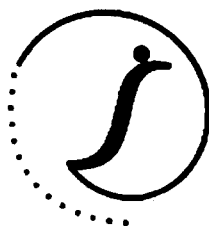


14th Annual Report 2008 - 2009



STL

SESHACHAL TECHNOLOGIES LIMITED

BOARD OF DIRECTORS:

DR. S. RAMGOPAL
DR. T.MADAN MOHAN
M. DURGA PRASAD
S.NIRANJAN
A.N. SARMA

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

AUDITORS:

M/S. P.S. NAGARAJU & CO.,
CHARTERED ACCOUNTANTS
6-3-596/65,II FLOOR,
ADARSH VILLA, NAVEEN NAGAR
KHAIRATHABAD
HYDERABAD 500 004.

REGISTRARS & SHARE TRANSFER AGENTS:

M/s. SATHGURU MANAGEMENT
CONSULTANTS PVT.LTD.
PLOT NO.15, HINDI NAGAR,
PANJAGUTTA,
HYDERABAD 500 082.

REGISTERED OFFICE:

E-19, PANCHAVATI TOWNSHIP,
AKKIREDDY PALEM,
BHPV POST, VISAKHAPATNAM-530012. (A.P.)

CORPORATE OFFICE:

11, PAVANI VILLAS, DWARAKAPURI COLONY,
PUNJAGUTTA, HYDERBAD-500 082.
PHONE: 040 23302231
FAX: 040 23321560
Email: info@seshachaltech.org



SESHACHAL TECHNOLOGIES LIMITED

(Formerly Javelin Technologies Limited)

Regd. Off: E-19, Panchavati Township, BHPV Post, Akkireddypalem,
Visakhapatnam, A.P. 530012

Notice is hereby given that the 14th Annual General Meeting of the Shareholders of the Company will be held at 10.00 A.M. on Tuesday, the 25th August 2009 at E-309, Jeevan Visakha, MMTC Colony, Seethamma dhara, Visakhapatnam: 530013 A.P to consider the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on that date and reports of the Board of Directors' and the Auditors thereon.
2. To appoint a director in place of Mr. Durga Prasad who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. S.Niranjan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s P.S.Nagaraju & Associates Chartered Accountants as the Auditors of the company & to fix their remuneration.

SPECIAL BUSINESS:

5. INCREASE OF AUTHORIZED CAPITAL:

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

"RESOLVED THAT pursuant to Sections 17,31,94 and other applicable provisions, if any of the Companies Act, 1956 the Authorized Share Capital of the Company be and is hereby increased from the existing Rs.12,00,00,000 (Rupees Twelve Crores Only) consisting of 1,20,00,000 equity shares of Rs.10/- (Rupees Ten) each to Rs.15,00,00,000 (Rupees Fifteen Crores Only) consisting of 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each and accordingly the Memorandum and Articles of Association of the Company be altered as follows:

The existing clause V of the Memorandum of Association be substituted with the following new clause:

V. The Authorized share capital of the Company is Rs.15, 00, 00,000 (Rupees Fifteen Crores Only) consisting of 1, 50, 00,000 (One Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each.

The existing Article 4 of the Articles of Association of the Company be substituted with the following new article:

The Authorized share capital of the Company is Rs.15,00,00,000 (Rupees Fifteen Crores Only) consisting of 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each with power to divide the share capital (original, increased, reduced or converted) into several clauses and to attach thereto respectively such qualified or special rights, privileges or conditions in such manner as may from the time being be provided by the regulations of the Company as originally framed or as altered by Special Resolutions."



6. To consider and if thought fit to pass the following with or without modifications as a Special Resolution:

ISSUE OF 19,00,000 EQUITY SHARES ON PREFERENTIAL BASIS:

- (i) “RESOLVED THAT pursuant to Sec.81 (1A) and other applicable provisions, if any of the Companies Act, 1956 and in accordance with the Memorandum and Articles of Association of the Company and the listing agreement entered into with the Bombay Stock Exchange, guidelines issued by the SEBI, Reserve Bank of India under FEMA 1999 as amended from time to time and other regulations/guidelines, if any and subject to the consent of all other concerned authorities, if any to the extent required and subject to such conditions and modifications as may be prescribed or imposed while according such approvals/consents which may be considered appropriate by the Board of Directors of the Company and /or authorized committee thereof(hereinafter called “the Board”)in its absolute discretion, consent of the members be and is hereby accorded to the Board to issue ,offer and allot in aggregate in one or more tranches to allot 19,00,000 (Nineteen Lakhs Only) Equity Shares of the Company of the face value of Rs.10/- (Rupees Ten) each in the share capital of the Company at a price of Rs. 10.00 (Rupees Ten Only) or such higher price being the minimum price arrived at in terms of Clause 13.1.1.1 of SEBI DIP Guidelines to the following persons viz.,

