type, size and nature in the IT Industry.



III. Other information:

(1) Reasons of loss or inadequate profits:

Kellton Tech consolidated profit is Rs.22.07 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%.

As required by the Companies Act, 2013, approval of the members is being sought, for the appointment of Mr. Karanjit Singh as Director and Chief Executive Officer.

Your Directors recommend that the said resolution may be passed as a Special resolution.

None of the Directors /Key Managerial Personnel of the Company/their relatives except Mr. Karanjit Singh is interested or concerned in the said resolution. None of the Directors are related inter-se.

Place: Hyderabad
Date: 25-11-2015

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

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

Sd/-
Krishna Chintam
Managing Director
DIN No:01658145



Brief profile of Directors Retiring at the Annual General Meeting of the Company (As per Clause 49 of the Listing Agreement)

Name of the Director	Mr. Niranjan Chintam	Ms. Sreevidya Chintam	Mr. Karanjit Singh
Date of Birth	29.06.1967	19.08.1972	17.12.1968
Date of Appointment	23.12.2008	30.03.2015	30.03.2015
Qualifications	Graduated from Wharton Business School with an MBA. Holds an engineering degree in India.	Graduated from College of Engineering Thiruvananthapuram with a Bachelor's degree in Electronics and Communication Engineering.	Graduated from prestigious National Institute of Industrial Engineering, Mumbai, India with a Master's degree in Industrial Engineering. Holds a Bachelor's degree in Electrical and Electronic Engineering.
Expertise in specific functional areas	<p>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.</p> <p>Under his leadership, Kellton Tech became around 1000 member strong organization and earned a place in top 50 fastest growing IT companies in India.</p> <p>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.</p>	<p>Sreevidya Chintam leads Kellton Tech's talent acquisition efforts and human resources management that help support and sustain the organisation's accelerating growth.</p> <p>She has a well-rounded experience of 18 years spanning technology, finance and human resources in industries of telecom, internet service providers and financial. She has experience working in three continents and understands the nuances of the different work environment</p> <p>Earlier, she worked with top-tier organizations such as Cincinnati Bell, AT&T, America Online, Freddie Mac and Fannie Mae.</p>	<p>Karanjit leads the company's focus on cutting-edge technologies to provide new business offerings.</p> <p>Under his leadership, the company expanded its product and service portfolio and developed innovative solutions that earned it global appreciation.</p> <p>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 as Director of Product development with JDA Software.</p>



Brief profile of Directors Retiring at the Annual General Meeting of the Company (As per Clause 49 of the Listing Agreement)

List of other companies in which directorship is held as on June 30, 2015	<ul style="list-style-type: none"> i) Kellton Dbydx Software Private Limited ii) Kellton Financial Services Private Limited iii) Kellton Securities Private Limited iv) Kellton Wealth Management v) Kellton Infra LLP vi) Atinus Retail Private Limited vii) Kellton Commodity And Derivatives Pvt Limited viii) Green Ark Enersol Private Limited ix) Matnic Finvest Private Ltd 	<ul style="list-style-type: none"> i) Kellton Wealth Management Private Limited ii) Nora Retail Private Limited iii) Kellton Infra LLP iv) Kellton Financial Services Private Limited 	Nil
Chairman/Member of the Committees of the Boards of the Companies in which he/she is a director as on June 30, 2015	Nil	Nil	Nil
Equity Shares held in the Company	Nil	451388	53412



DIRECTORS' REPORT

To
The Members
Kellton Tech Solutions Limited

Your Directors have pleasure in presenting the 21st Annual Report together with the audited statements of account for the year ended 30th June, 2015.

Financial summary or highlights/Performance of the Company

Financial results (Standalone)

The performance during the period ended 30th June, 2015 has been as under:

(Rs. in Lakhs)

Particulars	Current Year 30.06.2015	Previous Year 30.06.2014
Revenue from Operations	3990.03	3383.67
Other Income	51.52	3.28
Total Revenue	4041.55	3386.94
Expenses	3236.28	2957.04
Depreciation and amortization	92.81	40.47
Profit / (loss) Before exceptional and extraordinary items and Tax	712.45	389.43
Less: exceptional and extraordinary items	—	—
Profit/ (loss) Before Taxation	712.45	389.43
Less: - Current Tax	194.41	--
- Mat Credit	-113.41	--
- Income Tax (Earlier years)	—	—
- Deferred Tax	15.20	-3.27
Profit / (loss) After Tax	616.24	392.70
Earning Per Share (Rs.)	1.47	1.11

Brief description of the Company's working during the year/State of Company's affair

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. 3990.03 lakhs from Rs. 3383.67 lakhs, while the Profit before Tax also increased from 389.43 lakhs to Rs. 712.45

The profit after tax also increased to Rs. 616.24 Lakhs from Rs. 392.70 Lakhs reported in the previous year. The earnings per share is Rs. 1.47 as compared to Rs. 1.11 in the previous year.



Financial Results (Consolidated)

Financial results (Consolidated)

The performance during the period ended 30th June, 2015 has been as under:

(Rs. in Lakhs)

Particulars	Current Year 30.06.2015	Previous Year 30.06.2014
Revenue from Operations	23790.07	13364.13
Other Income	174.22	10.24
Total Revenue	23964.29	13377.37
Expenses	21119.86	12382.82
Depreciation	283.94	233.41
Profit / (loss) Before exceptional and extraordinary items and Tax	2560.49	761.14
Less: exceptional and extraordinary items	—	—
Profit/ (loss) Before Taxation	2560.49	761.14
Less: - Current Tax	467.95	128.79
- Mat Credit	113.41	2.45
- Income Tax (Earlier years)	—	—
- Deferred Tax	1.43	6.38
Profit / (loss) After Tax	2207.39	636.27

The Consolidated revenue of your Company for the year ended 30th June 2015 is Rs. 23964.29 lakhs, as against previous year revenue of Rs. 13367.13 lakhs. The consolidated Net Profit for the year stood at 2207.39 lakhs as against previous year consolidated net profit of 636.27 lakhs.

Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

The members of the Company via Postal Ballot, passed necessary resolutions on 2nd July, 2015, with respect to the following:

- (i) Increase in Authorised Share Capital
- (ii) Alteration of capital clause of memorandum of association
- (iii) Alteration of the main objects (clause iii a) of the memorandum of association
- (iv) Alteration of incidental or ancillary objects (clause iii b) of the Memorandum of Association
- (v) Deletion of the other objects (clause iii c) of the Memorandum of Association
- (vi) Alteration of Articles of Association
- (vii) Issue of 30,00,000 Share Warrants
- (viii) Increase in Power of Board to make investments, give loans, guarantees and provide securities beyond the prescribed limits.
- (ix) Increase in the Borrowing Powers of the Company
- (x) Power to create Charge / Mortgage on Assets of the Company

There are no other 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 this Report.



There are no other 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 this Report.

Subsidiary Companies

Following are the Subsidiary and Step down Subsidiaries of Kellton Tech

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
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)
Intelligence Inc	Step Down Subsidiary (Wholly Owned Subsidiary of Kellton Tech Solutions Inc)

A statement showing the salient features of the financial statements of the subsidiaries, associates and joint ventures is enclosed as an Annexure to this Report.

Dividend

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 2014-15.

Transfer to reserve

There were no transfers to Reserves during the financial year 2014-2015.

Share Capital

The Authorised Share Capital of the Company was increased to 285,000,000 divided into 5,70,00,000 Equity Shares of Rs. 10/- each on 02nd July, 2015

The Paid up Share Capital has increased to Rs. 21,74,49,660 divided into 4,34,89,932 number of shares of Rs. 5/- each.

30,00,000 Warrants has been allotted vide Board Meeting dated 30-March -2015 which are yet to be converted into Equity Shares.

At the time of obtaining in-principle approval from BSE in respect of 30 Lacs warrants, the minimum price calculation for issue of warrants was made on weighted average price method instead of volume weighted average price method, the price has been recomputed on volume weighted average price method and the minimum issue price is Rs 75.50.



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 30th June, 2015.

S.No	Particulars	Description
	Date of Share holder’s approval	27/12/2013
	Total number of options granted	5,12,500
	Vesting requirements	3 Years
	The pricing formula	Closing price of equity shares on the stock exchange where the shares are listed
	Maximum term of options granted	Employees to exercise options within 3 years from vesting date
	Source of shares	Primary
	Method used to account for ESOS	Fair value

(ii) Option movement during the year

Number of options outstanding at the beginning of the period	6,65,000
Number of options granted during the year	17,10,500
Number of options forfeited / lapsed during the year	15,000
Number of options vested during the year	2,02,500
Number of options exercised during the year	1,92,499
Number of shares arising as a result of exercise of options	1,92,499
Money realized by exercise of options (INR), if scheme is implemented directly by the company Loan repaid by the Trust during the year from exercise price received	19,40,389
Number of options outstanding at the end of the year	21,83,001
Number of options exercisable at the end of the year	8,333

(iii) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.



Listing

The shares of the Company are listed on Bombay Stock Exchange.

Directors

In accordance with the Companies Act, 2013 read with Articles of Association of the company Mr. Niranjana Chintam is retiring by rotation at this Annual General Meeting and being eligible offer himself for reappointment.

Ms. Sreevidya Chintam and Mr. Karanjit Singh were appointed as Additional Directors of the Company with effect from 30th March, 2015 who being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from members proposing their candidature for the office of Director.

Your Board recommends the appointment/ re-appointment of the Directors above.

Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, 15 (Fifteen) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Declaration by an Independent Director(s)

A declaration has been received by all the Independent Directors of the Company that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.



Directors' Responsibility Statement

1. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company make the following statements, with the best of their knowledge and belief and according to the information and explanations obtained by them:

i. that in the preparation of the annual accounts for the financial year ended June 30, 2015, the applicable accounting standards have been followed and there have been no material departures from them;

ii. that the accounting policies mentioned in notes to Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2015 and of the profit of the company for the year ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual financial statements have been prepared on a 'going concern' basis;

v. that proper internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and

vi. that proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are 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.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Particulars of Employees

Details in respect of remuneration paid to employees as required under Section 197 (12) of the Companies Act, 2013 , read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended forms part of 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(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in Annexure vi and forms part of this Report.



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.

Replies to Auditors' Report

The report is self-explanatory and do not call for any further comments.

Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, Mr. Manoj Kumar Koyalkar, M/s. AGR Reddy & Co, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as Annexure to this report.

Replies to Secretarial Auditors' Report

In order to constitute the Board as per the Listing agreement, Company is in process of appointment of an Independent Director during the current financial year.

Further, the report is self-explanatory and do not call for any further comments.

Cost Auditors

The provisions of Section 148 of the Companies Act, 2013 does not apply to the Company and hence, no cost auditors are appointed.

Internal Audit & Controls

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

Whistle Blower Policy/Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange, the Company has established a mechanism through which all the stakeholders 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 (www.kelltontech.com/Policies.html).

Risk Management Policy

The Risk Management Policy in place in the company enables the company to proactively take care of the internal and external risks of the company and ensures smooth business operations.

The company's risk management policy ensures that all its material risk exposures are properly covered, all compliance risks are covered and the company's business growth and financial stability are assured. Board of Directors decide the policies and ensure their implementation to ensure protection of company from any type of risks.



Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT 9 is given as Annexure to this 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.

Deposits

The Company has not accepted any deposit from the public under Chapter V of the Act or under the corresponding provisions of Section 73 and 74 of the Companies Act, 2013, and no amount of principal or interest was outstanding as on the Balance Sheet date.

Particulars of loans, guarantees or investments under section 186

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

Particulars of contracts or arrangements with related parties:

The 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 to this report.

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large. None of the Directors had any pecuniary relationship or transactions with the Company, except the payments made to them in the form of remuneration, sitting fee and commission.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2015 are as follows:

(A) Conservation Of Energy

S.No	Particulars	Remarks
(I)	the steps taken or impact on conservation of energy	Nil
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	



(B) Technology absorption

S.No	Particulars	
(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	

Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows:

	Standalone	Consolidated
Earnings in foreign currencies	USD 2,76,6094 GBP 1,90,601 CAD 17,925 SGD 35,137	USD 3,072,715 GBP 227,938 CAD 17,925 SGD 35,137 HKD 81,510

	Standalone	Consolidated
Expenditure in foreign currencies	USD 3,307 GBP 6,969 HKD 4,460	USD 3,307 GBP 6,969 HKD 4,460

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.

Corporate Governance

In pursuance of Clause 49 of the Listing Agreement entered into with the Stock Exchange, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders.

A certificate from the Auditors of the Company regarding the Compliance of the conditions of Corporate Governance as stipulated under the said Clause 49 also forms a part of this Annual Report.

Management’s Discussion and Analysis

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this report and same is annexed.



Obligation Of Company Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15:

No. of complaints received:	- Nil -
No. of complaints disposed off:	- Nil -

Personnel

Your Directors place on record their appreciation for the services rendered by the employees. The relation between the management and the employees has been cordial throughout the year.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and Contribution during the year. The Directors would also like to thank the employees, shareholders, Customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

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

Krishna Chintam
Managing Director
DIN No:01658145

Niranjan Chintam
Whole Time Director
DIN: 01658591

Place: Hyderabad
Date: 25-11-2015



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.)

