

**Annual Report  
2016-17**

**Board of Directors**

Mrs. Anita Chitturi	: Managing Director
Mr. Narendra Chitturi	: Non Executive Director
Mr. Bethina Hanumantha Rao	: Non Executive Director
Mr. Chitturi Indrayya	: Independent Director
Mr. Sudhakar Devarapalli	: Independent Director
Mr. Nalla Bulli Venkaiah	: Independent Director
Compliance Officer	: Mr. Ch Madan Mohan

**Registered Office** : D.No 15-93/S, Aganampudi,  
B C Colony, Gajuwaka,  
Andhra Pradesh -530046

**CIN** : L72200AP1994PLC063259

**Bankers** : State Bank of India  
PBB Phase ,Masab Tank Branch,  
Hyderabad

**Website** : [www.seshachal.com](http://www.seshachal.com)

**Statutory Auditors** : M/s. LNP & Co  
Chartered Accountants  
Hyderabad

**Secretarial Auditors** : M/s. VCSR & Associates  
Company Secretaries  
Hyderabad

**Registrars and Share Transfer Agents**

M/s Karvy Computershare Pvt Ltd  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad 500081,  
Telangana.

## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the **SESHACHAL TECHNOLOGIES LIMITED** will be held on Thursday the 28<sup>th</sup> September 2017 at 11.00 A.M. at D.No 15-93/5, Aganampudi, B C Colony, Gajuwaka, Viskhapatnam, – 530046 to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2017 and Balance Sheet as at that date together with Directors Report and Auditors Report thereon.
- 2) To appoint a director in place of Mr. Bethina Hanumantha Rao who retires by rotation and being eligible offers himself for re-appointment.
- 3) Ratification of appointment of Auditors

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 all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of M/s. LNP & Co, Chartered Accountants, Hyderabad, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM to be held in 2018 to examine and audit the accounts of the Company for the financial year 2017-18 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

By Order of the Board of Directors

Place: Hyderabad  
Date: 14.08.2017

Anita Chitturi  
Managing Director  
(DIN - 02873548)

**NOTES:**

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 21<sup>st</sup> September 2017 to Thursday the 28<sup>th</sup> September 2017 (both days inclusive) for the purpose of Annual General Meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of him/herself. Such a proxy/ proxies need not be a member of the company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified. Shareholders intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
5. The Securities and 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 Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their Appointment/reappointment.
7. Electronic copy of the Annual Report for 2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode. Copies of the annual report will not be available for distribution to shareholders at the hall.
8. Electronic copy of the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 2016-17 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id.

#### 10. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and The Listing Regulations executed by the company with the BSE Limited, the company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by M/s Karvy Computershare Pvt Ltd (KARVY).

A member may exercise his votes at any General Meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.

During the e-voting period, members of the company holding shares either in physical form or dematerialized form, as on the cutoff date i.e., 21<sup>st</sup> September, 2017, may cast their votes electronically. The e-voting period will commence from Monday, September 25, 2017 at 9.00 am and will end at 5.00 pm on Wednesday, September 27, 2017. Members holding shares in their physical or dematerialized form as on the cut-off date of 21<sup>st</sup> September, 2017 may cast their vote electronically. The eVoting module shall be enabled by Karvy Computershare Pvt Ltd (KARVY) during the above mentioned period. Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently.

A copy of this notice has been placed on the website of the Company.

#### PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with Karvy Computershare Private Limited (Karvy) for facilitating e-voting for AGM. The instructions for e-voting are as under:

1. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
2. Enter the login credentials (i.e. user-id & password) mentioned on the Attendance Slip/ Email forwarded through the electronic notice.

User-ID	For Shareholder(S)/ Beneficial Owner(S) Holding Shares In Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID For Members holding shares in Physical Form:- <ul style="list-style-type: none"><li>• USER ID is Event number followed by Folio Number registered with the company</li></ul>
Password	Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code for Security reasons i.e., please enter the alphabets and numbers in the exact way as they are displayed.

3. After entering these details appropriately, click on "LOGIN".
4. Members holding shares in Demat/Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*,#,@ etc.). Kindly note that this password can be used by the Demat

holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.

