



VEDAVAAG SYSTEMS LIMITED

Empowering e-Applications

(formerly SARK Systems India Limited)

103, West Block, Siri Sai Orchid, Madhapur, Hitech City, Hyderabad – 500081

CIN: L72200TG1998PLC029240, [Tel: 040-40188140](tel:040-40188140) Fax: 040-40188141 www.vedavaag.com

To,

Date: 14.12.2016

BSE Limited
P.J.Towers, Dalal Street
Mumbai – 400001

Dear Sir/Madam,

Sub: Revised Notice of EGM to be held on 04.01.2016
Ref: Company's letter dated 13.12.2016

With reference to the subject cited, please find enclosed the correct notice of EGM to be held on 04.01.2017. The copy sent earlier was a draft and was uploaded inadvertently. We request the Exchange to upload the enclosed file on its website and remove the one uploaded earlier.

We regret the inconvenience caused.

Thanking you.
Yours sincerely,
For Vedavaag Systems Limited



D. Himabindu
Company Secretary

Encl: as above

VEDAVAAG SYSTEMS LIMITED

(formerly SARK SYSTEMS INDIA LIMITED)

Reg. Office : 1-90-8/13, 103, West Block, Siri Sai Orchid, Madhapur, Hitech City,
Hyderabad, Telangana, INDIA-500 081

Telephone: 040-40188140 Fax: 040-40188141 CIN: L72200TG1998PLC029240

Website: www.vedavaag.com email: info@vedavaag.com

NOTICE

Notice is hereby given that the Extra ordinary General Meeting of the Shareholders of M/s Vedavaag Systems Limited will be held on Wednesday 4th day of January 2017 at Surana Udyog Auditorium, FTSCCI Bhavan, Red Hills, Hyderabad at 11.30 am to transact the following special business.

SPECIAL BUSINESS:

1. Increase and Re-classification in Authorized Share capital and alteration of capital clause in the Memorandum of association of the company:

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

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) the existing Authorized Share Capital be increased and re-classified from Rs. 20,00,00,000 (Rupees twenty crores only) divided into 1,90,00,000 equity Shares of Rs.10/- each and 10,00,000 8% Preference Shares of Rs 10/- each to Rs. 30,00,00,000 (Rupees thirty crores only) divided into 3,00,00,000 equity Shares of Rs.10/- each and consequently the existing Clause V of the Memorandum of Association of the company be and is hereby altered by deleting the same and substituting in its place and instead thereof, the following as new Clause V:

“The Authorised share capital of the company is Rs. 30,00,00,000 (Rupees thirty crores only) divided into 3,00,00,000 equity Shares of Rs.10/- (Ten only).”

2. Amendment of Articles of Association:

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

“RESOLVED THAT pursuant to provisions of Section 5 read with Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the new draft Articles as contained in the Articles of Association submitted be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), be and are hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

3. To reclassify the existing eight promoters group into public category:

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

“Pursuant to regulation 31A of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and the request letters received from the following existing promoters consent of the members is accorded to reclassify them into public category.”

1. Sri D. V. R. S. Sastry
2. Sri A. Ravi Kishore
3. Smt. J.Sita mahalakshmi
4. Smt. A.Jayasree
5. Smt. B.Sarada
6. Smt. S. Nirmala
7. Smt. J. Swarajya Lakshmi
8. Smt. D. Ramadevi.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), be and are hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

4. Issue of 1,00,00,000 convertible warrants on preferential basis to the promoter and others:

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

“**RESOLVED THAT** in terms of Sections 42 and 62(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009 and listing agreement entered by company with BSE Limited, as may be applicable to the preferential issue of Equity shares and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranches up to 1,00,00,000 convertible warrants to the promoters and other investors (whose names shall be recorded by the company in the manner set out in Sec 42(7) of the Companies Act, 2013 read with the respective Rules) and the warrants shall be convertible into equal number of Equity Shares with in a period not exceeding 18 months from the date of allotment of warrants, as mentioned in the explanatory statement, at an issue price of Rs. 39/- per warrant which is arrived in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the pricing of the convertible warrants to be allotted is in accordance with the SEBI (ICDR) Regulations with reference to the ‘Relevant Date.’ The “relevant date” for the purpose of pricing of equity shares and convertible warrants is 5th December 2016 (i.e., thirty days prior to the date of Extra Ordinary General Meeting—4th January 2017).