Name of the Subsidiary		Kellton Dbydx Software Private Limited	Kellton Tech Inc	Kellton Tech Solutions Inc
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-15	31-Dec-14	31-Dec-14
2.	Reporting currency and as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	USD	USD
3.	Exchange rate	NA	63.75	63.75
4.	Share capital	0.83	9.31	12.75
5.	Reserves & surplus	1.72	16.38	3.31
6.	Total assets	6.02	103.58	81.49
7.	Total Liabilities	3.47	77.88	65.43
8.	Investments	-	-	-
9.	Turnover	5.12	134.46	60.97
10.	Profit before taxation	(0.15)	14.74	3.95
11.	Provision for taxation	0.01	1.84	0.72
12.	Profit after taxation	(0.16)	12.91	3.22
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100	100	100



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	
<p>Latest audited Balance Sheet Date</p> <p>Shares of Associate/Joint Ventures held by the company on the year end No.</p> <p>Amount of Investment in Associates/Joint Venture</p> <p>Extend of Holding%</p> <p>Description of how there is significant influence</p> <p>Reason why the associate/joint venture is not consolidated</p> <p>Net worth attributable to shareholding as per latest audited Balance Sheet</p> <p>Profit/Loss for the year</p> <p style="padding-left: 20px;">Considered in Consolidation</p> <p style="padding-left: 20px;">Not Considered in Consolidation</p>	<p>Not Applicable</p>



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)

1. Details of contracts or arrangements or transactions not at arm's length basis:
There was no such contract / arrangement entered in to closing the year ended 30 June 2015, which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis.

Name of Related Party	Nature of Relationship	Duration of contract	Salient terms	Amount (In Crores)
Investment in Equity Instruments				
Kellton Tech Inc	Subsidiary	Not applicable	Not applicable	5.96
Kellton Tech Solution Inc	Subsidiary	Not applicable	Not applicable	12.82
Sale of Services				
Prosoft Technology Group Inc	Step Down Subsidiary	1 May 2015 Ongoing	Based on transfer pricing guidelines	2.56

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

Krishna Chintam
Managing Director
DIN No:01658145

Niranjan Chintam
Whole Time Director
DIN: 01658591

Place: Hyderabad
Date: 25-11-2015



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Kellton Tech Solutions Limited
Plot No 1367, Road No- 45,
Jubilee Hills, Hyderabad -500033
Telangana .

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kellton Tech Solutions Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance 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 June 30th , 2015, 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 June 30th, 2015 according to the provisions of:

- (1) The Companies Act, 2013 (the "**Act**") and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;
- (2) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment.
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- (6) Other laws applicable to the Company as per the representations made by the Company.

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

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India



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

During the reporting period, the Company has not appointed Independent Directors as required under second proviso to section 149(4) of the Act, and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. However, the company had proposed to induct Independent Directors.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except appointment of 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 decision is carried through while the dissenting members' views, are captured and recorded as part of the minutes.

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

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 a major bearing on the Company's affairs.

I further report that during the audit period the company has:

- (I) Vide resolution passed through postal ballot on 2nd July, 2015 approved
 - (a) Creation of charge/mortgage on the assets of the company
 - (b) Increase in the borrowing powers of the company.
 - (c) Allotment of 30,00,000 warrants to promoters and non promoters;

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

Sd/-

Manoj Kumar Koyalkar

Membership Number: 19445

Certificate of Practice Number: 10004

Hyderabad
25-11-2015

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



'ANNEXURE A'

To,
The Members,
Kellton Tech Solutions Limited
Plot No 1367, Road No- 45,
Jubilee Hills, Hyderabad -500033
Telangana

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

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

Hyderabad
25-11-2015



Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

(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	14.27
2.	Mr. Krishna Chintam	14.27
3.	Mr. Rajendra Vithal Naniwadekar	Nil
4.	Mr. Brijmohan Venkata Mandala	Nil
5.	Mr. Srinivas Potluri	Nil
6.	Ms. Sreevidya Chintam	Nil
7.	Mr. Karanjit Singh	5.71

Mr Karanjit Singh was appointed as Director on 30-March-2015

(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. Rajendra Vithal Naniwadekar	Nil
4.	Mr. Brijmohan Venkata Mandala	Nil
5.	Mr. Srinivas Potluri	Nil
6.	Ms. Sreevidya Chintam	Nil
7.	Mr. Karanjit Singh	NA
8.	Mr. Srikanth Reddy Kolli	NA

(iii) The number of permanent employees on the rolls of Company 829.

(iv) In the Financial Year 2014-15, there was a increase of 17.26% in the median Remuneration of employees.

(v) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



(vi) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

S.No	Particular	As at June 30, 2015	As at June 30, 2014
1.	Market Capitalisation	283.93 Crs	34.94 Crs
2.	Price Earning Ratio	44.42	7.61

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Company made an Initial Public Offer in the year 1994-1995 at a price of 10/- per equity share (at par). As on 30th June, 2015 the Market Quotation for the Company's Equity Shares of Rs.5/- each (Closing Price) is Rs. 65.30.

(vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration there was no increase in remuneration of managerial personnel.

(viii) Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company

S.No	Name	Remuneration of Key Managerial Personnel (Incl. Commission)	Profit After Tax for the year ended June 30, 2015	Remuneration of KMP (as % of PAT)
1.	Mr. Krishna Chintam, Managing Director	30 lakhs	6,16,24,303	4.86%
2.	Mr. Niranjan Chintam, Chief Financial Officer	30 lakhs	6,16,24,303	4.86%
3.	Mr. Srikanth reddy Kolli, Company Secretary	0.78 lakhs	6,16,24,303	0.12%

* Mr Srikanth Kolli appointed during the year on 27/05/2015

(ix) The key parameters for any variable component of remuneration availed by the directors: Nil

(x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year 1.58.

(xi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

for and on behalf of the Board

Krishna Chintam
Managing Director
DIN No: 01658145



CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

Annexure IV

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy:

The Company firmly believes in and has consistently endeavored to practice good corporate Governance. The Company's Philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including shareholders and employees.

2. Size and composition of Board of Directors:

The current policy is to have an appropriate mix of Executive and Independent Non-Executive Directors. As on date the Board comprises of Seven (7) members, Five (5) of whom is Executive Director, and two (2) are Independent Non-Executive Directors. The Board periodically evaluates the need for change in the composition and size. The Directors of the company are not related inter se.

a) Composition of Board as on 30th June, 2015

Name of the Director	Category
Mr. Niranjan Chintam	Chairman & Whole-Time Director (Promoter, Executive)
Mr. Krishna Chintam	Managing Director (Promoter, Executive)
Mr. Rajendra Vithal Naniwadekar	Director (Independent, Non-Executive)
Mr. Brijmohan Venkata Mandala	Director (Independent, Non-Executive)
Mr. Srinivas Potluri	Director (Executive)
Ms. Sreevidya Chintam	Additional Director (Executive)
Mr. Karanjit Singh	Additional Director (Executive)



b) Number of other Directorships & Committee Membership/ Chairmanship in Public Companies

Sl. No.	Name of Director	Other Directorship*	Committee Membership	Committee Chairmanship
1.	Mr. Niranjan Chintam	None	None	None
2.	Mr. Krishna Chintam	1	1	1
3.	Mr. Rajendra Vithal Naniwadekar	2	1	None
	Mr. Brijmohan Venkata Mandala	None	None	None
4.	Mr. Srinivas Potluri	None	None	None
5.	Ms. Sreevidya Chintam	None	None	None
6.	Mr. Karanjit Singh	None	None	None

* excluding foreign companies and private companies

c) Board Meetings held during the year

The Meetings of the Board are generally held at the Registered Office of the Company at Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad - 500 033 Telangana. During the year under review 15 (fifteen) Meetings were held on, 25.08.2015, 29.08.2014, 14.11.2014, 20.11.2014, 25.11.2014, 20.12.2014, 28.01.2015, 10.02.2015, 14.02.2015, 19.03.2015, 24.03.2015, 30.03.2015, 31.03.2015, 27.04.2015, 15.05.2015 and 27.05.2015. The Board meets at least once every quarter inter alia to review the quarterly results. Additional Meetings are held when necessary and the Minutes of the proceedings of the Meetings of the Board of Directors are noted and draft minutes are circulated amongst the Members of the Board for their perusal.

The Attendance of Directors at these Board meetings was under.

Name of Director	No. of meetings held during the tenure of the Director	No. of meetings attended by the Director	Whether present at the previous AGM
Mr. Niranjan Chintam	15	12	Yes
Mr. Krishna Chintam	15	14	Yes
Mr. Rajendra Vithal Naniwadekar	15	10	Yes
Mr. Brijmohan Venkata Mandala	15	12	Yes
Mr. Srinivas Potluri	15	5	Yes
Ms. Sreevidya Chintam	15	3	NA
Mr. Karanjit Singh	15	3	NA

d) Pecuniary relationship or transactions of Non-Executive Directors:

Apart from receiving director's remuneration, non-executive directors do not have any other material pecuniary relationship or transactions with the company, its promoters or its management which in the judgment of the board may affect independence of judgment of the director.



e) Code of Conduct for the Board & Senior Management Personnel:

The Company has formulated and implemented a Code of Conduct at the meeting of the Board of Directors for all its Non-Executive Directors and for Executive Directors and Senior Management Personnel of the Company in compliance with Clause 49(I) (D) of the Listing Agreement.

3. Committees of the Board:

The Board currently has 5 Committees:

- 1) Audit Committee,
- 2) Nomination and Remuneration Committee cum Compensation Committee
- 3) Stakeholders Relationship.
- 4) Corporate Social Responsibility Committee
- 5) Risk Management Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and related attendance is provided below.

(a) Audit Committee

The Audit Committee was constituted in terms of Section 177 of the Companies Act, 2013 and as per the provisions of Clause 49 of the Listing Agreement. The Audit Committee consists of a combination of Executive Directors and Non Executive Independent Directors and assists the Board in fulfilling its overall responsibilities.

The following are the members of the Audit Committee:

Sl. No.	Name of the Director	Designation	Category
1.	Mr. Rajendra Vithal Naniwadekar	Chairman	Independent, Non-Executive
2.	Mr. Brijmohan Venkata Mandala	Member	Independent, Non-Executive
3.	Mr. Krishna Chintam	Member	Managing Director -Executive

The Committee met 4 times during the year 2014-15 on 29.08.2014, 14.11.2014, 29.08.2014 and 15.05.2015. The attendance details of the members of the Committee are given below:

S. No.	Name of the Member	Meetings attended
1	Mr.Rajendra Vithal Naniwadekar	4
2	Mr. Brijmohan Venkata Mandala	3
3	Mr. Krishna Chintam	4



The terms of reference of the Committee inter alia, include the following:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with the management, the annual financial statements before submission to the Board, focusing primarily on:
 - i. Any changes in accounting policies and practices;
 - ii. Major accounting entries based on exercise on judgment by management;
 - iii. Qualifications in the draft audit report;
 - iv. Significant adjustments arising out of audit;
 - v. The going concern assumption;
 - vi. Compliance with accounting standards;
 - vii. Compliance with stock exchange and legal requirements concerning financial statements;
 - viii. Disclosure of related party transactions
- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems;
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f. Discussion with internal auditors regarding any significant findings and follow up there on;
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- h. 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;
- l. Carrying out any other function as mentioned in the terms of reference of the Audit Committee;

The Company Secretary is the Secretary to the Audit Committee.

(b) Nomination and Remuneration Committee

The Committee shall determine the policy on specific remuneration packages for executive directors including pension rights and any compensation payment. In the absence of any such policy the Committee shall determine the remuneration package for executive directors on case to case basis, as and when required. Besides, it also determines remuneration to the relatives of Directors, if any. Function as a Compensation Committee with the requisite powers and authority as envisaged under the Guidelines

The following is the constitution of the remuneration committee as on 30/06/2015:

SI. No.	Name of the Director	Designation	Category
1.	Mr. Rajendra Vithal Naniwadekar	Chairman	Independent, Non-Executive
2.	Mr. Brijmohan Venkata Mandala	Member	Independent, Non-Executive
3.	Mr. Krishna Chintam	Member	Managing Director-Executive



a) Meetings and Attendance during the year 2014-15:

S. No.	Name of the Member	Meetings held during the year	Meetings attended
1	Mr. Rajendra Vithal Naniwadekar	4	4
2	Mr. Brij Mohan Mandala	4	4
3	Mr. Potluri Srinivas	4	4

The Remuneration committee has been constituted to recommend / review the Remuneration packages of the Executive Directors.

The terms of reference of the Committee inter alia, include the following:

Succession planning of the Board of Directors and Senior Management Employees;

Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;

Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;

Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;

Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board

(c) Stakeholders' Relationship Committee

The following is the constitution of **Stakeholders Relationship Committee as on 30.06.2015:**

S. No.	Name of the Director	Designation	Category
1	Mr. Krishna Chintam	Chairman	Managing Director, Executive
2	Mr. Brij Mohan Mandala	Member	Managing Director, Executive
3	Mr. Rajendra Vithal Naniwadekar	Member	Managing Director, Executive

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- 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;



- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- 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 of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

The Committee reviews redressing of Shareholders and investors Complaints like transfer of shares, non-receipt of Balance sheet, non-receipt of declared Dividends, etc besides complaints from SEBI, Stock Exchanges, and various Investor Forums. The Committee also oversees the performance of Registrar and Share Transfer Agents and recommends measures for overall improvement in the quality of investor's services.