5. You need to login again with the new credentials.
  6. On successful login, system will prompt to select the 'Event' i.e., 'SESHACHAL TECHNOLOGIES LIMITED'.
  7. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and cast your vote earlier for any other company, then your existing login id and password are to be used.
  8. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select 'ABSTAIN'.
  9. After selecting the resolution if you have decided to cast vote on the same, click on "SUBMIT" and 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.
  10. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  11. Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [chveeru@gmail.com](mailto:chveeru@gmail.com) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image/pdf file of the Board Resolution should be in the naming format "Corporate Name Event Number".
- Contact for issues relating to e-voting: M/s Karvy Computershare Private Limited, Karvy Selenium Tower – B, Plot No. 31-32, Gachi Bowli, Financial District, Nanakramguda, Hyderabad 500 032. Toll Free Number: 1-800-3454-001
12. The Board of Directors has appointed Mr. Ch. Veeranjanyulu (C.P. No- 6392), Partner of M/s. VCSR & ASSOCIATES, Company Secretaries, as scrutinizer to scrutinize the remote evoting and poll voting process in fair and transparent manner. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting (AGM), first count the votes cast at the AGM thereafter he will unblock the votes castes through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, not later than 3 working days, Consolidated Scrutinizer's Report of total votes cast in favour or against, if any, forthwith to the Chairman of the Company.

# ANNEXURE TO ITEM 2 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of the Listing Regulations)

Name of the Director	BETHINA HANUMANTHA RAO
Director Identification Number (DIN)	03563052
Date of Birth	15/08/1966
Nationality	INDIAN
Date of Appointment on Board	30/09/2011
Qualification	Graduate
Shareholding in Seshachal Technologies Limited	1,40,000
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL

There are no inter-se relationships between the Board Members.

## DIRECTORS' REPORT

To

The Members.

Your Directors have pleasure in presenting their 22<sup>nd</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

### 1. Financial summary or highlights/Performance of the Company (Standalone)

The Board's Report shall be prepared based on the stand alone financial statements of the company.  
(In Lakhs)

Particulars	2016-17	2015-16
Net Income	0	16.64
Expenditure	2.17	16.89
Profit Before Depreciation And Tax	(2.14)	2.40
Depreciation	0.03	2.65
Profit Before Tax	(2.17)	(0.25)
Net Profit	(2.17)	(0.25)
Equity Share Capital	694.36	694.36
Reserves	(629.62)	(627.45)
Cash EPS	(0.03)	(0.003)

### 2. Performance:

During the year 2016-17, the Company has not generated any income due to heavy market crises. The Company main business is software services. We expect ensuing financial year to be more fruitful as the company is setting the floor for achieving its targets.

### 3. Dividend

The company has not declared any Dividend during the Financial Year.

### 4. Reserves

Since, the company has not declared the dividend during the financial year transfer of amount from profits to reserves does not arise.

### 5. Deposits

The Company has not accepted any Fixed Deposits covered under Chapter V of the Act.

### 6. Directors and Key Managerial Personnel

The Board of Directors has been duly constituted and Shri Bethina Hanumantha Rao who retires by rotation and being eligible offers himself for re-appointment is proposed for his reappointment.

## **7. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 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 Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **8. Declaration by an Independent Director(s) and re- appointment, if any**

A declaration by an Independent Director(s) that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been received from all independent directors.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

## **9. Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Six Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **10. 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.

## **11. Details of Subsidiary/Joint Ventures/Associate Companies**

The Company does not have any Subsidiaries/Joint Ventures/Associate Companies.

## **12. Internal Audit & Controls**

During the year, the Company continued to implement his suggestions and recommendations to improve the control environment. His scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

## **13. Vigil Mechanism**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.seshachal.com](http://www.seshachal.com) under investors/policy documents/Vigil Mechanism Policy link.

#### **14. 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 MGT 9 as a part of this Annual Report as Annexure I.

#### **15. 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 II (Format enclosed)

#### **16. Particulars of loans, guarantees or investments under section 186**

Details of Loans: NA

Details of Investments:-NA

Details of Guarantee / Security Provided: NA

#### **17. Auditors**

The Auditors, M/s. LNP & Co, Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and being eligible; offer themselves for reappointment for a period of 3 Years from the conclusion of this Annual General Meeting [AGM] until the conclusion of Second Annual General Meeting to be held after this meeting.

#### **18. Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

#### **19. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, M/s. VCSR & Associates, Company Secretaries have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure III to this report. The report is self-explanatory and do not call for any further comments.

#### **20. Particulars of Employees**

During the period under review, no employee of the Company is employed throughout the financial year and in receipt of remuneration of Rs.60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **21. Corporate Governance Certificate**

The Compliance certificate from the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in the Listing regulations shall be annexed with the report.

## **22. Management Discussion And Analysis Report**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31<sup>st</sup> March 2017.

## **23. Conservation of energy, technology absorption and foreign exchange earnings and outgo- NA**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- a) Conservation of energy; Not Applicable
- (b) Technology absorption: Not Applicable
- (c) Foreign exchange earnings and Outgo: Not Applicable

## **24. Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a **listed company**, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **25. Listing With Stock Exchanges**

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

## **26. Corporate Social Responsibility (CSR):**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company, yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.