



**Date: 06-09-2023**

**To  
The BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai — 400 001**

**Scrip Code: 533056**

**ISIN: INE359B01010**

Dear Sir/Madam,

**Sub:** Notice of 25<sup>th</sup> Annual General Meeting (AGM) along with Annual report 2022-23.

**Ref:** Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the subject cited and pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 please find enclosed Notice convening 25<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2022-23.

The Annual Report for the Financial Year ended March 31, 2023, is also available on the website of the Company i.e., <http://vedavaag.com/Financial-Reports>.

Kindly take the above information on record.

Thanking You.

Yours faithfully,

**For Vedavaag Systems Limited**

**Saiteja Ivaturi**

**Company Secretary & Compliance Officer**

Enclosed: a/a

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**CIN: L72200TG1998PLC09240.**

103, West Block, Sirisai Orchid, Madhapur, Hitech City, Hyderabad – 500081. Telangana State, India  
Tel: 040-40188140, Fax: 040-40188141. [www.vedavaag.com](http://www.vedavaag.com)

CELEBRATING **SILVER JUBILEE**



# VEDAVAAG SYSTEMS LIMITED

25<sup>th</sup> ANNUAL REPORT 2022-23

Years

1998 - 2023



**VEDAVAAG SYSTEMS LIMITED**

*endeavoring digital transformation*

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**BOARD OF DIRECTORS**

**\*Dr. Gundu Trivikrama Murthy**  
\*Chairman & Independent Director

**Mr. Jonnavittula Murali Krishna**  
Managing Director

**Mr. Pannala Srinivas**  
Independent Director

**Mr. Duggi Ramesh Sinha**  
Independent Director

**Mr. Narsupalli Pradeep Kumar**  
Independent Director

**Mr. Jonnavittula Ananth**  
Non-Executive and  
Non-Independent Director

**Mrs. Sujata Jonnavittula**  
Non-Executive and  
Non-Independent Director (Woman)

\*Dr. G. T. Murthy - Chairman and Independent Director of the Company, tendered his resignation as Chairman and Independent Director on August 29, 2022, thereafter the Company do not have any regular Chairman.

**BOARD COMMITTEES**

**Audit Committee**

**Mr. Pannala Srinivas** - Chairman  
**\*Dr. G T Murthy** - Member  
**\*Mr. D Ramesh Sinha** - Member  
**Mrs. Sujatha Jonnavittula** - Member

\*The Audit Committee of the Board has been reconstituted upon resignation of Dr. G T Murthy on August 29, 2022 by appointing Mr. D Ramesh Sinha (Independent Director) as member of the Committee.

**Stakeholders Relationship Committee**

**\*Dr. G T Murthy** - Chairman  
**\*Mr. N Pradeep Kumar** - Chairman  
**Mr. Pannala Srinivas** - Member  
**Mrs. Sujatha Jonnavittula** - Member

\*The Stakeholders Relationship Committee of the Board has been reconstituted upon resignation of Dr. G T Murthy on August 29, 2022 by appointing Mr. N Pradeep Kumar (Independent Director) as Chairman of the Committee.

**Nomination and Remuneration Committee**

**Mr. Pannala Srinivas** - Chairman  
**\*Dr. G T Murthy** - Member  
**\*Mr. N Pradeep Kumar** - Member  
**Mrs. Sujatha Jonnavittula** - Member

\*The Nomination and Remuneration Committee of the Board has been reconstituted upon resignation of Dr. G T Murthy on August 29, 2022 by appointing Mr. N Pradeep Kumar (Independent Director) as member of the Committee.

**Corporate Social Responsibility Committee**

**Mr. Jonnavittula Murali Krishna** - Chairman  
**\*Dr. G T Murthy** - Member  
**\*Mr. D Ramesh Sinha** - Member  
**Mrs. Sujatha Jonnavittula** - Member

\*\*The Corporate Social Responsibility Committee of the Board has been reconstituted upon resignation of Dr. G T Murthy on August 29, 2022 by appointing Mr. D Ramesh Sinha (Independent Director) as Member of the Committee.