Corporate Social Responsibility (CSR)

The composition of the Corporate Social Responsibility Committee is as follows:

1.	Mr. Rajendra Vithal Naniwadekar	-	Chairman
2.	Mr. Krishna Reddy Chintam	-	Member
3.	Mr. Brijmohan Venkata Mandala	-	Member

The Committee's composition meets the requirements of the Companies Act, 2013.

The Company Secretary acts as the Secretary to the Committee. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy', and to suggest remedial measures wherever necessary.

The Corporate Social Responsibility Committee [CSR Committee] has formulated and recommended to the Board, a Corporate Social Responsibility Policy [CSR Policy] indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Company has identified the following areas under the CSR activities:

- a. Education / literacy enhancement;
- b. Community development & Orphanage;
- c. Environmental sustainability;
- d. Skill development / empowerment;
- e. Drinking water / sanitation; and

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act.

During the year, the Company had spent INR 638850, constituting 2.03% of the average net profits of the last three financial years) on CSR activities.

The Annual Report on CSR activities is annexed to this report.

Risk Management Committee

A meeting of the committee was held on 29.08.2015

Details of composition of Members during the year are as follows:

1.	Mr. Rajendra Vithal Naniwadekar	-	Chairman
2.	Mr. Brijmohan Venkata Mandala	-	Member
3.	Mr. Niranjana Chintam	-	Member



Name and Designation of Compliance Officer: Mr. Krishna Chintam

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

Details of complaints for the year 2014-15 : Nil

All the requests for transfer, Issue of Duplicate Shares, Loss of Shares , Rematerialisation and dematerialization were approved and dealt with and there were no pending valid requests as on 30th June, 2015.

Independent Directors' Meeting

During the year under review, the Independent Directors met on 29.08.2015 inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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, Stakeholders' Relationship Committee and Risk Management Committees. A structured questionnaire was 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 engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

4. Disclosures:

(a) Materially Significant related party transactions

There was no materially significant transaction with related parties entered into by the Company with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts contained the transactions in which Directors are interested is placed at the Board Meetings. Disclosures on transactions with related parties as required under Accounting Standards have been incorporated in the notes to the Accounts.

There were no strictures or penalties imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority for non-compliance of any matter related to capital markets, during the last three years.



(b) Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

(c) Unclaimed Suspense Account

Following is the reconciliation of unclaimed shares in "Kellton Tech solutions Limited Unclaimed Suspense Account", pursuant to Clause 5A of the Listing Agreement.

No of share-holders as on July 1,2014	374
Outstanding shares in the suspense account lying as on July 1,2014	502825
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	2
Number of shareholders to whom shares were transferred from suspense account during the year	300
Aggregate number of shareholders at the end of the year as on June 30, 2015	372
Aggregate number of shares at the end of the year as on June 30, 2015	502525
In accordance with Clause 5A of the Listing Agreement entered into with the Stock Exchanges, 502525 Equity Shares held by 372 shareholders, were held in the "Kellton Tech Solutions Limited-Demat Suspense Account". The voting rights on these shares shall remain frozen till the rightful owner claims the same.	

(d) Pecuniary relationship or transactions of Non-Executive Directors

Non-executive Directors do not have any material pecuniary relationship or transactions with the company, its promoters or its management which in the judgment of the board may affect independence of judgment of the director.

(d) 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.

(e) Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes have a strong monitoring and reporting process resulting in financial discipline and accountability.



CEO / CFO Certification

The MD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report

Vigil Mechanism / Whistle Blower Policy

The Company has established a whistle blower 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.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code along with the management of the Company.

All Board Directors and the designated employees have confirmed compliance with the Code.

Name, designation and address of the Compliance Officer:

Krishna Chintam
Managing Director & Compliance Officer
Plot No. 1367, Road No. 45,
Jubilee Hills,
Hyderabad – 500 033
Telangana

5. Means of Communication

Quarterly Results	The quarterly results of the Company are generally published in a leading English Newspaper & in a local language Newspaper.
Newspapers in which Published	Financial Express (English) and Andhra Prabha (Telugu)
Website where the results and other official news releases are displayed	www.kellontech.com



6. General Shareholder Information

AGM – Date, time and venue	16th December 2015 at 11.00 AM at Hotel Kens, Plot No 53, Srinagar Colony ,Hyderabad-500073
Financial Calendar (Tentative) 2015-16 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter	30/06/2015 - by 2nd week of August, 2015 30/09/2015 - by 2nd week of November, 2015 30/12/2015 - by 2nd week of February, 2016 31/03/2016 - by 4th week of May, 2016
Book Closure Date	9th December 2015 to 16th December 2015
Listing of Eq. shares on stock exchanges	Bombay Stock Exchange Ltd Listing fees for the year have been paid to the Stock Exchange.
Stock Code/Symbol	519602 & KELLTONTEC
Registrar & 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 Email: mail@xlsoftech.com
Share Transfer System	All the transfers received are processed and approved by the Stakeholder Relationship Committee at its meetings or by circular resolutions.



ADDRESS FOR CORRESPONDENCE

S.No.	Shareholders Correspondence for	Addressed to
1	Transfer/Dematerialization/Consolidation/ Split of Shares, Issue of Duplicate Share Certificate, Change of Address of members and beneficial owners and any other query relating to the shares of the Company	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
2	Investor Correspondence/Query on Annual Report	Mr. Krishna Chintam, Kellton Tech Solutions Limited, Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 Telangana Tel No - 040-44333030 Email id: info@kelltontech.com Website: www.kelltontech.com

Profiles of Directors to be re-appointed on retirement/expiry of term of appointment.

As per Annexure-A to notice of Annual General Meeting

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchange.

Name & Address of the Stock Exchanges	Stock Code/Scrip Code	ISIN Number for NSDL/CDSL
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street,	519602	INE164B01022

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

(I) MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges.

(II) OTHER NON-MANDATORY REQUIREMENT

At present, non-mandatory requirements have not been adopted by the Company



Share Price on BSE vis-à-vis BSE Sensex July, 2014 – June, 2015

Month	Share Price		
	High	Low	Close
July, 2014	11.74	7.45	10.25
Aug, 2014	18.80	7.72	15.52
Sept, 2014	20.14	14.07	19.63
Oct, 2014	25.30	19.80	23.15
Nov, 2014	41.10	22.60	39.80
Dec, 2014	41.20	30.50	35.55
Jan, 2015	40.55	31.10	31.40
Feb, 2015	51.75	30.00	45.60
March, 2015	67.95	45.25	59.20
April, 2015	79.00	50.00	65.05
May, 2015	87.00	57.10	79.00
June, 2015	85.95	60.95	65.30

Share Transfer System / Dividend and Other Related Matters

Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

Shareholding Pattern as on 30th June 2015

Sl. No.	Category	No. of Shares held	Percentage to Total
1.	Promoters and promoter group	2,72,72,757	62.72
2.	Mutual Funds	0	0
3.	Banks/FI	0	0
4.	Body Corporate	22,63,008	5.20
5.	Public	1,28,38,082	29.52
6.	NRIs/OCBs	11,07,752	2.54
	TOTAL	4,34,81,599	100%

13. Distribution Pattern as on 30th June 2015:

Share Holding of nominal value of Rs.5/	Share Holders		Share Amount	
	Number	% of Total	in Rs.	% of Total
(1)	(2)	(3)	(4)	(5)
Upto -5000	4156	67.65	4350305	2.00
5001 -10000	863	14.05	3602340	1.66
10001 -20000	470	7.65	3660090	1.68
20001 -30000	191	3.11	2491435	1.15
30001 -40000	72	1.17	1323300	0.61
40001 -50000	95	1.55	2252455	1.04
50001 -100000	140	2.28	5212930	2.40
100001 and above	156	2.54	194515140	89.47
Total	6143	100	217407995	100%



Statement showing Shareholding of more than 1% of the Capital as on June 30th , 2015

Sl. No.	Name of the shareholders	No. of Shares	Percentage of Capital
1.	Mayank Jashwantlal Shah	1100000	2.53
2.	Bhavani Sanna Reddy	753407	1.73
3.	Ashish Kumar	646731	1.49

Dematerialisation of Shares and Liquidity

In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with NSDL and CDSL.

The break-up of equity shares held in Physical and Dematerialised form as on 30th June, 2015, is given in Annexure MGT-9 Annual Return:

Outstanding GDRs/ADRs/Warrant or any convertible instruments, conversion date and likely impact on Equity: As on 30th June 2015 , there were 30 lacs partly paid warrants of Rs 90 each including Premium of Rs 85 pending for conversion

Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Pending Investors' Grievances

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence

Sl. No.	Nature of Queries /Compliant	Pending as on July1, 2015	Received during the year	Redressed during the year	Pending as on June 30th, 2015
1	Transfer/Transmission of Duplicate Share Certificate	Nil	12	12	Nil
2	Non-receipt of Dividend Nil	Nil	1	1	Nil
3	Dematerialisation/ Rematerialisation of Shares	Nil	51	51	Nil
4	Complaints received from: SEBI	Nil	Nil	Nil	Nil
	Stock Exchanges/NSDL /CDSL	Nil	Nil	Nil	Nil
	ROC/MCA/Others	Nil	Nil	Nil	Nil
	Advocates	Nil	Nil	Nil	Nil
	Consumer Forum/Court Case	Nil	Nil	Nil	Nil
5	Others	Nil	Nil	Nil	Nil
	Grand Total	Nil	Nil	Nil	Nil



General Body Meetings

Particulars of last three Annual general meetings

Year	Date	Venue	Time
2013-2014	22.12.2014	Hotel Kens, Plot No 53, Sri Nagar Colony, Hyderabad – 500 073, Telangana	11.00 A.M.
2012-2013	27.12.2013	Hotel Kens, Plot No 53, Sri Nagar Colony, Hyderabad – 500 073, Andhra Pradesh	11.00 A.M.
2011-2012	07.12.2012	Kalinga Cultural Trust, Plot No. 1269, Road No. 12, Near MLA Colony, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh	11.00 A.M.

a) Extraordinary General Meeting (EGM)

No Extra ordinary General Meeting was held during the year.

Quarter	Date of Board Meeting
1st Quarter	29.08.2014
2nd Quarter	14.02.2015
3rd Quarter	14.02.2015
4th Quarter	15.05.2015

Remote E-Voting Facility to members

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 members the facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote E-Voting Services provided by Central Depository Services Limited (CDSL). Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to Remote E-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.



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

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended June, 30th, 2015.

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

Krishna Chintam
Managing Director
DIN No:01658145

Niranjan Chintam
Chief Financial Officer
DIN: 01658591

Place: Hyderabad
Date: 25-11-2015



DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members
KELLTON TECH SOLUTIONS LIMITED

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on June 30th, 2015 as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges

for **KELLTON TECH SOLUTIONS LIMITED**

Krishna Chintam
Managing Director
DIN No: 01658145

Place: Hyderabad
Date: 25-11-2015



**CERTIFICATE OF THE CMD AND THE CFO TO THE BOARD OF DIRECTORS
OF M/S. KELLTON TECH SOLUTIONS LTD**

We hereby certify that:

1. We have reviewed the financial statements for the year ended on June 30th, 2015.
2. These statements do not contain any material untrue statement or omit any material fact nor do they contain statements that might be misleading.
3. These statements represent a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
4. We are responsible for establishing and maintaining internal controls for financial reporting which have been designed to ensure that all material information is periodically made to all those concerned.
5. We shall disclose to the Auditors as well as the Audit Committee deficiencies in the design or operation of internal controls, if any, and what they have done or propose to do to rectify these deficiencies.
6. We also have disclosed to the Auditors as well as the Audit Committee instances of significant fraud, if any, that involves management to employees having a significant role in the company's internal control systems.
7. We have indicated to the Auditors, the Audit Committee whether or not there were significant changes in internal control over financial reporting and/or of accounting policies during the quarter under review.

for **KELLTON TECH SOLUTIONS LIMITED**

Krishna Chintam
Managing Director
DIN No: 01658145

Place: Hyderabad
Date: 25-11-2015



Annexure

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on financial year ended on June 30, 2015

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L72200TG1993PLC016819
2.	Registration Date	31/12/1993
3.	Name of the Company	KELLTON TECH SOLUTIONS LIMITED
4.	Category/Sub-category of the Company	Category - Company Limited by Shares Sub-Category - Indian Non-Government Company
5.	Address of the Registered office & contact details	Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 Telangana Tel No - 040-44333030 Email id: info@kelltontech.com Website: www.kelltontech.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & 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 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	8920	100



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No:	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	Kellton Dbydx Software Private Limited	U72200TG2005PTC094635	Subsidiary	100%	Sec 2 (87)
2	Kellton Tech Inc, USA	46-3594835	Subsidiary	100%	Sec 2 (87)
3	Kellton Tech Solutions Inc., USA	47-4003633	Subsidiary	100%	Sec 2 (87)
Nil					