Sl.No	Name	No. of Shares
1	Dr.K.G.Suresh	2,50,000
2.	Mr. K.N.Gopala Rao	2,50,000
3	Mr.D.N.Murty	4,00,000
4	Mr. Ravi Kumar	2,25,000
5	Mr. Sasi Kumar	2,25,000
6	Mrs.Sindhu	2,25,000
7	Mr.Bhaskar	2,25,000
8	Mrs. Ganti Sri Vidya	95,000
9	Mrs. V.Padmavathi	5,000

“RESOLVED FURTHER THAT”

- The equity shares shall rank parri passu with the existing equity shares of the Company in all respects.
- The Equity Shares issue is subject to dematerialization of the entire pre preferential allotment shareholding of the proposed allottees.
- The relevant date for the Equity Shares as per SEBI (Disclosure and Investor Protection) Guidelines 2000 as amended for determination of applicable price for the issue of above mentioned shares is 26th July 2009.



- d) The entire pre preferential shareholding of the proposed allottees, if any is subject to a lock –in from the date of allotment.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and to settle any questions, difficulty or doubt that may arise in regard to offering, issue, allotment and utilization of the issue proceeds, as it may in its absolute discretion, deem fit and proper.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any amendments, modifications, variations and alterations as the GOI//RBI/SEBI or any other regulatory authority may stipulate in that behalf.”

“RESOLVED FUTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or senior executives/ officers of the Company to give effect to the resolution.

By Order of the Board

For **SESHACHAL TECHNOLOGIES LIMITED**

Place: Hyderabad
Date: 13-07-2009

M.DURGAPRASAD
Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.
2. The Proxy form is enclosed herewith. Proxy form if intended to be used it should be returned duly signed to the Company not less than 48 hours before the time for holding the annual general meeting.
3. Explanatory Statement as per Sec.173 (2) of the Companies Act, 1956 in respect of special business is annexed hereto.
4. The Register of Members and Share Transfer Books remain closed from 24th August 2009 to 25th August 2009 (both days inclusive).
5. A copy of the certificate from P.S.Nagaraju & Associates, Statutory Auditors of the Company, certifying that the issue of shares is being made in accordance with the requirements of SEBI's Guidelines for Preferential Issues as contained in the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines), 2000, will be placed before the shareholders at the AGM.



EXPLANATORY STATEMENT

(Pursuant to Sec.173 (2) of the Companies Act, 1956)

Item No. 5. *INCREASE OF AUTHORIZED CAPITAL:*

The present authorized capital of the Company is Rs. 12. 00 Crores consisting of 120.00 lakhs equity shares of Rs. 10/- each. In order to allot shares on preferential basis and to meet future capital requirements, it is necessary to increase the share capital of the company to Rs. 15. 00 Crores consisting of 1, 50, 00,000 equity shares of Rs. 10/- each.

Any amendment to the Memorandum and Articles of Association requires the approval of the shareholders by way of a special resolution. Hence, your directors commend the resolution to be passed as a Special Resolution.

None of the directors may be treated as interested or concerned in the resolution excepting to the extent of their shareholding.

Item No.6. *ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS:*

As the members are aware, your company is making continuous efforts to improve its operations by way of making new partnerships etc., In this context, the company has negotiated with the following companies viz., Indo Fuji Information Technologies Private Limited, Indo Fuji Europe Limited, Enigma Digital Concepts Private Limited and EDI Systems Private Limited for the purpose of making them subsidiaries of the Company viz., Seshachal Technologies Limited.

A. Indo Fuji Information Technologies Private Limited, (IFIT), was incorporated on 10th of January 2000 in accordance with the Indian Companies Act, 1956 at Bangalore. The Registration number of the Company is 08/26200 of 2000. The Registered office of the Company is located at 482 & 433, 25th Main, 2nd Cross, BTM Layout, 2nd Stage, Bangalore 560076, India. The Company was incorporated by Dr. K.G.Suresh and Mr.K.N.Gopal Rao. The Authorized share capital of Indo Fuji as on date is Rs 1,00,00,000./- (Rupees One Crore only) divided into 10,00,000 Equity Shares of Rs.10/- (Rupees Ten) each. The subscribed and paid up capital of Info Fuji as on date is Rs. 78,88,690/- (Rupees Seventy Eight Lakhs, Eighty Eight Thousands Six Hundred and Ninety Only) divided into 7,88,869 Equity Shares of Rs. 10/- (Rupees Ten) each. The present Shareholding pattern of Indo Fuji is provided hereunder:

Name of Shareholder	No.of Shares held	Percentage
Dr.K.G.Suresh& K.N.Gopalrao	6,14,134	77.85 %
Frinends & Relatives	31,002	3.93%
Other Investors	1,43,733	18.22%

The Company has been incorporated for the purposes of carrying on Information echnology and ITES related activities that would include amongst others design, development and export of software programs, BPO, related activities.



On the basis of valuation reported obtained from an independent chartered accountant, M/s. Balaji Viswanth & Associates, Hyderabad the promoters of Indo Fuji viz. Dr.K.G.Suresh and Mr.K.N.Gopal Rao agreed to transfer their share holding up to 76% bearing 5,99,540 equity shares of Rs.10/- each to STL. In return STL will allot 5,00,000 (Five Lakhs) equity shares in total to them at Rs.10/- per share or such higher price being the minimum share price as per SEBI DIP Guidelines 2000 applicable for the time being.

- B. Indo Fuji Information Technologies Europe Limited (IDE)** was incorporated by Dr. K.G.Suresh and Mr.D.N.Murty on 25th February 2003 in accordance with the statutes of the United Kingdom at London. The Registration number of the Company is 4631132. The Registered office of the Company is located at 1, Poultry, London, AND EC2R8JR.

The Authorized, subscribed and paid up share capital of Indo Fuji is 2GBP (Two GBP only) divided into 1Equity Share of 1GBP each.

The present Shareholding pattern of Indo Fuji Europe is provided hereunder:

Shareholder	Shares Held	Percentage of Voting rights
Mr. D.N.Murty	1	90
Dr.K.G.Suresh	1	10
Total	2	100

The Company has been incorporated for the purposes of carrying on Information Technology and ITES related activities that would include amongst others design, development and export of software programs, BPO, related activities. Though the Company could achieve a turnover of nearly INR 250 lakhs as per provisional accounts of 31st March 2009, it is constantly facing the financial crunch to expand the operations. In this background, the promoters of the Company have discussed with the management of STL of making the Company a subsidiary of STL whereby the Company will be in a position to access money markets easily and raise necessary funds for expansion of its operations. After discussion, the managements of both companies have agreed for the proposal.

On the basis of valuation reported obtained from an independent chartered accountant, M/s. Balaji Viswanth & Associates, Hyderabad, Mr. D.N.Murty one of the promoters of Indo Fuji holding 90% of the voting rights will transfer his share to STL; in turn STL will allot 4,00,000 equity shares of the Company to him and make Indo Fuji Europe a subsidiary of STL at Rs.10/- per share or such higher price being the minimum share price as per SEBI DIP Guidelines 2000 applicable for the time being.



C. Enigma Digital Concepts Private Limited (EDC) was incorporated by Mr. Ravi Kumar and Mr. Sasi Kumar on April 6th, 2000 in accordance with the Indian Companies Act, 1956 at Bangalore bearing Registration number 08/26866 of 2000. The Registered office of EDC is located at EDC Conclave, Jeevith Gardens, Off ITPL Road (Besides Brooke fields), Bangalore 560 037, India.

The present Authorized share capital of EDC is Rs 1, 60, 00,000/- (Rupees One Crore and Sixty Lakhs Only) the subscribed and paid up capital is Rs. Rs.83, 75,000/- (Rupees Eighty Three Lakhs Seventy Five Thousand only.) The present Shareholding pattern is provided hereunder:

Shareholder	Shares Held	Percentage
Mr. Ravi Kumar	3,39,492	40.54%
Mr. Sasi Kumar	2,14,541	25.62%
Mrs. Sindhu	2,31,500	27.64%
Mr. Bhaskar	51,967	6.20%
Total	8,37,500	100%

EDC has been incorporated for the purposes of carrying on Information Technology and ITES related activities that would include amongst others design, development and export of software programs, BPO, related activities.

EDC now intends to expand its business operations. In this background, the management of STL has agreed to make EDC a subsidiary of STL whereby EDC will be in a position to access money markets easily and raise necessary funds for expansion of its operations. Accordingly, the promoters of EDC will transfer majority shares of to STL and in turn STL will allot its shares to the promoters of EDC thereby making EDC a subsidiary of STL.