**KEY MANAGERIAL PERSONNEL (KMP)**

**Mr. Jonnavittula Murali Krishna** - Managing Director  
**Mr. T. B. Krishna Mohan** - Chief Financial Officer  
**Mr. Saiteja Ivaturi** - Company Secretary & Compliance Officer

### **STATUTORY AUDITOR**

M/s. PARY & CO.  
Chartered Accountants  
No.-6, 2<sup>nd</sup> Floor, 8-2-703/VJ/6, Vijay Villa,  
Road No. 12, Banjara Hills-500034, Hyderabad,  
Telangana

### **SECRETARIAL AUDITORS**

M/s VCSR & Associates, Company Secretaries,  
# 8-3-945, 3rd Floor, 305 A & B,  
Pancom Business Centre, Ameerpet-500 073  
Hyderabad, Telangana

### **BANKERS**

State Bank of India  
Axis Bank  
ICICI Bank  
Bank of Baroda  
Punjab National Bank

### **REGISTERED OFFICE**

# 1-90-8/13, B Block, 103 Sri Sai Orchid, HI Tec City,  
Madhapur, Hyderabad 500081, Telangana, India  
Tel: +91 040-40188140  
Email: info@vedavaag.com

### **STOCK EXCHANGE**

The BSE Limited

### **REGISTRAR AND SHARE TRANSFER AGENT**

Venture Capital And Corporate Investments Private Limited  
Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57,  
Jayabheri Enclave, Phase II, Gachibowli,  
Seri Lingampally TG 500032 IN  
Tel: 23818475 / 23818476 / 23868023  
Email: investor.relations@vccipl.com



## | NOTICE TO THE ANNUAL GENERAL MEETING

To the Members of **Vedavaag Systems Limited**

NOTICE IS HEREBY GIVEN THAT THE 25<sup>TH</sup> ANNUAL GENERAL MEETING OF VEDAVAAG SYSTEMS LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 29, 2023, AT 10:00 A.M AT THE SURANA AUDITORIUM, THE FEDERATION OF TELANGANA CHAMBER OF COMMERCE AND INDUSTRY, RED HILLS (FTCCI), HYDERABAD - 500004 TO TRANSACT THE FOLLOWING BUSINESS.

### ORDINARY BUSINESS:

**1. ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2023 together with Reports of the Board of Directors and Statutory Auditors thereon, including Annexure thereto.

**2. DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

To Declare Final Dividend on Equity shares @ Rs. 0.60 per Equity Share of Face Value of Rs. 10.00 (Rupees Ten Only) for the Financial Year ended March 31, 2023.

**3. RE-APPOINTMENT OF MRS. SUJATA JONNAVITTULA (DIN: 07014640), AS DIRECTOR OF THE COMPANY**

To appoint a director in place of Mrs. Sujata Jonnavittula (DIN: 07014640), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible offers herself for re-appointment.

**4. TO RE-APPOINT M/S PARY & CO. AS STATUTORY AUDITORS OF THE COMPANY, TO HOLD OFFICE FROM THE CONCLUSION OF 25<sup>TH</sup> ANNUAL GENERAL MEETING TILL THE CONCLUSION OF 30<sup>TH</sup> ANNUAL GENERAL MEETING AND TO AUTHORIZE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION.**

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

**“RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/S. PARY & Co., Chartered Accountants, Hyderabad – 500 034 (Firm’s Registration No. 007288C), be and are hereby re-appointed as Statutory Auditors of the Company for a further tenure of Five years i.e., from the conclusion of 25<sup>th</sup> Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in the year 2028.”

**“RESOLVED FURTHER THAT** a remuneration of Rs. 3,00,000/- (Rupees Three lakhs only) (exclusive of applicable taxes and out of pocket expenses and fees for certification works) as fixed by the Board of Directors be paid to the Auditors for conducting statutory audit, tax audit and limited review of quarterly results and the remuneration paid may be reviewed from time to time during the tenure.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

### SPECIAL BUSINESS:

**5. APPROVAL FOR PAYMENT OF COMMISSION ON PROFITS TO NON-EXECUTIVE DIRECTORS**

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

**“RESOLVED THAT** pursuant to the provisions of sections 197, 198 and any other applicable provisions of the Companies Act, 2013, including any amendments thereto or re-enactments thereof (the ‘Act’) and Regulation 17 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of Shareholders be and is hereby accorded for payment of remuneration to Non-Executive Directors of the Company, an amount not exceeding One Percent of net profits of the Company in a financial year.”