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

I) Category-wise Share Holding

Category	June 30 2015			June 30 2014		
	Share holders	Number of shares	Voting strength (%)	Share holders	No. of Shares	Voting strength (%)
Promoters Holding						
Indian Promoters	5	27272757	62.72	5	25577170	61.80
Total Promoters Holding (A)	5	27272757	62.72	5	25577170	61.80
Public Shareholding						
Institutional Investors						
Mutual Funds						
Bank ,Financial Institutions and Insurance Companies						
Foreign Institutional Investors						
Others						
Non Institutional Investors						
Private corporate bodies	175	2263008	5.20	73	3540463	8.55
Individual Shareholders	5486	12752069	29.33	3428	11652305	28.15
NRI/OCB's /foreign nationals	89	1193765	2.75	16	617606	1.49
Qualified foreign Investors						
Total Public Shareholding (B)	5750	16208842	37.28	3517	15810374	38.20
Total (A+B)	5755	43481599	100.00	3522	41387544	100.00



ii) Shareholding of Promoters

Sl. No:	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	
1	Mr. Krishna Chintam	451388	1.09	00	571143	1.31	00	0.22
2	Ms. Sreevidya Chintam	451388	1.09	00	451388	1.04	00	Nil
3	Mohan Chintam	40000	0.10	00	164276	0.38	00	0.28
4	Kellton Wealth Management Private Limited	4500000	10.87	00	4500000	10.35	00	0.52
5	Matnic Finvest Private Limited	20134394	48.65	00	21585950	49.64	2.76	0.98
	TOTAL	25577170	61.80	00	27272757	62.72	2.7	0.99



iii) Change in Promoters' Shareholding (please specify, if there is no change)

S No	Shareholding at the beginning of the year		No. of Shares		Shareholding at the end of the year	
		% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	Krishna Chintam*	451388	119755	-	571143	1.31
2	Sreevidya Chintam	451388	0	-	451388	1.04
3	Mohan Chintam*	40000	124276	-	164276	0.38
4	Kellton Wealth Management Private Limited	4500000	0	-	4500000	10.35
5	Matric Finvest Private Limited#	20134394	1451556	-	21585950	49.63

* Increase in number of shares from pool account to his demat account

Increase in number of shares is due to conversion of warrants into equity shares as on 30-March-2015

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No:	For Each of the Top 7 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Bhavani Sanna Reddy				
	At the beginning of the year	1721046	3.96	1721046	3.96
	Transaction purchase/ (sale) from July 1 to 30-June-2015	967639	2.23	753407	1.73
	At the end of the year	753407	1.73	753407	1.73
2	Ricco International Private Limited				
	At the beginning of the year	850000	1.95	850000	1.95
	Transaction purchase/ (sale) from July 1 to 30-June-2015	Nil	Nil	Nil	Nil
	At the end of the year	850000	1.95	850000	1.95



Sl. No:	For Each of the Top 7 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
3	Venkateshwar Rao				
	At the beginning of the year	750000	1.72	750000	1.72
	Transaction purchase/ (sale) from July 1 to 30-June-2015	200000	0.46	950000	2.18
	At the end of the year	950000	2.18	950000	2.18
4	Jay Bharath Reddy Inkollu				
	At the beginning of the year	750000	1.72	750000	1.72
	Transaction purchase/ (sale) from July 1 to 30-June-2015	450000	1.03	300000	0.69
	At the end of the year	300000	0.69	300000	0.69
5	Udayan K Mandavia				
	At the beginning of the year	704273	1.62	704273	1.62
	Transaction purchase/ (sale) from July 1 to 30-June-2015	314300	0.72	389943	0.90
	At the end of the year	389973	0.90	389943	0.90
6	Ashish Kumar				
	At the beginning of the year	646731	1.49	646731	1.49
	Transaction purchase/ (sale) from July 1 to 30-June-2015	Nil	Nil	Nil	Nil
	At the end of the year	646731	1.49	646731	1.49
7	Venkata Soma Sekhara Reddy				
	At the beginning of the year	600000	1.38	600000	1.38
	Conversion of warrants into equity shares	350000	0.80	950000	2.18
	At the end of the year	950000	2.18	950000	2.18



Sl. No:	For Each of the Top 7 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
8	Venkat Homes Private Limited				
	At the beginning of the year	500000	1.15	500000	1.15
	Transaction purchase/ (sale) from July 1 to 30-June-2015	500000	1.15	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
9	Vasanthi Finance Ltd				
	At the beginning of the year	360558	0.83	360558	0.83
	Transaction purchase/ (sale) from July 1 to 30-June-2015	360558	0.83	360558	0.83
	At the end of the year	Nil	Nil	Nil	Nil
10	Malathi Buthalapalli				
	At the beginning of the year	270000	0.62	270000	0.62
	Transaction purchase/ (sale) from July 1 to 30-June-2015	270000	0.62	270000	0.62
	At the end of the year	Nil	Nil	Nil	Nil



v) Shareholding of Directors and Key Managerial Personnel:

Sl. No:	For Each of the Top 7 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Krishna Chintam				
	At the beginning of the year	451388	1.04	451388	1.04
	Transaction purchase/ (sale) from July 1 to 30-June-2015 Transferred from Pool Account	Nil 119755	1.31	571143	1.31
	At the end of the year	119755	1.31	571143	1.31
2	Niranjan Chintam				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Transaction purchase/ (sale) from July 1 to 30-June-2015	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
3	Sreevidya Chintam				
	At the beginning of the year	451388	1.03	451388	1.03
	Transaction purchase/ (sale) from July 1 to 30-June-2015	Nil	Nil	Nil	Nil
	At the end of the year	451388	1.03	451388	1.03
4	Rajendra Naniwadekar				
	At the beginning of the year	421718	0.97	421718	0.97
	Transaction purchase/ (sale) from July 1 to 30-June-2015	(95215)	0.22	326503	0.75
	At the end of the year	326503	0.75	326503	0.75
5	Brij Mohan Mandala				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Conversion of warrants into equity shares	100000	0.23	100000	0.23
	At the end of the year	100000	0.23	100000	0.23



Sl. No:	For Each of the Top 7 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
6	Karanjit Singh				
	At the beginning of the year	20079	0.05	20079	0.05
	Sahres allotted under ESOPS policy	33333	0.08	53412	0.12
	At the end of the year	53412	0.12	53412	0.12
7	Srinivas Potluri				
	At the beginning of the year	100000	0.23	100000	0.23
	Transaction purchase/ (sale) from July 1 to 30-June-2015	Nil	Nil	Nil	Nil
	At the end of the year	100000	0.23	100000	0.23



V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Amount in Crs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7.31	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
* Addition	0.85	2.00	Nil	
* Reduction	Nil	Nil	Nil	
Net Change	0.85	2.00	Nil	
Indebtedness at the end of the financial year				
i) Principal Amount	8.16	2.00	Nil	
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due				
Total (i+ii+iii)	8.16	2.00		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. Krishna Chintam	Mr. Niranjan Chintam
		Managing Director	Whole - Time Director & Chief Financial Officer
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 © Profits in lieu of salary under section 17(3) Income- tax Act, 1961	30 lakhs Nil	30 lakhs Nil



Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. Krishna Chintam	Mr. Niranjana Chintam
		Managing Director	Whole - Time Director
1	Stock Option	Nil	Nil
	Sweat Equity	Nil	Nil
	Commission - as % of profit - others, specify	Nil	Nil
4	Others, please specify	Nil	Nil
5	Total (A)	30 lakhs	30 lakhs
	Ceiling as per the Act	42	42

B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Name of Directors					Total (Rs.)
		Mr. Rajendra Vittal Naniwadekar	Mr. Brijmohan Venkata Mandala	Mr. Srinivas Potluri	Ms. Sreevidya Chintam	Mr. Karanjit Singh	
1	Independent Directors	Nil	Nil	Nil	Nil	Nil	Nil
	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	Nil	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, Gross Salary (appointed as on 30 March 2015)	Nil	Nil	Nil	Nil	15.99 lakhs	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil	Nil
Total Managerial Remuneration	Nil	Nil	Nil	Nil	15.9	Nil	
	Overall Ceiling as per	Not exceeding Rs.1,00,000 per meeting of Board the Act					



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

Sl. No	Particulars of Remuneration	Key Managerial Personnel	
		Srikanth Reddy Kholli	
		Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 *Appointed during March 2015 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	78557	
2	Stock Option	Nil	
3	Sweat Equity	Nil	
4	Commission - as % of profit others, specify	Nil	
5	Others, please specify	Nil	
	Total	78557	



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty Punishment Compounding			Nil		
B. DIRECTORS					
Penalty Punishment Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			Nil		

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

Krishna Chintam
Managing Director
DIN No:01658145

Niranjan Chintam
Whole Time Director
DIN: 01658591

Place: Hyderabad
Date: 25-11-2015



COMPLIANCE CERTIFICATE OF THE AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IN INDIA

To
The Members,
Kellton Tech Solutions Limited

We have examined the compliance of conditions of Corporate Governance by KELLTON TECH SOLUTIONS LIMITED for the financial years ended 30th June, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We 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 Mahesh, Virender & Sriram

CHARTERED ACCOUNTANTS

Firm Regn. No. 001939S

PARTNER

Sd/-
(B.R.Mahesh)
Partner
Membership NO 18626

Date: 29-08-2015
Place: Hyderabad



REPORT OF INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENT

To
The Members of
Kellton Tech Solutions Limited
Plot No 1367, Road No 45,
Jubilee Hills,
Hyderabad - 500 033,
Telangana.

Report on the Financial Statements

1. We have audited the accompanying financial statements of M/ Kellton Tech Solutions Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2015, 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 and cash flows 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 management and Board of 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 30th June 2015, 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

8. As required by section 143(3) of the Act, we further 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 appears from our examination of those books.

c. The Balance Sheet, 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 applicable 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 June 30, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015, 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 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; as such the question of commenting on 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. The question of delay in transferring such sums does not arise.

For Mahesh Virender & Sriram
Chartered Accountants
Registration Number - 001939S

Sd/-
B R Mahesh
Partner
Membership No - 018628

Place: Hyderabad
Date: 29-08-2015





- (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 location of its fixed assets.
 - b) The fixed assets were physically verified during the year by the management in accordance with its programme of verification which provides for verification of all fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (ii)
- a) Physical verification of inventory has been conducted at reasonable intervals by the management.
 - b) The procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) The Company has not accepted any deposits nor any orders have been passed by any authority referred to therein.
- (vi) We understand that no cost audit is prescribed for the company.
- (vii)
- a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities.
 - b) There are no disputed dues on account of Income tax or any other tax referred to therein.
 - c) There is no instance of requirement to transfer to Investor Education and Protection Fund.
- (viii) The Company has no accumulated losses and has not incurred cash losses in this financial year or in the immediate preceding financial year.
- (ix) The Company has no over dues nor defaulted its repayment to financial institutions or banks or debenture holders.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The term loan obtained by the company were applied for the purpose for which the loan were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the year.

For Mahesh, Virender & Sriram
Chartered Accountants
Reg No. 001939S

Sd/-
(B R Mahesh)

Partner
M.No. 18628

Place: Hyderabad
Date: 29-08-2015



STANDALONE BALANCE SHEET AS AT 30TH JUNE 2015

(Amount in INR)

PARTICULARS	Note No	30th June 2015	30th June 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(A) Share Capital	2	217,407,995	206,937,720
(B) Reserves and Surplus	3	234,325,603	154,391,752
(C) Money received against share warrants	4	123,650,000	7,130,840
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(A) Long-term borrowings	5	10,840,627	10,508,112
(B) Deferred tax liabilities (Net)	6	2,399,659	878,728
(C) Other Long term liabilities	7	-	8,283,593
(D) Long term provisions	8	2,406,075	1,911,030
(4) Current Liabilities			
(A) Short-term borrowings	9	90,774,805	62,614,526
(B) Trade Payables	10	30,113,676	9,369,220
(C) Other Current Liabilities	11	26,128,740	4,254,394
(D) Short-term provisions	12	30,351,390	16,804,225
TOTAL		768,398,570	483,084,139
II.Assets			
(1) Non-current assets			
(A) Fixed assets	13		
(i) Tangible assets		55,031,723	31,978,454
(ii) Intangible assets		98,967,047	97,186,321
(iii) Capital work-in-progress		1,481,917	1,500,000
(iv) Intangible assets under development		-	-
(B) Non-current investments	14	259,031,794	176,181,011
(C) Deferred tax assets (net)		-	-
(D) Long term loans and advances	15	8,926,844	6,552,111
(E) Other non-current assets	16	905,356	1,187,830
(2) Current assets			
(A) Current investments		-	-
(B) Inventories		4,672,756	6,192,703
(C) Trade receivables	17	127,226,098	57,225,274
(D) Cash and cash equivalents	18	34,448,319	14,006,049
(E) Short-term loans and advances	19	102,619,357	68,421,985
(F) Other current assets	20	75,087,361	22,652,401
TOTAL		768,398,570	483,084,139

Accounting policies

Notes to Financials form part of accounts

For and on behalf of Board of Directors

Sd/-

Niranjan Chintam
Director

Sd/-

Krishna Chintam
Managing Director

Sd/-

Srikanth Kolli
Company Secretary

1

1 to 28

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 : 29-08-2015



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in INR)

PARTICULARS	Note No	30th June 2015	30th June 2014
INCOME			
Revenue From Operations	21	399,002,799	338,366,598
Other Income	22	5,152,488	327,849
TOTAL REVENUE		404,155,286	338,694,447
EXPENSES:			
Cost of materials consumed	23	27,980,419	76,367,726
Employee benefit expense	24	220,880,387	153,820,736
Financial costs	25	14,982,986	18,675,254
Depreciation and amortization expense	26	9,281,611	4,046,769
Other expenses	27	59,784,648	46,840,241
TOTAL EXPENSE		332,910,052	299,750,726
Profit / Loss before taxes		71,245,234	38,943,721
Tax expense:			
(1) Current tax		19,441,504	-
(2) Mat Credit		-11,341,504	
(2) Deferred tax		1,520,931	-326,778
(3) Taxes Prior Period			
Profit / Loss for the period		61,624,303	39,270,499
Earning per equity share:			
(1)Basic		1.47	1.11
(2)Diluted		1.47	1.11

Notes to Financial form part of accounts
For and on behalf of Board of Directors

1 to 28
As per our report of even date
For Mahesh, Virender & Sriram
Firm's Reg No. 001939S
Chartered Accountants

Sd/-

Niranjana Chintam
Director

Sd/-

Krishna Chintam
Managing Director

Sd/-

(B R Mahesh)
Partner
M.No. 18628

Sd/-

Srikanth Kolli
Company Secretary

Place: Hyderabad
Date: 29-08-2015



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 subsection 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 determines 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 good would be apportioned from the operating segment, Key assumptions used by management to determine the fair value of the goodwill included 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, including the fixed assets merged.