“RESOLVED FURTHER THAT the new resultant equity shares/warrants shall rank pari-passu with the existing Equity shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares.”

“RESOLVED FURTHER THAT the aforesaid convertible warrants allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment(s) thereto from time to time.”

“RESOLVED FURTHER THAT the aforesaid warrants shall be in accordance with the following terms and conditions:

- A warrant by itself shall not give to a warrant holder thereof, any rights of the shareholder of the company.
- In the event, the equity shares of the company are either sub-divided or consolidated before the conversion of the warrants into equity shares of the company, then the face value, the number of equity shares to be acquired on conversion of the warrants and the warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the equity shares of the company bears, to the newly sub-divided / consolidated equity shares without affecting any right or obligation of the said warrant holders: and
- In the event, the company’s equity capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the company, tender offer for equity shares or sale of undertaking, necessary adjustments with respect to the terms of the aforesaid warrants shall be made by the company and such other action as may be deemed necessary or appropriate by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price, subject to necessary approvals.

“RESOLVED FURTHER THAT the Company does apply for listing of the resultant equity shares and does make an application to the Depositories for admission of the said new equity shares at the time of conversion of warrants into equity shares.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this resolution, issue and allotment of equity shares/convertible equity warrants and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board of Directors
For VEDAVAAG SYSTEMS LIMITED

J. Murali Krishna

Managing Director

DIN : 00016054

Date : 12-12-2016

Place : Hyderabad

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 as annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Extra ordinary General Meeting as set out in the Notice is annexed hereto.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on 29th December 2016 will be considered for the purpose of voting.
4. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Ballot Forms will be treated as invalid.
5. Voting rights shall be reckoned on the paid-up value of shares registered in the names of the Members as on 29th December 2016.
6. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by CDSL. The instructions for electronic voting are annexed to this Notice.

7 **Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 29th December 2016 are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 1st day of January 2017 and will end at 5.00 p.m. on 3rd day of January 2017. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mrs. D. Renuka, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The

Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

The instructions for e-voting are as follows:

(I) In case of members receiving e-mail:

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on Shareholders.
- iii. 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.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. 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.
- vi. 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.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. 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 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 e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xi. 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.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xi. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(II) In case of members receiving the Physical copy of Notice of Postal Ballot [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

A. Please follow all steps from sl. no. (ii) to sl. no. (xvii) above, to cast vote.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- 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.
- 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.

B. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 1:

Increase and reclassification in Authorized Share capital and alteration of capital clause in the Memorandum and Articles of Association of the Company:

The present authorized share capital of the company is Rs.20,00,00,000 (Rupees twenty crores only divided into 1,90,00,000 equity Shares of Rs.10/- each and 10,00,000 8% Preference Shares of Rs 10/- each. The company is proposing to issue warrants convertible into equity shares. Considering the same, the Board has approved, subject to the shareholders' approval, an increase and re-classification in the authorized share capital to Rs. 30,00,00,000 (Rupees thirty crores only) divided into 3,00,00,000 equity Shares of Rs.10/- each.

Pursuant to provisions of Sections 13 and 61 of the Companies Act, 2013, an increase in authorized share capital and consequent amendments in the capital clause of the Memorandum of Association of the company requires approval of the members. Therefore approval of the members is sought in terms of the said sections.

None of the Directors, key managerial personnel and their relatives is concerned or interested financial or otherwise in the above said resolution.

Item No. 2:

Amendment of Articles of Association:

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by the Companies Act, 2013. Hence it is proposed to substitute the existing Articles with the provisions of the Companies Act, 2013 and rules thereunder.

The resolution as set out above has been recommended by the Board of Directors for approval of the Members by special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the above said Resolution.