**“RESOLVED FURTHER THAT** any Non-Executive Director may be paid a remuneration exceeding 50% of total remuneration payable to all Non-Executive Directors based on the performance of concerned Non-Executive Director.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as it may deem necessary, desirable or expedient and to do all acts, deeds and things in connection therewith and incidental in order to give effect to this resolution”

For **Vedavaag Systems Limited**

Sd/-

**J Murali Krishna**

Managing Director

DIN: 00016054

Place: Hyderabad

Date : 28-08-2023





## NOTES

1. A member is entitled to attend, and vote is entitled to appoint proxy, the proxy need not be a member.
2. Proxies to be effective must be received by the Company not less than 48 hours before the meeting.
3. Dispatch of Annual Report through Electronic mode:

In terms of the Ministry of Corporate Affairs (“MCA”) Circular the Notice calling the AGM and Annual Report has been uploaded on the website of the Company at [www.vedavaag.com](http://www.vedavaag.com) Annual reports. The Notice can also be accessed from the website of the Stock Exchange i.e., BSE Limited at <https://www.bseindia.com/>. The Notice and Annual Report is also available on the website of e-voting agency NSDL at the website address <https://www.evoting.nsdl.com>. The Annual Report for the Financial year ended March 31, 2023 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), owing to the difficulties involved in dispatching of physical copies of the financial statements including Board’s Report, Auditor’s Report or other documents required to be attached therewith (together referred to as Annual Report).

4. Members who are holding shares in physical mode and who have not registered/updated their email id address with the company are requested to register/update the same by writing to the Company’s RTA with folio number attaching self-attested copy of Pan card and a photocopy of blank cancelled cheque of their bank account at [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com) or to [info@vedavaag.com](mailto:info@vedavaag.com).

Members who have not registered their e-mail addresses are requested to register the same with their Depository Participants (“DP”) since the shares are held by them in electronic form.

5. Special attention is drawn on Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_PoD-1/P/CIR/2023/37 dated March 16, 2023; the communication has been sent to all the physical shareholders on their latest available address.
6. Freezing of Folios without PAN, KYC details and Nomination:
  - Folios wherein any one of the said document / details are not available on or after October 01, 2023, shall be frozen and you will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend in physical mode after April 01, 2024.
  - After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.
7. The Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a Certified Copy of the Board Resolution authorising their representative to attend and vote on their behalf at their meeting.
8. Members who hold shares in physical form can nominate a person in respect of all shares held by them singly or jointly. Members who hold shares in single name are advised in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant for recording nomination of shares.
9. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members Holding Shares in electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members, who hold the shares in Physical, should submit their PAN to the Company/ Registrar.
10. Subject to the receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of AGM.

### Book Closure and Dividend

1. The Register of members and Share Transfer Books of the Company will be closed from Monday, September 25, 2023 to Friday September 29, 2023, both days inclusive. The dividend of Rs. 0.60 per share on the Equity Shares of the Company if declared by Members at AGM will be paid after deduction of Income Tax at Source (TDS).

2. The final dividend, if declared, shall be paid on or before the specified date to those members whose names appear in the register of members as of the close of business hours on September 23, 2023 Saturday, as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in the case of shares held in dematerialized form.
3. Shareholders may note that the Income Tax Act 1961, as amended by Finance Act 2021, mandates that dividends paid or distributed by the Company after 1<sup>st</sup> April 2021 for Rs 5000 or more shall be taxable in the hands of shareholders and the Company is required to deduct tax at source from dividends paid to the shareholders in accordance to the provisions of the Act.

i. Resident Shareholders

Particulars	TDS rate
With PAN	10% or as may be notified by the Government of India
Without/Invalid Form	20% or as may be notified by the Government of India
Submission of declaration in form 15G and 15H	NIL

Members are hereby requested to update their PAN with Company/RTA (in case shares held in the physical form) and depository participant (In case of share held in demat mode) to get the benefit of lower TDS rate

ii. Non-Resident Shareholders:

TDS rate @20% plus applicable surcharges and cess or applicable tax treaty rate between India and country of residence (whichever is lower subject to following conditions).

The Non-resident shareholders are requested to provide the following documents to avail the tax treaty benefits by sending mail investors.relations@vccipl.com on or before 20.09.2022.