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.

7) Inventories:

Inventories are valued at lower of the cost or net realizable value whichever is lower.

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:

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.

Notes to Financial Statements	As at 30th June 2015	As at 30th June 2014
Note No : 2	INR	INR
(A) Share Capital		
(a) Authorised		
47000000 Equity Shares of Rs.5 Each Previous Year 47000000 Equity shares Rs. 5 each	235,000,000	235,000,000
(b) Issued Subscribed & Paid Up		
43481599 Equity Shares of Rs 5 each (Previous year- 41387544 Equity shares of Rs 5 each)	217,407,995	206,937,720
Total	217,407,995	206,937,720
(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Particulars	Number	Amount
Shares outstanding at the beginning of the year	41,387,544	206,937,720
Shares issued during the year	2,094,055	10,470,275
Shares bought back during the year	Nil	Nil
Shares outstanding at the end of the year	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 distribution will be in proportion to the number of equity shares held by the shareholders.
- (e) Shares in the Company held by each share holder holding more than 5 percent shares specifying the number of shares.

Name of Share Holder	As at 30th June 2015		As at 30th June 2014	
	No of Shares Held	% of holding	No of Shares Held	% of holding
Matnic Finvest Private Limited	21,585,950	49.64%	20,134,394	48.65%
Kellton Wealth Management Private Limited	4,500,000	10.35%	4,500,000	10.87%

NOTES TO FINANCIAL STATEMENTS

Note No.	Notes to Financials	30 June 2015	30 June 2014
		(Amount in INR)	(Amount in INR)
3	RESERVES & SURPLUS:		
[a]	General Reserve		
	Opening Balance	15,235,403	10,373,580
	Add: Adjustment on account of change in depreciation	1,683,908	1,431,322
	Add: Write backs	-	3,430,501
	Closing Balance	13,551,494	15,235,403
[b]	Capital Subsidy		
	Opening Balance	567,350	567,350
	Closing Balance	567,350	567,350
[c]	Securities Premium	78,977,896	58,984,440
	Closing Balance	78,977,896	58,984,440
[d]	Surplus		
	Opening Balance	79,604,559	40,334,060
	Net Profit / (Loss) for the current year	61,624,303	39,270,499
	Closing Balance	141,228,862	79,604,559
	Grand Total of Reserve & Surplus	234,325,603	154,391,752



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
4	Money received against share warrants Share Warrants pending allocation	123,650,000	7,130,840
	Total	123,650,000	7,130,840
	NON-CURRENT LIABILITIES		
5	Long Term Borrowings Secured ICICI Bank Ltd (repayable in 35 equated installments out of which 21 are paid) Kotak Mahindra Prime Ltd (repayable in 35 equated installments out of which 10 are paid) HDFC Bank Ltd (repayable in 24 equated installments out of which 10 are paid) Term Loan Axis Bank Limited Secured by exclusive charge on the entire current assets with collateral of movable fixed assets and extension of EM on premises of Director	1,996,535 3,634,112 782,510 4,427,469	3,550,191 - - 6,957,921
	Total	10,840,627	10,508,112
6	Deferred tax Liabilities (Net) Opening Balance Current year transfer Written back in current year	878,728 - 1,520,931	1,205,506 - 326,778
	Closing Balance	2,399,659	878,728
7	Other Long Term Liabilities Others	-	8,283,593
	Total	-	8,283,593
8	Other Long Term Provisions Provision for Gratuity Provision for Leave Encashment	2,112,467 293,608	1,327,238 583,792
	Total	2,406,075	1,911,030



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
9	Short Term Borrowings Secured Loans From Banks		
	Term Loan - Vehicle ICICI Bank Ltd (repayable in 36 equated installments out of which 30 are paid)	235,767	676,393
	From Diamler Financial Services Pvt Ltd (repayable in 36 equated installment out of which 31 are paid)	-	681,497
	Working capital loan - Axis Bank Limited (Secured by exclusive charge on the entire current assets with collateral of movable fixed assets and extention of EM on premises of Director)	70,539,038	61,256,636
	Other Short term borrowings	20,000,000	-
	Total	90,774,805	62,614,526
10	Trade payables		
	Sundry Creditors Company has no information on amount due to Micro, Small and Medium Enterprises under Section 22 of Micro, Small & Medium Enterprises Development Act 2006(MSMED Act)	30,113,676	9,369,220
	Total	30,113,676	9,369,220
11	Other Current Liabilities		
	Advances Received	271,100	271,100
	Others (staff reimbursements)	222,696	407,101
	TDS Payable	12,696,827	2,417,528
	Professional Tax Payable	31,850	10,150
	Provident Fund Payable	1,857,781	478,737
	Service tax payable	11,048,487	-
	Loan from Directors	-	669,778
	Total	26,128,740	4,254,394
12	Short-term provisions		
	(a) Provisions for employees benefits	18,489,527	13,336,288
	(b) Outstanding Expenses	68,572	224,052
	[c] Audit fee payable	75,000	60,000
	[d] Provision for taxation	8,534,406	-
	[e] Mat Credit	3,183,885	3,183,885
	Total	30,351,390	16,804,225



NOTES TO FINANCIAL STATEMENTS
Note No - 13 Fixed Assets
(Amount in INR)

S. No.	Description of Asset	Gross block				Depreciation				Net block		
		As At 30-Jun-2014	Additions during the year	Deletions during the year	As At 30-Jun-2015	On opening	On additions	For the year	On Deletions	Up to 30-Jun-2015	As at 30-Jun-2015	As at 30-Jun-2014
1	Tangible Assets											
	Plant & Machinery	1,493,982	273,476	-	1,767,458	245,667	7,954	253,621	17,159	534,613	1,232,845	1,230,149
	[a] Equipment	9,816,625	265,968	-	10,082,593	1,041,046	2,118	1,043,163	45,214	1,903,642	8,178,951	9,001,360
	[b] Electrical Equipment	1,117,940	632,419	-	1,750,359	367,940	70,653	438,594	210,122	883,677	866,682	882,978
	[c] Communication Equipment	1,045,169	469,635	-	1,514,804	68,186	5,060	73,246	186,528	581,207	933,597	723,736
	[d] Air Conditioners	14,294,187	20,036,578	-	34,330,765	2,387,370	1,388,201	3,775,570	1,064,977	13,493,956	20,836,809	5,640,778
2	Computers	4,539,785	2,426,342	-	6,966,127	462,183	32,006	494,189	-	752,599	6,213,528	4,281,375
3	Furniture & Fixtures											
4	Vehicles											
	[a] Scooter & Cycles	11,000	3,891	-	14,891	10,007	3,890	3,890	992	14,889	2	993
	[b] Car	11,760,391	8,507,456	-	20,267,847	1,499,437	587,381	2,086,817	-	3,768,001	16,499,853	10,079,208
	[c] Bike	149,996	156,725	-	306,721	14,671	10,477	25,148	-	37,265	269,457	137,878
	Total Tangible Assets	44,229,074	32,772,490	-	77,001,564	12,250,619	2,107,740	8,194,239	1,524,991	21,969,850	55,031,723	31,978,455
	Intangible Assets											
	Soft Ware	9,167,849	2,744,551	-	11,912,401	566,315	238,590	804,905	158,917	9,195,353	2,717,047	936,318
	Good Will	96,250,000	-	-	96,250,000	-	-	-	-	-	96,250,000	96,250,000
	Total Intangible Assets	105,417,849	2,744,551	-	108,162,401	566,315	238,590	804,905	158,917	9,195,353	98,967,047	98,686,318
	Capital WIP (Research & Development)	1,500,000	1,481,917	1,500,000	1,481,917	-	-	-	-	-	1,481,917	-
	Total WIP	-	1,481,917	-	1,481,917	-	-	-	-	-	1,481,917	-
	Previous years figures	136,051,497	15,467,285	371,858	151,146,923	18,480,790	3,764,293	331,614	1,431,320	20,482,150	130,664,773	117,570,707



Note No - 14 NON-CURRENT INVESTMENTS
Investments in Equity Instruments

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled entity /Others	No. of Shares/Units		Partly paid/ Fully paid	Extent of Holding (%)		Amount		Whether stated at Cost Yes/No	If Answer to column (9) is 'No' Basics of Valuation
			30-Jun-15	30-Jun-14		30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14		
1	Kellton Dbydx Software Pvt Ltd	Subsidiary	8,323,765	8,323,765	Fully Paid	100%	100%	40,579,294	40,579,293	Yes	
2	Kellton Tech Inc	Subsidiary	501,000	546,000	Fully Paid	100%	100%	90,332,500	30,745,140	Yes	
3	MCS Global INC	Subsidiary	-	750,000	Fully Paid	-	100%	-	86,707,026	Yes	
4	Kellton Tech Solution Inc	Subsidiary	606	-	Fully Paid	100%	100%	128,120,000	-	Yes	
5	Iglily Inc	Other	0	36,000	Fully Paid	-	18%	-	18,149,552	NA	
Total								259,031,794	176,181,011		



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
15	NON-CURRENT ASSETS Long term loans and advances [Unsecured and considered good] Deposits	8,926,844	6,552,111
	Total	8,926,844	6,552,111
16	Other non-current assets Misc Expenditure to the extent not written off or adjusted Opening Balance Add: Addition during the year Less written off for the year	1,187,830 - 282,474	1,470,304 - 282,474
	Closing Balance	905,356	1,187,830
	CURRENT ASSETS		
17	Trade receivables [Unsecured & Considered Good] Outstanding for more than six months Others	8,744,016 118,482,082	6,695,890 50,529,384
	Total	127,226,098	57,225,274
18	Cash and cash equivalents Cash on hand Bank Balance Fixed Deposits	184,259 23,504,584 10,759,476	244,359 9,964,177 3,797,512
	Total	34,448,319	14,006,049
19	Short-term loans and advances [Unsecured and considered good] Staff Advance Prepaid Taxes MAT Entitlement Loan to Subsidiary Other Advances Prepaid Expenses Interest Accrued on Fixed Deposit Advance to Suppliers Service Tax Input Vat Input	1,104,012 20,723,574 15,995,323 23,877,124 23,349,625 14,188,138 260,976 200,000 - 2,920,584	786,500 16,090,595 7,324,160 33,500,361 697,221 1,174,190 148,038 7,924,542 114,753 661,625
	Total	102,619,357	68,421,985
20	Other Current Assets Retention Money Deposit Others	517,553 10,011,661 64,558,147	11,092,600 7,673,811 3,885,990
	Total	75,087,361	22,652,401



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
21	Revenue from Operations		
	Software Services	357,995,899	226,361,956
	Hardware Services	41,006,899	112,004,642
	Total	399,002,799	338,366,598
22	Other Income		
	Interest received	208,340	235,746
	Other Income	2,312,667	-
	Exchange fluctuations Gain	2,631,480	26,053
	Profit on sale of Assets	-	66,050
	Total	5,152,488	327,849
23	Cost of Material Consumed		
	Purchase of Stock in trade	26,460,471	82,560,429
	Changes in inventories of finished goods	1,519,948	-6,192,703
	Total	27,980,419	76,367,726
24	Employees Benefit Expenses		
	Salaries	197,929,761	139,562,274
	Bonus	5,271,138	2,012,075
	Provident Fund	6,608,974	2,519,603
	Employer Contribution To Labour Welfare Fund	57,380	35,345
	Gratuity	1,500,241	2,000,313
	Staff welfare Exps	9,512,894	7,691,126
	Total	220,880,387	153,820,736
25	Financial Cost		
	Bank Charges	433,625	1,615,817
	Loan Processing Fee	816,978	4,598,345
	Interest - Vehicle Loan	572,417	514,634
	Interest - Working Capital Loan	12,250,033	8,843,880
	Interest and charges on other Loans	909,934	3,102,578
	Total	14,982,986	18,675,254
26	Depreciation & Amortization Expense		
	Depreciation	8,999,137	3,764,295
	Miscellaneous Exp w/off	282,474	282,474
	Total	9,281,611	4,046,769



