



KELLTON TECH SOLUTIONS LTD.

Hyderabad, 2nd September, 2016

To

The General Manager Listing Department Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Mumbai-400 001 Fax No: 022-22722037/39/41/61	The Vice President Listing Department National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai -400 051 Fax No: 022- 26598237/38
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Dear Sir/Madam,

Sub: Notice of 22nd Annual General meeting

Ref: Company Scrip Code: 519602/ Symbol: KELLTONTEC

With reference to the above mentioned subject, please find enclosed herewith Notice of 22nd Annual General meeting of the Company for the financial year 2015-16 to be held on Monday, 26th September, 2016 at 11.00 AM at Ebony Boutique Hotel Door No. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana- 500033.

Kindly take the above information on record and acknowledge.

Thanking You,

For KELLTON TECH SOLUTIONS LIMITED

Krishna Chintam
Managing Director
DIN: 01658145



Encl: a/a



NOTICE OF 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the members of Kellton Tech Solutions Limited will be held on Monday, the 26th day of September, 2016 at 11:00 AM at Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana - 500033 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:
 - the Audited Financial Statements of the Company for the financial year ended March 31, 2016, the Report of the Board of Directors and the Report of the Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the Report of the Auditors thereon.
2. To appoint a director in place of Mr. Srinivas Potluri (DIN: 03412700), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and as approved by the Board of Directors, the Company hereby appoints M/s. Mahesh, Virender & Sriram, Chartered Accountants (Firm Registration No. 001939S) as the Statutory Auditor of the Company, to hold office from conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company for the financial year ending March 31st, 2017.

SPECIAL BUSINESS:

4. Appointment of Ms. Jhansi Lakshmi Gorla as Director of the Company

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

"RESOLVED THAT Ms. Jhansi Lakshmi Gorla (DIN 00163883), who was appointed as an Additional Director of the Company with effect from 16th December, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a member, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company."

5. Appointment of Mr. P Srinivasa Rao as Director of the Company

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

"RESOLVED THAT Mr. P Srinivasa Rao (DIN 06805347), who was appointed as an Additional Director of the Company with effect from 16th February, 2016 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a member, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."



6. Appointment of Ms. Jhansi Lakshmi Gorla as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Jhansi Lakshmi Gorla (holding DIN 00163883), a non-executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 16.12.2015, not liable to retire by rotation."

7. Appointment of Mr. P Srinivasa Rao as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. P Srinivasa Rao (DIN 06805347), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 16.02.2016, not liable to retire by rotation."

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Place : Hyderabad
Date : 2nd September, 2016

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



Notes:

1. An Explanatory Statement under Section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.

2. The statement of the particulars of Directors seeking Appointment / Re-appointment is enclosed as Annexure A as required under sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), 2015. The Directors have furnished the requisite declarations for their appointment/re-appointment.

3. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its registered office not later than 48 (forty-eight) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.

A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

4. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.

5. Members are requested to bring the Attendance Slip duly filled in and signed mentioning therein details of their DP ID and Client ID/ Folio No., which is enclosed herewith, and hand over the same at the entrance of AGM venue.

6. Members who hold shares in dematerialised form are requested to bring their depository account Number (Client Id and DP Id No) for easier identification and recording of the attendance at the meeting.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

8. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting at least 48 hours before the commencement of the Meeting.

9. Members/Proxies are requested to bring their copies of Annual Report to the meeting. As an austerity measure, copies of Annual Report will not be distributed at the meeting. Members may also note that the Notice of the 22nd AGM and the Annual Report for 2015-2016 will also be available on the Company's website www.kelltontech.com for download.

10. Members desirous of seeking any information on the accounts or operations of the company are requested to write to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.



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

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

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

14. The equity shares of the Company have been notified for compulsory trading in demat form. The Company has signed a tripartite agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and M/s XL Softech System Limited to facilitate dematerialisation of shares. Members are requested to avail of this facility and have their shareholding converted into dematerialised form.

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

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

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

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

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

20. Voting :

In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2016 and all other applicable provisions, shareholders are provided with the facility to cast their



vote electronically, through the Remote e-voting services provided by CDSL, in respect of all resolutions set forth in this Notice.

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

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

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

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e 19.09.2016 only shall be entitled to avail the facility of remote e-voting.

1. Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to the members to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote E-Voting platform provided by CDSL.

The instructions for Remote E-Voting are as under:

i. The voting period begins at 9 A.M. on 23.09.2016 and ends at 5 P.M. on 25.09.2016. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e 25.09.2016, (End of Day) may cast their vote electronically. The Remote E-Voting module shall be disabled by CDSL for voting thereafter.

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

iii. Click on the "Shareholders" tab.

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

v. Now enter your User-ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

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

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

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

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

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both



demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company / Depository Participant are 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.

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

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

xix. Note for Institutional Shareholders

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



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

c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

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

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

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

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

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 4 to 11 of the accompanying Notice dated 02.09.2016.

Item No. 4

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

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

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

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

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



Item No: 5

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

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

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

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

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

Item No: 6 & 7

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

Except Ms. Jhansi Lakshmi Gorla and Mr. P Srinivasa Rao, none of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 & 7 respectively of the Notice.

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

Item No: 8

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

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

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

Item No. 9.

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



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

Item No. 10 & 11

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

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

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

Item No. 12

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

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



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

I. GENERAL INFORMATION:

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

(4) Financial performance based on given indicators:

(Rs In Lac)

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

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

II. INFORMATION ABOUT THE APPOINTEE:

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



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

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

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

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

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

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

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

(3) Expected increase in productivity and profits in measurable terms:

Expected increase in profits will be on or about 20%.

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

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

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

Sd/-
Krishna Chintam
Managing Director
DIN: 01658145

Place: Hyderabad
Date: 2nd September, 2016

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