- a) Declaration of “No permanent establishment in India”
- b) Beneficial ownership declaration
- c) tax residency certificate
- d) Form 10F

4. Members who hold shares in Dematerialized form and want to change/ correct/provide their Bank details should send the same immediately to their Depository Participant. Members are also requested to give the MICR code of their bank to Depository Participant.
5. Members who are holding shares in physical form are advised to submit their bank account details viz., name and address of the branch of the bank, MICR code of the branch, type of account, account number to the Registrar and Share Transfer Agent Venture Capital and Corporate Investments Private Limited, Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally TG 500032.
6. Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is to be transferred to Investor Education and Protection Fund.
7. Members who have not encashed the Dividend Warrants so far are requested to send their Claims. For the Financial Years 2016-2017, 2017-2018, 2018-2019, 2019-20, 2020-21 and 2021-22 before the due dates as the unclaimed dividend will get transfer to IEPF Account in the years 2024, 2025, 2026, 2027, 2028 and 2029 respectively.

**Voting Through Electronic Means:**

1. In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called “the Rules” for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the notice through electronic voting
2. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility to the members to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting (‘Remote e-voting’). The Company has engaged the services of NSDL as the authorized agency to provide e-voting facilities.

3. The Board of Directors has appointed Mrs. D. Renuka, Practicing Company Secretary, (Membership No. ACS 11963 and CP No. 3460) as a Scrutinizer to scrutinize the remote e voting process and poll at AGM in a fair and transparent manner.
4. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than two (2) working days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by the Chairman for counter signature.
5. The Results shall be declared by the Chairman or by an authorized person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions.
6. After declaration of the results, the same shall be placed along with the Scrutinizer's Report(s) on the website of the Company [www.vedavaag.com](http://www.vedavaag.com) and communicate to BSE Limited where the shares of the Company are listed for placing the same on their website.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on **September 26, 2023** at 09:00 A.M. and ends on **September 28, 2023** at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., **September 23, 2023** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **September 23, 2023**.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system




##### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>



Type of shareholders	Login Method
	<p>3. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>      </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically on NSDL e-Voting system.

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to prenukaacs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under «**e-Voting**» tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to SwapneelP@nsdl.com at evoting@nsdl.co.in

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@vedavaag.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@vedavaag.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.



## EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE UNDER SECTION 102 OF THE COMPANIES ACT 2013.

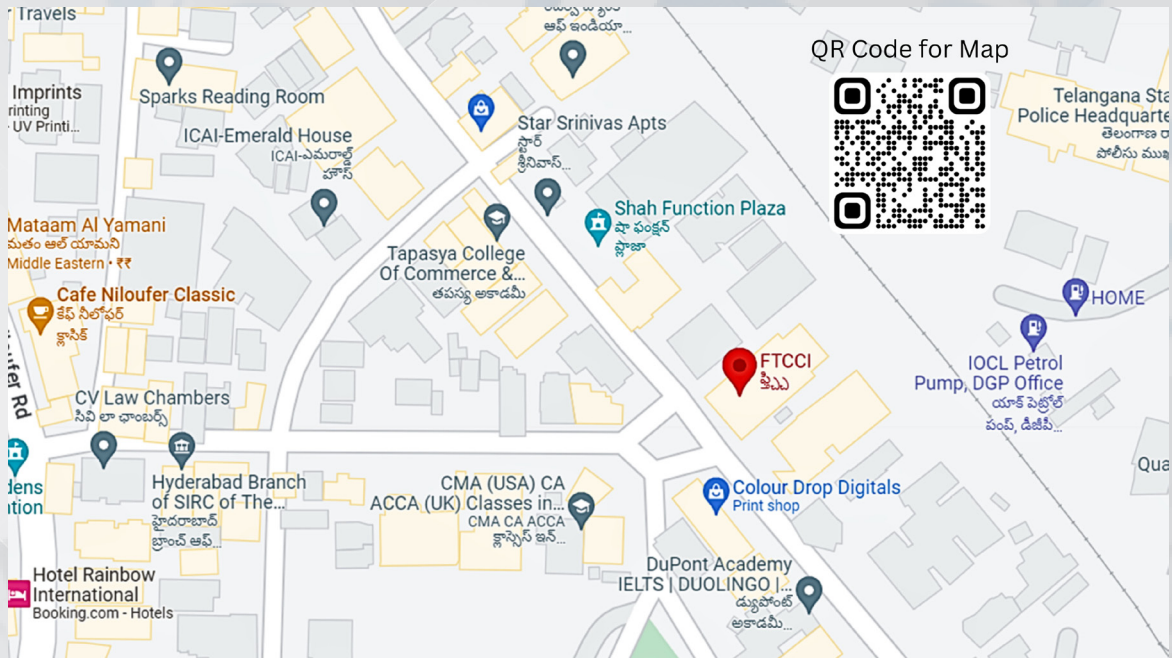
### Item-5:

Considering the competitive business environment, stringent accounting standards, corporate governance norms and consequent increase in the responsibilities of **Non-Executive Directors (NEDs)** it is considered prudent and appropriate to remunerate the NEDs of the Company. The Company believes in the philosophy to remunerate **NEDs** for giving their time to the Company and their inputs in the strategic decisions of the Company. As an enabling action, it is proposed to take the approval of Shareholders by way of Special resolution for payment of remuneration to the **NEDs**, for each of the five financial years commencing from financial year 2022-23.

All the **NEDs** are interested in the proposed resolution. None of the Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

## ROUTE MAP FOR AGM VENUE

THE SURANA AUDITORIUM, THE FEDERATION OF TELANGANA CHAMBER OF COMMERCE AND INDUSTRY, RED HILLS (FTCCI), HYDERABAD – 500004



## FROM MD'S DESK

The company made good progress in BC business with an increase in the volume of transactions and the quantum of money handled by it.

### BC Activity Overview

Particulars	FY 21-22	FY 22-23	% increase
Number of Transactions	239.90 Lacs	253.91 Lacs	6%
Gross Transaction Value	Rs. 12469 Crore	Rs. 15640 Crore	25%
Customer Service Points (CSP) nos.	2889	3781 4037*	31%

\* As on 25-08-2023

The company received super achiever award for the quarter ending March 2023 and received mandate from SBI to expand the CSPs presence to over **6600+** locations to be set up by the coming financial year end.

The company is executing a ₹72 crores order for IRIS as supply and installation partner to the Video Surveillance System project spread across multiple states covering over 1000 stations.

The company is well poised to execute projects in the Railways, Telecom, Transport, and other verticals.

## DIRECTORS' REPORT

Dear Members

Your directors have pleasure in presenting the 25<sup>th</sup> Directors' Report of your company together with the audited Standalone and Consolidated Financial Statements for the year ended, March 31, 2023.

### 1. Financial Summary

Standalone:

(Rs. In lacs)

Particulars	2022-23	2021-22
Revenue from Operations	6542.91	6877.52
Other Income	14.35	10.34
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1114.29	1177.97
Less: Depreciation	185.95	208.55
Profit before Finance Costs, Exceptional items and Tax Expense	928.34	969.42
Less: Finance Cost	3.40	10.97
Profit before Exceptional items and Tax Expense	924.94	958.45
Add/(less): Exceptional items	0	0
Profit before Tax Expense	924.94	958.45
Less: Tax Expense (Current & Deferred)	236.08	243.02
Profit for the year	688.86	715.43

Consolidated:

Particulars	2022-23	2021-22
Revenue from Operations	8440.31	9545.97
Other Income	16.57	10.34
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1625.58	1717.40
Less: Depreciation	629.86	592.90
Profit before Finance Costs, Exceptional items and Tax Expense	995.72	1124.5
Less: Finance Cost	3.40	10.97
Profit before Exceptional items and Tax Expense	992.32	1113.53
Add/(less): Exceptional items	0	0
Profit before Tax Expense	992.32	1113.53
Less: Tax Expense (Current & Deferred)	199.02	283.10
Profit for the year	793.30	830.43

## 2. Transfer to Reserves:

The Board of Directors of your Company, has decided not to transfer any amount to the reserves for the year under review.

## 3. Dividend:

The Board of Directors of your Company is pleased to recommend a dividend of Rs. 0.60 per equity share of the face value of Rs. 10 each (@ 6 %), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record date.

## 4. Unclaimed dividend and shares to the investor education and protection fund

Pursuant to provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and rules made thereunder as on the date of report no unclaimed/unpaid amounts or shares were transferred to the Investor Education and Protection Fund (IEPF).