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
27	Other Expenses		
	Professional Fee	12,880,865	10,910,593
	Rent	12,712,306	10,686,000
	Travelling and Conveyance	9,111,327	6,741,992
	Travelling and Conveyance -Directors	2,540,927	2,168,294
	Subcontracting Expenses	646,890	131,243
	Communication Expenses	1,352,296	972,862
	Office Maintenance	2,533,923	1,371,556
	Electricity	4,168,728	3,491,475
	Housekeeping expenses	222,659	341,394
	Broadband charges	1,414,624	945,996
	Internet and webhosting	305,611	413,902
	Printing & Stationery	758,824	544,352
	Advertisement Exps	190,736	124,141
	AGM & EGM Expenses	60,560	87,472
	Repairs & Maintenance	2,769,652	2,711,561
	Sales and Marketing	3,283,342	3,333,107
	Rates & Taxes	162,998	87,753
	Loading ,Unloading	74,366	75,000
	CSR Contributions	638,850	153,900
	Subscription fees	954,967	732,648
	Written off old debtors and advances	2,542,867	755,000
	Other Miscellaneous expenses	382,330	-
	Audit Fee		
	(a) Statutory Audit Fee	50,000	40,000
	(b) Taxation	25,000	20,000
	Total	59,784,648	46,840,241

28. Notes to financial statement for the year ended 30-06-2015.

1) Contingencies

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

1. Contingent liabilities	30-06-2015 Rs. Lakhs	30-06-2014 Rs. Lakhs
(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



1. Contingent liabilities	30-06-2015 Rs. Lakhs	30-06-2014 Rs. Lakhs
(f) Bank Guarantees	596.57 lakhs	141.28 lakhs
(g) SBLC Guarantee	1568.25 lakhs	1734.32 lakhs

2. Directors remuneration	30-06-2015 Rs. Lakhs	30-06-2014 Rs. Lakhs
(a) Paid during the year Krishna Chintam Niranjan Chintam	30.00 30.00	30.00 30.00
Total	60.00	60.00

3. Particulars of employees	30-06-2015 Rs. Lakhs	30-06-2014 Rs. Lakhs
Particulars of employees in accordance with section 217 2A of the companies act, 2013	Nil	Nil

3. Additional information:

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

Revenue Breakup	30-06-2015 Rs. Lakhs	30-06-2014 Rs. Lakhs
Export	2247.16	1296.88
Domestic	1742.86	2086.79
Total	3990.02	3383.67

	30-06-2015 Amount in Foreign Currency	30-06-2015 Amount in INR	30-06-2014 Amount in Foreign Currency	30-06-2014 Amount in INR
(e) Value of imports during the year	USD	Nil	USD 1,63,820	1,00,88,171
(f) Expenditure in foreign currencies	USD 3,307 GBP 6,969 HKD 4,460	209,372 6,78,901 3,9548	USD 13,5006 EURO 740 AED 1,800 SGD 11,004 AUD 977 RAND 512 TWD 43,9061 GBP 100 ZAR 8,400	82,97,103 74,094 31,086 5,42,531 55,991 3,278 8,81,537 19,005 59,774
(g) Earnings in foreign currencies	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	USD 18,93,899 GBP 23,515 CAD 4,516 SGD 1,36,173	11,69,76,945 23,76,719 2,47,117 72,32,945



4. Related Party Transactions as per AS 18
Transactions with related parties in the ordinary course of business

	30-06-2015	30-06-2014
Loans received		
1) Kellton Financial Services Pvt. Ltd	Rs. 15,000,000	Rs. 150,905
2) Niranjan Chintam	Nil	Rs. 91,061
3) Krishna Chintam	Nil	Rs. 5,78,717
Loan Given - Subsidiary Company Kellton Dbydx Software Pvt Ltd	Rs. 23,867,204	Rs. 20,280,880

5. 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	1,901,556		
Less	Converted into Equity Share of Rs 5 each	1,901,556	950,7780	1,901,5560
	Closing Balance	Nil	Nil	Nil

6. Following are the 100% subsidiaries of the company:-

Kellton Dbydx Software Private Limited (India)
Kellton Tech Inc (USA)
Kellton Tech Solutions Inc (USA)

7. Capital Work in Progress includes Research and Development expenditure on KLGAME™ a unique software product, which will be commercially exploited upon successful completion.
8. Consequent to the enactment of the Companies Act 2013 (the Act), the company has reworked depreciation on with reference to the estimated economic lives of the fixed assets prescribed by schedule II to the act or useful life of the assets, whichever is lower. The impact of additional depreciation on account of this is Rs 1683908.

In case of any assets whose life has completed as above the value has been adjusted against Reserve and Surplus and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets and recognized in the statement of Profit and Loss Statement.

9. Previous year figures have been regrouped wherever necessary.

Signatories to schedules

For and on behalf of Board of Directors

Sd/-
Niranjan Chintam
Director

Sd/-
Krishna Chintam
Managing Director

Sd/-
Srikanth Kolli
Company Secretary

Date: 29-08-2015
Place: Hyderabad

1 to 28

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

Sd/-
(B R Mahesh)
Partner
M.No. 18628



CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th JUNE 2015

(Amount in INR)

	Particulars	30 June 2015	30 June 2014
a.	Cash flow from operating activities		
	Net Loss/Profit before tax	71,245,234	38,943,721
	Depreciation	9,281,611	3,764,295
	Interest & Finance Charges	14,982,986	18,675,254
	Sundry Accounts Written Back	-	700,000
	Operating profit before working capital changes	95,509,832	62,083,270
	<u>Adjustment for (increase)/decrease in operating assets</u>		
	Trade & other Receivables	-70,000,824	-13,922,717
	Short-Term Loans and Advances	-34,197,372	-30,651,943
	Other Current Assets	-52,434,960	-22,652,401
	Inventories	1,519,947	-6,192,703
	Long Term Loans and Advances	-2,374,733	8,061,035
	<u>Adjustment for increase/(decrease) in operating liabilities</u>		
	Other Current Liabilities	21,874,347	3,055,892
	Short Term Borrowing	28,160,279	14,564,897
	Short Term Provisions	13,547,165	-5,049,725
	Trade Payables	20,744,456	7,279,394
	Long Term Provisions	495,045	1,911,030
	Other Long-Term Liabilities	-8,283,593	-43,091,615
	Cash generated from operations	14,559,590	-24,359,846
	Interest & finance charges paid	-14,982,986	-18,675,254
	Extra ordinary items	-2,312,667	-700,000
	Taxes Paid	-4,167,445	-
	Net cash from operating activity	-6,903,509	-43,735,100
b.	Cash flow from investing activity		
	Purchase of fixed assets	-35,434,935	-15,427,040
	Long Term Investments	-82,850,783	-30,745,140
	Net cash used in investing activities	-118,285,718	-46,172,180
c.	Cash flow from financing activities		
	Increase in Share Capital	10,470,275	29,492,220
	Increase in General Reserves	-1,683,908	3,430,497
	Proceeds of long term borrowings	332,515	-261,631
	Proceeds from Share Warrants	116,519,160	7,130,840
	Proceeds from Securities Premium	19,993,456	58,984,440
	Net cash accured in Financing activities	145,631,498	98,776,366
	Net increase in cash and cash equivalent	20,442,270	8,869,087
	Cash & Cash equivalent as at 1 day	14,006,049	5,136,962
	Cash & cash equivalent as at last day	34,448,319	14,006,049

Sd/-
Niranjan Chintam
Director

Sd/-
Krishna Chintam
Managing Director

Place: Hyderabad
Date: 29-08-2015

Sd/-
Srikanth Kolli
Company Secretary

For Mahesh, Virender & Sriram
Firm's Reg No. 001939S
Chartered Accountants

Sd/-
(B R Mahesh)
Partner
M.No. 18628



REPORT OF INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENT

To the Members of
Kellton Tech Solutions Limited
Plot No 1367, Road No 45,
Jubilee Hills
Hyderabad – 500 033,
Telangana

Report on the Financial Statements

- 1 i.) We have audited the accompanying Consolidated Financial statements of M/ Kellton Tech Solutions Limited (“the Company”) and its subsidiaries, which comprise the Balance Sheet as at June 30, 2015, 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 the unaudited financial statements of two foreign subsidiaries and audited financial statement of one Indian subsidiary.
- 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 and cash flows 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 management and Board of 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 30th June 2015, 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

8. As required by section 143(3) of the Act, we further 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 appears from our examination of those books.

c. The Balance Sheet, 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 applicable 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 June 30, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015, 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 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; as such the question of commenting on 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. The question of delay in transferring such sums does not arise.

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

For Mahesh, Virender & Sriram
Chartered Accountants
Firm Registration No 001939S

Place: Hyderabad
Date: 29-08-2015



CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 2015

(Amount in INR)

PARTICULARS	Note No.	30 June 2015	30 June 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(A) Share Capital	2	217,407,995	206,937,720
(B) Reserves and Surplus	3	435,336,212	221,461,618
(C) Money received against share warrants	4	123,650,000	7,130,840
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(A) Long-term borrowings	5	436,497,414	13,135,447
(B) Deferred tax liabilities (Net)	6	2,432,845	2,575,763
(C) Other Long term liabilities	7	116,166,603	167,083,958
(D) Long term provisions	8	3,639,050	3,158,758
(4) Current Liabilities			
(A) Short-term borrowings	9	386,641,350	243,829,780
(B) Trade payables	10	231,647,634	69,227,886
(C) Other current liabilities	11	46,832,402	5,857,211
(D) Short-term provisions	12	383,609,754	72,754,499
Total		2,383,861,259	1,013,153,479
II. Assets			
(1) Non-current assets			
(A) Fixed assets	13		
(i) Tangible assets		70,738,877	39,823,370
(ii) Intangible assets		1,003,429,375	495,792,878
(iii) Capital work-in-progress		1,481,917	3,900,000
(iv) Intangible assets under development		-	-
(B) Non-current investments	14	-	18,149,552
(C) Deferred tax assets (net)		-	-
(D) Long term loans and advances	15	15,123,968	13,231,406
(E) Other non-current assets	16	905,356	1,187,830
(2) Current assets			
(A) Current investments		-	-
(B) Inventories		4,672,756	6,192,703
(C) Trade receivables	17	763,787,778	292,791,184
(D) Cash and cash equivalents	18	167,815,662	49,083,995
(E) Short-term loans and advances	19	280,818,209	68,206,062
(F) Other current assets	20	75,087,361	24,794,499
Total		2,383,861,259	1,013,153,479

Accounting Policies
Notes to Financial form part of accounts
For and on behalf of Board of Directors

Sd/-
Niranjan Chintam
Director

Sd/-
Krishna Chintam
Managing Director

Place: Hyderabad
Date: 29-08-2015

Sd/-
Srikanth Kolli
Company Secretary

1
1 to 28
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



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

PARTICULARS	Note No.	30 June 2015	30 June 2014
Income			
Revenue from operations	21	2,379,007,337	1,336,712,729
Other Income	22	17,421,997	1,024,159
Total Revenue		2,396,429,333	1,337,736,889
Expenses:			
Cost of materials consumed	23	27,980,419	76,367,726
Employee benefit expense	24	1,279,751,234	804,797,184
Financial costs	25	58,721,478	33,404,246
Depreciation and amortization expense	26	28,393,793	23,341,178
Other expenses	27	745,532,984	323,712,372
Total Expenses		2,140,379,907	1,261,622,705
Profit / Loss before taxes		256,049,426	76,114,183
Tax expense:			
(1) Current tax		46,794,796	12,879,176
(2) Mat Credit		-11,341,504	-
(3) Deferred tax		-142,918	-637,513
(4) Taxes Prior Period		-	245,811
Profit / Loss for the period		220,739,052	63,626,708
Earning per equity share:			
(1) Basic		5.26	1.79
(2) Diluted		5.26	1.79

Notes to Financial form part of accounts
For and on behalf of Board of Directors

1 to 28
As per our report of even date
For Mahesh, Virender & Sriram
Firm's Registration No. 001939S
Chartered Accountants

Sd/-
Niranjan Chintam
Director

Sd/-
Krishna Chintam
Managing Director

Sd/-
(B R Mahesh)
Partner
M.No. 18628

Place: Hyderabad
Date: 29-08-2015

Sd/-
Srikanth Kolli
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 subsection 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 on Merger: - 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 determines 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 good would be apportioned from the operating segment, Key assumptions used by management to determine the fair value of the goodwill included industry earnings multiples and earnings multiples from previous company acquisitions.
- iv) Good on Consolidation: - The excess of the cost of investment in a subsidiary over the company's portion of equity of the subsidiary on the date, at which investment in the subsidiary was made, is recognized as good on consolidation. The increase in amount of good is on account of acquisition of Prosoft Technology Group Inc and increase due to foreign exchange rate movement during the year.

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, including the fixed assets merged.



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.

7) Inventories:

Inventories are valued at lower of the cost or net realizable value whichever is lower.