Item No. 3:

To reclassify certain existing promoters group into public category:

Pursuant to regulation 31A of the SEBI(Listing obligations and disclosure requirements)regulations, consent of the company is required by the way of special resolution to reclassify the following promoters from "promoter category" to public category since the promoter group are neither involved in the management nor holds any controlling /majority stake in the company and also none of the following promoters group has entered into any shareholders agreement with the company nor have any veto rights or special rights as to voting power or control of the company.

S.No.	Name of the promoter	No of shares held	Percentage of shares
1	J.Sita mahalakshmi	4600	0.03
2	D.V.R.S.Sastry	30000	0.21
3	A.Ravikishore	27000	0.19
4	A.Jayasree	12500	0.09
5	B.Sarada	19800	0.14
6	S.Nirmala	15000	0.11
7	J.Swarajya lakshmi	6500	0.05
8	D.Ramadevi	12500	0.09

The above persons have also requested the Company to shift them into public category.

The resolution as set out above has been recommended by the Board of Directors for approval of the Members by special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the above said Resolution.

Item No. 4

Issue of convertible equity warrants on preferential basis to the promoter and other investors:

The Company is in need of funds to meet its working capital requirements and financing inorganic growth and therefore it is proposed to issue warrants convertible into equity shares on preferential basis to the promoters and others.

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution.

The Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to is as stated below. As per Section 42 and 62 and other applicable provisions if any of the Companies Act, 2013, the companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, consent of the shareholders is sought for issuing the convertible Equity warrants as stated in the resolution on a preferential basis.

(I) Object of the Issue through preferential Allotment:

To meet its working capital requirements and financing inorganic growth

(II) Pricing of the Issue and Relevant Date:

Convertible equity warrants are proposed to be issued at Rs. 39/- per warrant as determined in accordance with the preferential issue guidelines given in SEBI (ICDR) Regulations and subsequent amendments thereto which is based on the relevant date i.e., 05-12-2016, which is thirty days prior to the date of Extraordinary General Meeting (04-01-2017).

A Certificate is obtained from the Statutory Auditors of the Company confirming the minimum price for the preferential issue as per Preferential Issue Regulations in chapter VII of SEBI (ICDR) Regulations, 2009 and showing the calculation thereof and the same will be made available for inspection at the registered office of the Company.

(III) The proposal of the promoters and other investors of the issuer to subscribe to the offer:

In view of association with the company, the promoters and other investors have proposed and expressed their intention to subscribe to the convertible equity warrants to be offered to them. As on 12.12.2016, Shri. J.S.R. Durgaprasad and J. Muralikrishna, Promoter Directors of the Company have brought in a sum of Rs 2,92,50,000/- and Rs. 1,07,50,000 respectively towards unsecured loan, of which a sum equivalent to the subscription of the aforesaid respective warrants is proposed to be converted towards allotment and/ conversion of warrants at an issue price of Rs.39 per warrant.

(IV) Identity of the natural persons who are the ultimate beneficial owners of the convertible warrants proposed to be allotted and/or who ultimately control; the proposed allottees and percentage or pre and post preferential issue capital that may be held by them:

All the proposed allottees as furnished in the table are the ultimate beneficial owners of the shares.

List of allottees :

Identity of Proposed Preferential Allottee	Category	Equity warrants proposed to be allotted
J.S.R. Durga Prasad	Promoter	30,00,000
J. Murali Krishna	Promoter	30,00,000
K.Vijaya Kumar	Non-promoter	10,00,000
S. Abheeshta	Non-promoter	15,00,000
P.Purushottam	Non-promoter	4,00,000
Ch. Bhavani	Non-promoter	1,00,000
Smt. V.V. Devamma	Non promoter	1,00,000
R.R.S. Kumar	Non-promoter	2,00,000
G. Kaladhar	Non-promoter	4,50,000
S.Nagaraja Rao	Non-promoter	1,00,000
M.S. Shankar	Non-promoter	1,00,000
Deven Nani Wadekar	Non-promoter	50,000

Pre and post issue shareholding of proposed allottees :