## 5. State of the Company's Affairs:

As you are aware, your Company provides customised Financial Inclusion, Insurance service and other services at micro level. It delivers innovative solutions and in turn adds value to the business throughout all the segments. The company delivers high quality products and services which help leverage market opportunities and gain competitive advantage. There was no change in nature of business of the Company during the year.

On Standalone basis the revenue from operations for FY 2022-23 was Rs. 6542.91/- lakhs as compared to previous year revenue of Rs. 6877.52/- lakhs i.e., 2021-22 and net profit was Rs. 688.86/- lakhs as compared to Rs. 715.44/- lakhs for the FY 2021-22.

The consolidated revenue from operations was Rs. 8440.31/- lakhs as compared to previous year revenue of Rs. 9545.97/- lakhs i.e., for FY 2021-22 and net profit was Rs. 793.30/- lakhs as compared to Rs. 830.43/- lakhs for the FY 2021-22

During the year under review there were no significant or material orders passed by regulators, courts or tribunals impacting the Company's operations in future.

## 6. Public Deposits:

Your company has not accepted any deposits falling within the meaning of section 73 of the Companies Act 2013, read with Companies (Acceptance of Deposits) rules 2014 during the Financial Year.

## 7. Share Capital:

### Equity:

During the year under review there was no change in the authorized or paid-up share capital of the Company.

The Authorized share capital of the Company as on March 31, 2023 is Rs. 30,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs. 10/- each fully paid up. The paid-up share capital of the Company as on March 31, 2023 is Rs. 22,92,50,000/- divided into 2,29,25,000 Equity Shares of Rs. 10/- each fully paid-up.

## 8. Listing of Equity Shares

The Company's Equity Shares are listed on Stock Exchange i.e., on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India.

The Company has paid Annual Listing Fees to the Stock Exchange for the FY 2023-24.

## 9. Subsidiary, Associate and Joint Venture Companies:

Your company has 4 wholly owned subsidiary Companies as on March 31, 2023 viz., VSL Data Systems Private Limited, Vedavaag Edutech Private Limited (Formerly Vagdevi Sark Edutech Private Limited), Vedavag Common Service Centres Private Limited and Vedavaag Financial Services Private Limited.

During the year the Company has initiated for closure of one of its subsidiaries i.e., Vedavaag Kiya Ecommerce Private Limited.

Pursuant to Provisions of Section 129 of the Companies Act 2013, read with rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of financial statements of the Company's Subsidiaries in the form AOC -1 is annexed (Annexure-1) to this report.

The detailed policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website <http://vedavaag.com>

## 10. Details of the Companies which have become or ceased to be Subsidiaries, joint ventures or associates during the year

During the Financial year 2022-23 the Company had initiated closure proceeding for one of its subsidiaries i.e., Vedavaag Kiya Ecommerce Private Limited due to non-receipt of subscription amount from one of its subscribers.

No Company have become or ceased to be Subsidiaries, joint ventures or associates during the year.



## 11. Consolidated Financial Statements

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies act, 2013. The Consolidated Financial Statements for the Financial Year ended March 31, 2023 forms part of the Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate Audited accounts of its Subsidiaries on its website <http://vedavaag.com>.

## 12. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Director's Responsibility Statement, the Board of Directors of the Company hereby confirm that:

- in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- the Directors have 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 ended March 31, 2023 and the Profit of the Company for the year under review.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors had prepared the annual accounts on a 'going concern' basis.
- the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 13. Management Discussion and Analysis

Pursuant to the provisions of Regulation 34 read with Schedule 5 of the SEBI (Listing Obligation and Disclosure Requirement) regulation 2015, a report on Management Discussion and Analysis is enclosed as Annexure- 5.

## 14. Key Managerial Personnel:

KMP's of the Company as per Section 203 of Companies Act, 2013

- 1) Mr. Murali Jonnavittula Krishna - Managing Director
- 2) Mr. Tirumalabukkapatnam Krishna Mohan - Chief Financial Officer
- 3) Mr. Saiteja Ivaturi - Company Secretary & Compliance Officer

## 15. Directors

During the under review the composition of the Board is as stated below:

\*Mr. Trivikrama Murthy Gundu - Chairman & Independent Director - DIN: 02718132

Mr. Murali Krishna Jonnavittula - Managing Director – DIN: 00016054

Mr. Srinivas Pannala - Independent Director – DIN: 00018295

Mr. Pradeep Kumar Narsupalli - Independent Director – DIN: 03498381

Mr. Ramesh Sinha Duggi - Independent Director – DIN: 08841202

Mrs. Sujata Jonnavittula - Non-Executive Non-Independent Woman Director – DIN: 07014640

Mr. Ananth Jonnavittula - Non-Executive Non-Independent Director – DIN: 09300935

\*Mr. Gundu Trivikrama Murthy – Chairman and Independent Director of the Company has resigned from the Board of the Company w.e.f., August 29, 2022. Further the Company do not have a regular Chairman thereafter.