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:

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.



Notes to Financial Statements	As at 30th June 2015	As at 30th June 2014
Note No : 2	INR	INR
(A) Share Capital		
(a) Authorised		
47,000,000 Equity Shares of Rs.5 Each Previous Year 47,000,000 Equity shares Rs.5 Each	235,000,000	235,000,000
(b) Issued Subscribed & Paid Up		
43481599 Equity Shares of Rs 5 each (Previous year- 41387544 Equity shares of Rs 5 each)	217,407,995	206,937,720
Total	217,407,995	206,937,720

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Particulars	Number	INR
Shares outstanding at the beginning of the year	41,387,544	206,937,720
Shares issued during the year	2,094,055	10,470,275
Shares bought back during the year	Nil	Nil
Shares outstanding at the end of the year	43,481,599	217,407,995

Notes to Financial Statements

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

- (1) Equity shares issued by the company are Equity Shares within the meaning of Section 85(2) of the Companies Act, 2013.
- (2) Each holder of equity share is entitled to one vote per share.
- (3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.
- (4) The distribution will be in proportion to the number of equity shares held by the shareholders.
- (e) Shares in the Company held by each share holder holding more than 5 percent shares specifying the number of shares.

Name of Share Holder	As at 30th June 2015		As at 30th June 2014	
	No of Shares Held	% of holding	No of Shares Held	% of holding
Matnic Finvest Private Limited	21,585,950	49.64%	20,134,394	48.65%
Kelton Wealth Management Private Limited	4,500,000	10.35%	4,500,000	10.87%



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
3	Reserves & Surplus		
	[a] General Reserve		
	Opening Balance	15,235,403	10,373,580
	Add: Adjustment on account of change in depreciation	3,437,925	1,431,322
	Add: Write backs	-	3,430,501
	Closing Balance	11,797,477	15,235,403
	[b] Capital Subsidy		
	Opening Balance	567,350	567,350
	Closing Balance	567,350	567,350
	[c] Securities Premium	78,977,896	58,984,440
	Closing Balance	78,977,896	58,984,440
	[d] Surplus		
	Opening Balance	121,451,739	56,878,043
	Add: Translation exchange difference	1,450,098	946,987
	Add: Write Block	-4,702,813	-
	Net Profit / Loss for the current year	220,739,052	63,626,708
	Closing Balance	338,938,076	121,451,738
[e] Foreign Exchange Currency Translation	5,055,413	-425,044	
Closing Balance	5,055,413	-425,044	
[f] Capital Reserve	25,647,731	25,647,731	
Less: Subsidiary Disinvestment	25,647,731	-	
Closing Balance	-	25,647,731	
	Grand Total of Reserve & Surplus	435,336,212	221,461,618
4	Money received against share warrants		
	Share Warrants pending allocation	123,650,000	7,130,840
	Total	123,650,000	7,130,840



NOTES TO FINANCIAL STATEMENTS

Non-Current Liabilities

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
5	Long Term Borrowings Secured		
	ICICI Bank Ltd (repayable in 35 equated installments out of which 21 are paid)	1,996,535	3,550,191
	Kotak Mahindra Prime Ltd (repayable in 35 equated installments out of which 10 are paid)	4,386,367	-
	HDFC Bank Ltd (repayable in 24 equated installments out of which 10 are paid)	782,510	-
	Term Loan Axis Bank Limited Secured by exclusive charge on the entire current assets with collateral of movable fixed assets and extention of EM on premises of Director	4,427,469	6,957,921
	SBLC -Axis Bank Limited Singapore (Repayable in 20 Installments out of which 3 are paid)	156,825,000	-
	Suntrust IN (repayable in 60 equated installments out of which 33 are paid)	2,441,442	2,627,335
	Unsecured Other long term borrowing (Itria Ventures LLC)	265,638,090	-
	Total	436,497,414	13,135,447
6	Deferred tax Liabilities (Net)		
	Opening Balance	2,575,763	3,213,276
	Current year transfer	-	-
	Written back in current year	-142,918	-637,513
	Closing Balance	2,432,845	2,575,763
7	Other Long Term Liabilities		
	Others	116,166,603	167,083,958
	Total	116,166,603	167,083,958
8	Other Long Term Provisions		
	Provision for Gratuity	3,074,707	2,200,238
	Provision for Leave Encashment	564,343	958,520
	Total	3,639,050	3,158,758



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
9	Short Term Borrowings Secured Loans From Banks		
	Term Loan - Vehicle ICICI Bank Ltd (repayable in 36 equated installments out of which 30 are paid)	235,767	676,393
	From Diamler Financial Services Pvt Ltd (repayable in 36 equated installment out of which 31 are paid)	-	681,497
	Working capital loan - Axis Bank Limited (Secured by exclusive charge on the entire current assets with collateral of movable fixed assets and extention of EM on premises of Director)	70,539,038	61,256,636
	Working capital Line of Credit (From Savoy Bank -Secured by charge on receivables)	95,625,000	84,130,620
	Working capital Line of Credit (From Bridge Bank -Secured by charge on receivables)	217,604,250	-
	Other Short term borrowing	2,637,295	97,084,633
	Total	386,641,350	243,829,780
10	Trade payables		
	Sundry Creditors	231,647,634	69,227,886
	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	231,647,634	69,227,886
11	Other Current Liabilities		
	Advances Received	271,100	271,100
	Others (staff reimbursements)	1,736,041	448,830
	TDS Payable	16,019,728	3,201,301
	Professional Tax Payable	32,050	10,150
	Provident Fund Payable	1,897,587	497,464
	Service tax payable	12,511,335	758,588
	Loan from Directors	-	669,778
Others	14,364,562	-	
	Total	46,832,402	5,857,211



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
12	Short-term provisions		
	(a) Provisions for employees benefits	229,903,589	58,731,467
	(b) Outstanding Expenses	106,615,601	656,724
	[c] Audit fee payable	125,000	100,000
	[d] Provision for taxation	32,440,175	10,082,424
	[e] Mat Credit	14,525,389	3,183,885
	Total	383,609,754	72,754,499



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No - 13 Fixed Assets

S. No.	Description of Asset	Gross Block					Depreciation				Net Block	
		As At 30-Jun-2014	Additions during the year	Deletions during the year	Translation exchange difference	As at 30-Jun-2015	For the year	On Deletions	Translation exchange difference	Up to 30-Jun-2015	As at 30-Jun-2015	As at 30-Jun-2014
	Tangible Assets											
1	Plant & Machinery	2,302,809	60,738,134	-	-	64,998,785	1,216,896	17,159	20,031	534,613	8,477,329	1,856,088
	[a] Equipment	9,816,625	265,968	-	-	10,082,593	1,043,163	45,214	-	1,903,642	8,178,951	9,001,360
	[b] Electrical Equipment	2,106,988	632,419	-	-	2,739,407	767,533	654,650	-	883,677	906,446	1,696,210
	[c] Communication Equipment	1,056,519	469,635	-	-	1,526,154	75,173	186,528	-	581,207	941,989	794,055
	[d] Air Conditioners	22,105,243	22,694,835	492,627	-	44,307,451	4,947,558	2,122,424	370	13,493,956	23,391,057	8,143,031
2	Computers	5,679,064	10,544,814	222,345	10,069	16,011,603	652,900	-	1,277	752,599	7,127,061	4,962,701
3	Furniture & Fixtures	11,000	3,891	-	-	14,891	3,890	992	-	14,889	2	993
4	Vehicles	15,821,836	13,959,642	-	-	25,720,033	2,586,910	-	5,353	3,768,001	21,446,586	13,291,054
	[a] Scooter & Cycles	149,996	156,725	-	-	306,721	25,148	-	-	37,265	269,456	137,879
	[b] Car	59,050,080	109,466,063	-	10,069	165,707,637	11,319,171	3,026,966	27,032	21,969,850	70,738,877	39,823,370
	[c] Bike											
	Total Tangible Assets											
	Intangible Assets	105,774,890	30,062,145	83,164,721	532,745	53,205,059	12,607,645	410,959	285,752	9,195,353	29,742,247	65,133,797
	Soft Ware	430,659,081	523,848,530	-	19,159,480	973,667,091	-	-	-	-	973,687,128	430,659,080
	Good Will	536,433,971	553,910,675	83,164,721	19,692,224	1,026,872,150	-	410,959	285,752	9,195,353	1,003,429,375	495,792,878
	Total Intangible Assets											
	Capital WIP (Research & Development)	3,900,000	1,481,917	150,000	-	1,481,917	-	-	-	-	1,481,917	3,900,000
	Total WIP											
		3,900,000	1,481,917	150,000	-	-	-	-	-	-	1,481,917	3,900,000
	Previous years figures											
		252,841,985	346,289,454	371,858	624,471	599,384,051	23,058,706	-	2,279	59,867,804	539,516,248	218,015,465



Note No - 14
NON-CURRENT INVESTMENTS
Investments in Equity Instruments

S.L No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled entity /Others	No. of Shares/Units		Partly paid/ Fully paid	Extent of Holding (%)		Amount		Whether stated at Cost Yes/No	If Answer to column (9) is 'No' Basics of Valuation
			30-06-15	30-06-14		30-06-15	30-06-14	30-06-15	30-06-14		
1	IGLILY INC	Other		36,000	Fully Paid		18%	-	18,149,552	NA	NA
	Total							-	18,149,552		



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
15	Non-current assets		
	Long term loans and advances		
	[Unsecured and considered good] Deposits	15,123,968	13,231,406
	Total	15,123,968	13,231,406
16	Other non-current assets		
	Misc Expenditure to the extent not written off or adjusted Opening Balance	1,187,830	1,470,304
	Add: Addition during the year	-	-
	Less: Written off for the year	282,474	282,474
	Closing Balance	905,356	1,187,830

CURRENT ASSETS

17	Trade receivables [Unsecured & Considered Good]		
	Outstanding for more than six months	23,718,407	6,695,890
	Others	740,069,371	286,095,294
	Total	763,787,778	292,791,184
18	Cash and cash equivalents		
	Cash on hand	184,295	329,394
	Bank Balance	156,846,958	44,957,089
	Fixed Deposits	10,784,409	3,797,512
	Total	167,815,662	49,083,995



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30 June 2015	30 June 2014
19	Short-term loans and advances [Unsecured and considered good]		
	Staff Advance	8,921,502	1,977,054
	Prepaid Taxes	30,290,204	23,032,524
	MAT Entitlement	16,039,062	7,367,899
	Other Advances	10,500,943	1,184,273
	Unbilled Revenue	179,424,444	-
	Prepaid Expenses	32,156,803	16,610,108
	Interest Accrued on Fixed Deposit	260,976	148,038
	Advance to Suppliers	200,000	17,224,542
	Vat Input	3,024,276	661,625
	Total	280,818,209	68,206,062
20	Other Current Assets		
	Retention Money	517,553	13,234,698
	Deposit	10,011,661	7,673,811
	Others	64,558,147	3,885,990
	Total	75,087,361	24,794,499
21	Revenue from Operations		
	Software Services	2,338,000,437	1,224,455,048
	Hardware Services	41,006,899	112,004,642
	Other Operating Income	-	253,039
	Total	2,379,007,337	1,336,712,729
22	Other Income		
	Interest received	208,340	241,091
	Other Income	4,974,658	-
	Exchange fluctuations Gain	3,448,743	717,018
	Profit on sale of Assets	-	66,050
	Sundry Accounts Written Back	8,790,256	-
	Total	17,421,997	1,024,159



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30-Jun-2015	30-Jun-2014
23	Cost of Material Consumed		
	Purchase of Stock in trade	26,460,471	82,560,429
	Changes in inventories of finished goods	1,519,948	-6,192,703
	Total	27,980,419	76,367,726
24	Employees Benefit Expenses		
	Salaries	1,133,770,313	767,052,000
	Bonus	65,651,248	4,638,981
	Provident Fund	6,845,703	2,640,317
	Employer Contribution To Labour Welfare Fund	57,380	35,345
	Gratuity	1,589,481	3,747,179
	Staff welfare Exps	71,837,109	26,683,362
	Total	1,279,751,234	804,797,184
25	Financial Cost		
	Bank Charges	1,480,531	2,077,583
	Loan Processing Fee	4,539,752	4,598,345
	Transaction Fee	172,849	877,346
	Interest - Vehicle Loan	678,085	599,874
	Interest - Working Capital Loan	12,324,378	8,843,880
	Interest and charges on other Loans	39,525,883	16,407,218
	Total	58,721,478	33,404,246



NOTES TO FINANCIAL STATEMENTS

(Amount in INR)