Pre issuing Holding				Post issue holding on conversion.		
Identity of Proposed Preferential Allottee	Category	Pre issue holding	% of shares	Equity warrants proposed to be allotted	No.of Shares on conversion	% of shares on conversion
JSR Durga Prasad	Promoter	15,98,260	11.22	30,00,000	4598260	18.96
J.Murali Krishna	Promoter	15,98,712	11.22	30,00,000	4598712	18.96
K.Vijaya kumar	Non-promoter	-	-	10,00,000	10,00,000	4.12
S Abheeshta	Non-promoter	-	-	15,00,000	15,00,000	6.18
P Purushottam	Non-promoter			4,00,000	4,00,000	1.65
Ch Bhavani	Non-promoter			1,00,000	1,00,000	0.41
Smt VV Devamma	Non promoter	-		1,00,000	1,00,000	0.41
RRS Kumar	Non-promoter			2,00,000	2,00,000	0.82
G Kaladhar	Non-promoter	1000	0.01	4,50,000	4,51,000	1.86
S.Nagaraja Rao	Non-promoter	21,888	0.15	1,00,000	1,21,888	0.50
M. S. Shankar	Non-promoter	-	-	1,00,000	1,00,000	0.41
Deven Nani Wadekar	Non-promoter	1,677	0.01	50,000	51,677	0.21

V. Shareholding pattern of the company before and after preferential issue. The present shareholding pattern and the shareholding pattern assuming full conversion of warrants into equity shares are given below:

SI.	Category of No.	Pre issue holding details Share holder		Post Issue Holding Details	
		No. of Shares	% of shares	No.of shares	% of shares
A)	Promoter and Promoter Group				
	1 INDIAN	32,62,579	22.90	92,62,579	38.20
	2 FOREIGN	-	-	-	-
B)	PUBLIC SHARE				
	HOLDING				
	1) INSTITUTIONS	-	-	-	-
	2) NON-INSTITUTIONS				
	a) individuals	96,08,810	67.43	1,36,08,810	56.12
	b) any other	13,78,611	9.67	13,78,611	5.68
	TOTAL	1,42,50,000	100.00	2,42,50,000	100.00

VI. Proposed time with in which the allotment shall be completed:

The allotment of convertible equity warrants shall be completed, within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable before allotment of the warrants. The convertible warrants would be allotted on the following terms:

- a. The holder of warrants will have an option to apply for and be allotted 1 (one) Equity Share of the Company per warrant, any time after the date of allotment but on or before the expiry of 18 months from the date of allotment of convertible warrants, in one or more tranches.
- b. Upon receipt of the payment as above, the Board shall allot one Equity Share per Warrant by appropriating Rs.10/- towards Equity Share Capital and the balance amount paid against each Warrant, towards the Securities Premium.
- c. If the entitlement against the warrants to apply for the Equity Share is not exercised within the period specified, the entitlement of the Warrant holder to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- d. The warrant holder shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into Equity Shares by the Company, in the same proportion and manner as any other Members of the Company for the time being.
- e. The warrants by itself do not give to the holder thereof any rights of the Members of the Company.

VII. Approvals:

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares/convertible equity warrants.

VIII. SEBI Takeover code:

In the present case the promoters would attract SEBI Takeover Code and are under obligation to give open offer to the public shareholders at the time of converting warrants into equity shares.

IX. Holding of shares in demat form, non disposal of shares by the proposed allottees and lock-in period of shares:

The entire shareholding of the proposed allottees in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

X. Lock-in Period:

The equity shares proposed to be allotted shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchange/s where the securities of the Company are listed as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

XI. Auditor Certificate:

Certificate from the Statutory Auditors / Practicing Company Secretary confirming that the proposed issue of equity shares is being made in accordance with the SEBI (ICDR) Regulations, 2009 will be/is obtained and the same will be made available for inspection at the Registered Office of the Company on any working day.

XII. Control:

As a result of the proposed preferential allotment of equity shares/convertible equity warrants, neither there will be change in the composition of the Board of Directors and nor changes in control of the Company.

XIII. Undertakings:

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- i) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- ii) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

XIV. Compliances:

The company has complied with the requirement of rule 19A of the Securities Contracts (Regulation) Rules, 1957, maintaining a minimum of 25% of the paid up capital in the hands of the public.

XV. Approval under the Companies Act:

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to offer, issue and allot equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and the others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice.