On the basis of the valuation report given by an independent chartered accountant's firm viz., M/s Balaji Viswanth & Associates, Hyderabad the promoters of EDC will transfer their entire shareholding barring 100 equity shares of Rs.10/- each to STL. In return, STL will allot 2,25,000 (Two lakhs Twenty Five Thousand) equity shares each aggregating to 9,00,000 (Nine lakhs) to the promoters of EDC at Rs.10/- per share or such higher price being the minimum share price as per SEBI DIP Guidelines 2000 applicable for the time being.

D. EDI Systems Private Limited was incorporated Mrs. Ganti Sreevidya and Mrs.V.Padmavathi on 20th February 2007 in accordance with the Indian Companies Act, 1956 at Bangalore. The Corporate identity Number (Registration number) of the Company is U72200KA200PTC041826/2006-07. The Registered office of the Company is located at 204, Archana enclave, Prashanthi Nagar, ISRO Layout, Banagalore 560078, India.



The present Authorized share capital of EDI is Rs2, 00,000/- (Rupees Two Lakhs Only) Divided into 20,000 Equity Shares of Rs.10/- (Rupees Ten) each. The subscribed and paid up capital of EDI as on date is Rs.1,00,000/-(Rupees One lakh only) divided into 10,000 Equity Shares of Rs. 10/- (Rupees Ten) each.

The present Shareholding pattern of EDI as on date is provided hereunder:

Shareholder	Shares Held	Percentage
Mrs. Ganti Sreevidya	9500	95 %
Mrs.V.Padmavathi	500	5 %
Total		100%

The Company has been incorporated for the purposes of carrying on Information Technology and ITES related activities that would include amongst others design, development and export of software programs, BPO and smart card related activities. Since the company could achieve a minimal turnover and constantly facing the financial crunch to expand the operations, the promoters of the Company have discussed with the management of STL of making the Company a subsidiary of STL whereby the Company will be in a position to access money markets easily and raise necessary funds for expansion of its operations.

On the basis of the valuation report given by an independent chartered accountant's firm viz., M/s Balaji Viswanth & Associates, Hyderabad, the promoters of EDI will transfer their entire shareholding barring 100 equity shares of Rs.10/- each to STL. In return, STL will allot 1,00,000 (one Lakh) equity shares each to the promoters of EDI at Rs.10/- per share or such higher price being the minimum share price as per SEBI DIP Guidelines 2000 applicable for the time being.

As per Sec. 81(1A) of the Companies Act, 1956, approval of the Shareholders in the General Meeting is required for allotment of equity shares on preferential basis. Hence, the Board commends the resolution for the approval of the members as a special resolution.

The required disclosure as per 13.1A. of SEBI disclosures and investor protection guidelines 2000 as amended from time to time are furnished as under;

a. Objects of the Issue:

The Objects of the proposed issue of equity shares are:

- i) to acquire the shares held by the promoters of Indo Fuji Information Technologies Private Limited, Indo Fuji Information Technologies Europe Limited, Enigma Digital Concepts Private Limited and EDI Systems Private Limited as aforesaid;

b. Intention of promoters/directors/key management persons to subscribe to the offer:

None of the promoters/directors/key management persons are subscribing to the proposed issue.



c. Share holding pattern before and after the offer:

A Shareholding of Promoter and Promoter Group

Category	Pre Issue No. of Shares	Pre Issue % in Total Capital	Post Issue No. of Shares	Post Issue % in total Capital
INDIAN				
Individuals/HUF	17,74,700	25.56	19,00,000	21.49
Central/State Government	-	-	-	-
Bodies Corporate	-	-	-	-
Financial Institutions/Banks	-	-	-	-
Any other (specify)-P.A.C.	-	-	-	-
	17,74,700	25.56	19,00,000	21.49

FOREIGN

Individuals/NRIs/FI	-	-	-	-
Bodies Corporate	-	-	-	-
Institutions	-	-	-	-
Any Other (specify)	-	-	-	-
Sub Total	-	-	-	-
Total of A	-	-	-	-

B. PUBLIC SHARE HOLDING:

INSTITUTIONS

Mutual Funds, UTI	-	-	-	-
Financial Institutions/Banks	3,000	0.04	3,000	0.03
Central/State Government	-	-	-	-
Venture capital Funds	-	-	-	-
Insurance Companies	-	-	-	-
Foreign Institutional Investors/Foreign Venture Capital Investors	-	-	-	-
Any other (Specify)	-	-	-	-
ADRs/GDRs	-	-	-	-
Sub Total	-	-	3,000	0.03