Note No.	Notes to Financials	30-Jun-2015	30-Jun-2014
26	Depreciation & Amortization Expense		
	Depreciation	28,111,319	23,058,704
	Miscellaneous Exp w/off	282,474	282,474
	Total	28,393,793	23,341,178
27	Other Expenses		
	Professional Fee	56,933,416	95,602,383
	Rent	29,764,586	26,696,204
	Traveling and Conveyance	21,611,009	11,169,136
	Traveling and Conveyance -Directors	2,540,927	2,168,294
	Subcontracting Expenses	576,418,550	153,657,354
	Communication Expenses	4,444,537	4,229,785
	Office Maintenance	22,969,381	7,098,008
	Electricity	6,389,125	5,761,566
	Housekeeping expenses	245,377	615,264
	Broadband charges	1,414,624	945,996
	Internet and webhosting	1,537,310	1,783,753
	Printing & Stationary	1,476,318	958,219
	Advertisement Expenses	1,421,089	712,310
	AGM & EGM Expenses	60,560	87,472
	Repairs & Maintenance	6,681,779	3,428,877
	Sales and Marketing	8,812,870	5,635,229
	Rates & Taxes	617,393	1,257,149
	Loading ,Unloading	74,366	75,000
	CSR Contributions	657,471	203,900
	Subscription fees	954,967	737,843
	Written off old debtors and advances	-	788,630
	Other Miscellaneous expenses	382,330	-
<u>Audit Fee</u>			
(a) Statutory Audit Fee	90,000	70,000	
(b) Taxation	35,000	30,000	
	Total	745,532,984	323,712,372



Notes to Consolidated Financial statements part of accounts as at 30th June 2015

28. Contingencies

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

1. Contingent liabilities	30-06-2015 Rs. Lakhs	30-06-2014 Rs. Lakhs
(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	596.57 lakhs	141.28 lakhs

2. Directors remuneration	30-06-2015 Rs. Lakhs	30-06-2014 Rs. Lakhs
(a) Paid during the year		
Krishna Chintam	30.00	30.00
Niranjan Chintam	30.00	30.00
Total	60.00	60.00

3. Particulars of employees	30-06-2015 Rs. Lakhs	30-06- 2014 Rs. Lakhs
Particulars of employees in accordance with section 217 2A of the companies act, 2013	Nil	Nil

3. Additional information:

Domestic & Export Sales	30-06-2015 Rs. Lakhs	30-06- 2014 Rs. Lakhs
Export	Rs 21736.11	Rs. 10868.48
Domestic	Rs 2053.93	Rs. 2496.12
Total	Rs 23790.04	Rs. 13364.60



	30-06-2015 Amount in Foreign Currency	30-06-2015 Amount in INR	30-06-2014 Amount in Foreign Currency	30-06-2014 Amount in INR
(e) Value of imports during the year	Nil	Nil	USD 1,63,820	1,00,88,171
(f) Expenditure in foreign currencies	USD 3,307 GBP 6,969 HKD 4,460	209,372 6,78,901 3,9548	USD 1,42,420 TWD 4,39,061 AUD 977 RAND 512 EURO 740 SGD 11,004 AED 1,800 GBP 100 ZAR 8,400	87,18,275 8,81,537 55,991 3,278 74,094 5,42,531 31,086 19,005 59,774
(g) Earnings in foreign currencies	USD 3,072,715 GBP 227,938 CAD 17,925 SGD 35,137 HKD 81,510	188,175,807 22,403,752 1,755,541 1,692,919 622,402	USD 23,93,822 GBP 50,471 SGD 1,36,173 CAD 4,516 AED 25,000 HKD 2,93,679	14,81,23,726 50,71,316 72,32,945 2,47,117 4,25,095 23,62,601

4. Related Party Transactions as per AS 18

Transactions with related parties in the ordinary course of business

	30-06-2015	30-06-2014
Loans received	1) Kellton Financial Services Pvt. Ltd - Rs. 15,000,000	2) Kellton Financial Services Pvt. Ltd - Rs. 150,905 3) Niranjana Chintam - Rs. 91,061 4) Krishna Chintam - Rs. 5,78,717

5. The account contains consolidation of the following subsidiary company:-

Kellton Dbydx Software Pvt Ltd (India)
Kellton Tech Inc (USA)
Supremesoft Global Inc (USA) – Step Down Subsidiary
Evantage Solutions Inc (USA) – Step Down Subsidiary
Vivos Professional Services LLC (USA) – Step Down Subsidiary
Kellton Tech Solutions Inc (USA)
Prosoft Technology Group (USA) Step Down Subsidiary
Intellipeople Inc (USA) Step Down Subsidiary
Cyberworld Solutions Inc (USA) Step Down Subsidiary

6. Principles of consolidations:-

The consolidated financial statements have been prepared on the following basis:-

(I) The financial statement of the company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter company balances and transactions and unrealized profits or losses have been fully eliminated.



(ii) 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

(iii) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company.

7. Translation of Non-Integral Foreign Operations

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

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

(ii) 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.

8. The Company, through its wholly owned subsidiary Kellton Tech Solutions Inc, acquired the entire equity capital of US based Prosoft Technology Group for an up front consideration of USD 8.5 million. The stock purchase agreement provides for additional consideration of 5.5 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

9. Capital Work in Progress includes Research and Development expenditure on KLGAME™ a unique software product, which will be commercially exploited upon successful completion.

10. Current year consolidation financials include new subsidiaries and hence not comparable with previous year figures.

11. Previous year figures have been regrouped wherever necessary.

Signatories to schedules 1 to 26
For and on behalf of Board of Directors

Vide our report of even date

For Mahesh Virender & Sriram
Chartered Accountants

Sd/-

Niranjan Chintam
Director

Sd/-

Krishna Chintam
Managing Director

Sd/-

(B R Mahesh)
Partner

Membership No - 18628

Sd/-

Srikanth Kolli
Company Secretary

Place: Hyderabad
Date: 29-08-2015



CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in INR)

	Particulars	30 June 2015	30 June 2014
a.	Cash flow from operating activities		
	Net Loss/ Profit before tax	256,049,426	76,114,184
	Depreciation	28,393,793	23,058,704
	Interest & Finance Charges	58,721,478	33,404,246
	Change in Foreign currency translation reserve	4,030,359	-
	Operating profit before working capital changes	347,195,055	132,577,134
	Trade & other Receivables	-470,996,594	-162,706,825
	Short-Term Loans and Advances	-212,612,147	-23,592,650
	Other Current Assets	-50,292,862	-20,908,509
	Inventories	1,519,947	-6,192,703
	Long Term Loans and Advances	-1,892,562	-1,684,811
	Other Non-Current Assets	282,474	245,740
	Other Current Liabilities	40,975,191	3,821,437
	Short Term Borrowing	142,811,571	110,973,138
	Short Term Provisions	310,855,255	45,453,580
	Trade Payable	162,419,748	61,865,670
	Long Term Provisions	480,292	3,158,758
	Other Long-Term Liabilities	-50,917,355	103,127,297
	Cash generated from operations	219,828,013	246,137,256
	Interest & finance charges paid	-58,721,478	-33,404,246
	Direct Taxes	-46,794,796	-12,879,176
	Cash flow before extra ordinary items	114,311,739	199,853,834
	Extra ordinary items	-3,437,925	-
	Net cash from operating activity	110,873,814	199,853,834
b.	Cash flow from investing activity		
	Purchase of fixed assets	-580,636,558	-344,682,111
	Increase in miscellaneous expenditure	-	-123,188
	Investments	18,149,552	-
	Net cash used in investing activities	-562,487,006	-344,805,299
c.	Cash flow from financing activities		
	Proceeds of share application and or allotment	10,470,275	29,492,220
	Proceeds of long term borrowing	423,361,967	83,785,484
	Increase/Decrease in General Reserves	-	5,156,058
	Proceeds from Share Warrants	116,519,160	7,130,840
	Proceeds from Securities Premium	19,993,456	58,984,440
	Net cash accrued in Financing activities	570,344,858	184,549,042
	Net increase in cash and cash equivalent	118,731,667	39,597,577
	Cash & Cash equivalent as at 1 day	49,083,995	9,486,417
	Cash & cash equivalent as at last day	167,815,662	49,083,995

For and on behalf of Board of Directors

Sd/-
Niranjan Chintam
Chairman

Sd/-
Krishna Chintam
Managing Director

Sd/-
Srikanth Kolli
Company Secretary

As per our report of even date
For Mahesh Virender & Sriram
Firms' Registration No: 001939S
Chartered Accountants

Sd/-
(B R Mahesh)
Partner
M.No. 18628

Place: Hyderabad
Date: 29-08-2015



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
Email ID: mail@xlsoftech.com

Company/Unit: 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 :	Email ID
Address	
Signature , or failing him	

Name :	Email ID
Address	
Signature , or failing him	

Name :	Email 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 21st Annual General Meeting of the company, to be held on the 16th December 2015 at 11 AM at Hotel Kens, Plot No 53, Sri Nagar Colony, Hyderabad - 500073 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.

Sl. No	Resolution(S)	Vote	
		For	Against
1	To receive, consider and adopt the audited financial statements of the company for the financial year ended 30th June 2015, the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in place of Mr. Niranjan Chintam, 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. Sreevidya Chintam as Director of the Company		
5	Appointment of Mr. Karanjit Singh as Director of the Company		
6	Alteration of Articles of Association of the Company		
7	Increase In Authorised Share Capital		
8	Alteration of Capital Clause of Memorandum of Association		
9	Approval For Further Issuance of Securities		
10	Increase In Limit of Foreign Investment In The Company		
11	Increase In Limit of NRI Investment In The Company		
12	Appointment and Remuneration of Mr Karanjit Singh		

* Applicable for investors holding shares in Electronic form.

Signed this ____ day of ____ 2015

Affix Re. 0.15
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder

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

21st Annual General Meeting on day, Wednesday 16th December 2015 at 11. A.M. at Hotel Kens, Plot No 53, Srinagar Colony, Hyderabad - 500073

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

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

Name of Proxy _____

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

I hereby record my presence at the 21st Annual General Meeting of **Kellton Tech Solutions Limited** held at _____, on _____.

(Member's /Proxy's Signature)

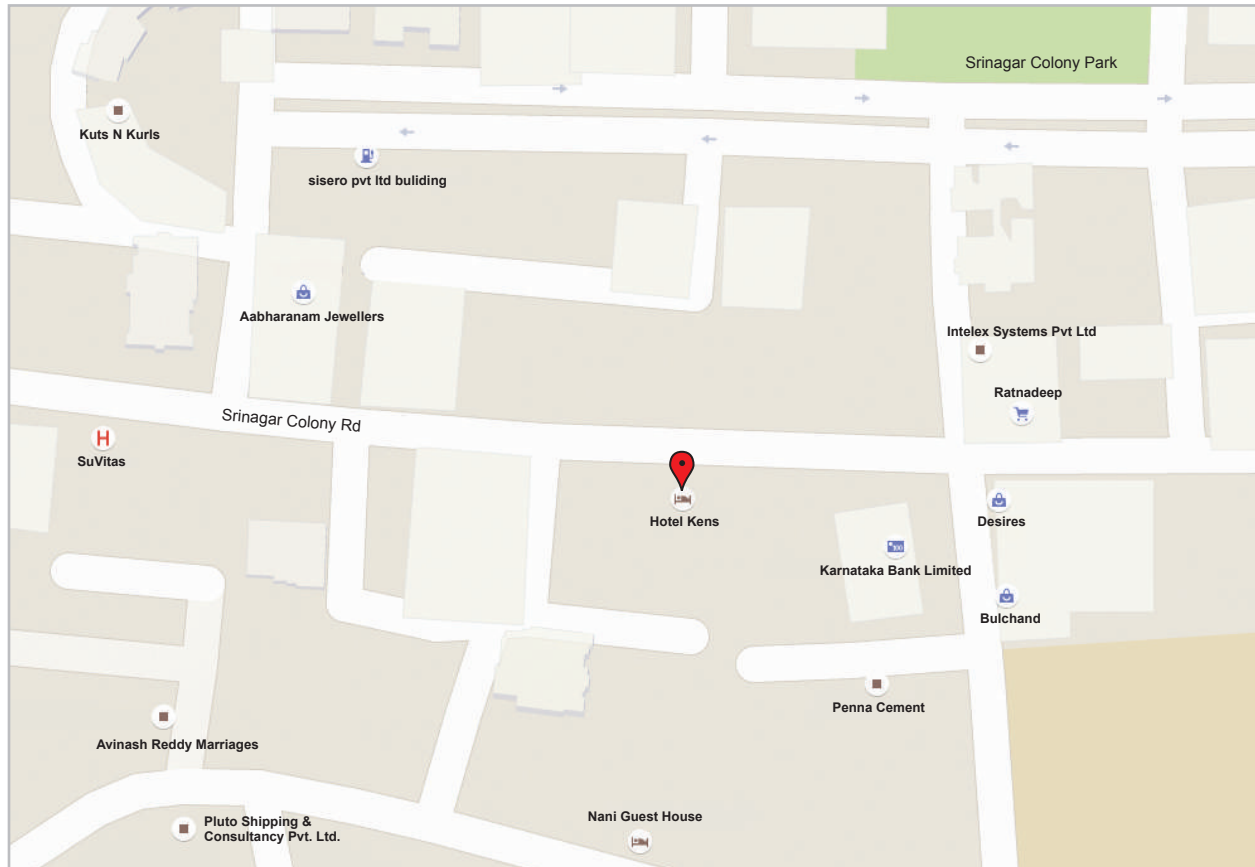
Note:

- 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



AGM VENUE:

HOTEL KENS ,PLOT NO 53,
SRINAGAR COLONY,
HYDERABAD-500073

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING ON WEDNESDAY,
THE 16TH DECEMBER 2015 AT 11.00 A.M



KELLTON TECH
www.kelltontech.com