Except Mr. J S R Durga Prasad and Mr. J Murali Krishna, none of the other directors, key managerial personnel or their relatives are concerned or interested (financial or otherwise) in the above said resolution.

For and on Behalf of the Board of Directors

VEDAVAAG SYSTEMS LIMITED

Date: 12.12.2016

Place: Hyderabad

Managing Director

(DIN : 00016054)

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]

CIN : **L72200TG1998PLC029240**
Name of the Company : **VEDAVAAG SYSTEMS LIMITED**
Registered office : **1-90-8/13, 130, West Block, Siri Sai Orchid, Hitech City, Madhapur, Hyderabad, Telangana, India - 500081,**

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

(1) Name : _____

Address : _____

E-mail ID : _____

Signature : _____, or failing him;

(2) Name : _____

Address : _____

E-mail ID : _____

Signature : _____, or failing him;

(3) Name : _____

Address : _____

E-mail ID : _____

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 Extra ordinary General Meeting of the Company, to be held on **Wednesday, 4th day of January, 2017** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Increase and reclassification in Authorized Share capital and alteration of capital clause in the Memorandum of association of the company
2. Alteration of Articles of Association of the Company
3. Reclassification of certain existing promoters to public category
4. Issue Of Convertible Equity Warrants On Preferential Basis To The Promoters And Other Investors

Signed this _____ day of _____ 2016/17

Signature of shareholder

Signature of Proxy holder(s)

Note: 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.

VEDAVAAG SYSTEMS LIMITED

Registered office 1-90-8/13,103,West Block,
Siri Sai Orchid, Hitech City,
Madhapur, Hyderabad, Telangana,India-500081

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the Extra Ordinary General Meeting of the members of the company to be held on Wednesday, 4th day of January, 2017 at Surana Udyog Auditorium, FTSCCI Bhavan, Red Hills, Hyderabad at 11.30 a.m. and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____
(In block letters)

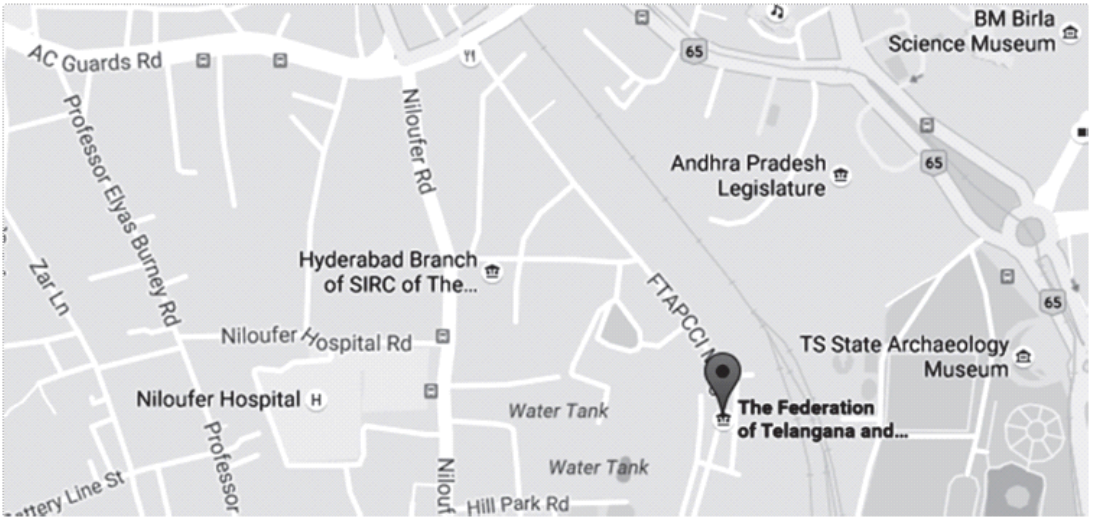
Folio No./ Client ID _____

No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

ROUTE MAP for THE EGM



Book - Post

PRINTED MATTER

If undelivered please return to :

VEDAVAAG SYSTEMS LIMITED

Registered office 1-90-8/13,103,West Block,
Siri Sai Orchid, Hitech City,
Madhapur, HYDERABAD,
Telangana,India-500081