None of the Directors are disqualified under the provisions of Companies Act, 2013.

## 16. Number of Board Meetings:

The Board met 6 (Six) times during the financial year and the details of Board Meetings were given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013.

#### 17. Statement on declaration given by Independent Directors under Section 149

The Independent Directors have submitted declaration of independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149 (6) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 18. Meeting of Independent Directors

A separate meeting of the Independent Directors was held on February 10, 2023, to discuss and evaluate the performance of Non-Independent Directors of the Board as a whole.

The Independent Directors expressed satisfaction with the performance of the Directors and the Board as a whole.

#### 19. Board Evaluation and Assessment:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of its own performance and that of its committees as well as performance of the Director individually. Feedback was sought by way of structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on the response received from Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The criteria for evaluation are broadly based on the Guidance Note on Board Evaluation issued by Securities Exchange Board of India.

The Board and Nomination and remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual directors to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.,

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by entire board excluding the independent director being evaluated.

#### 20. Familiarization Programmes

The Members of the Board of the Company have been provided with all the documents to enable them to familiarize themselves with the Company, its management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement and also on regulatory changes from time to time by the senior management personnel.

The detailed policy on the familiarisation programme is available on the website at [www.vedavaag.com](http://www.vedavaag.com)

#### 21. Code of Conduct:

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

The detailed policy on the Code of Conduct is available on the website at [www.vedavaag.com](http://www.vedavaag.com)

#### 22. Policy on Directors appointment and remuneration:

The Policy of the Company on Directors appointment and remuneration including the criteria for determining qualifications, positive attributes, Independence of Directors and other matters are adopted as per the provisions of the Companies act 2013.

#### 23. Internal Controls:

The company's internal control system has been established on the values of integrity and operational excellence. The company's internal control system is periodically tested and supplemented by extensive program.

- Financial propriety of business transactions.
- Safeguarding the assets of the Company.
- Compliance with prevalent statues, regulations, management authorization, policies and procedures.

The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time.



## 24. Composition of Committee:

### Audit Committee

S.No	Name of Member	Position
1	Mr. Srinivas Pannala	Chairman
2	*Mr. Trivikrama Gundu Murthy	Member
3	Mrs. Sujatha Jonnavittula	Member
4	*Mr. Ramesh Sinha Duggi	Member

\*The Audit Committee of the Board has been reconstituted upon resignation of Mr. G T Murty on August 29, 2022 by appointing Mr. D Ramesh Sinha (Independent Director) as member of the Committee.

### Nomination and Remuneration Committee:

S.No	Name of Member	Position
1	Mr. Srinivas Pannala	Chairman
2	*Mr. Trivikrama Gundu Murthy	Member
3	Mrs. Sujatha Jonnavittula	Member
4	*Mr. Pradeep Kumar Narsupalli	Member

\*The Nomination and Remuneration Committee of the Board has been reconstituted upon resignation of Mr. G T Murty on August 29, 2022 by appointing Mr. N Pradeep Kumar (Independent Director) as member of the Committee.

### Stakeholders Relationship Committee

S.No	Name of Member	Position
1	*Mr. Trivikrama Gundu Murthy	Chairman
2	*Mr. Pradeep Kumar Narsupalli	Chairman
3	Mr. Srinivas Pannala	Member
4	Mrs. Sujatha Jonnavittula	Member

\*The Stakeholders Relationship Committee of the Board has been reconstituted upon resignation of Mr. G T Murty on August 29, 2022 by appointing Mr. N Pradeep Kumar (Independent Director) as Chairman of the Committee.

### Corporate Social Responsibility (CSR) Committee

S.No	Name of Member	Position
1	Mr. Murali Jonnavittula Krishna	Chairman
2	*Mr. Trivikrama Gundu Murthy	Member
3	Mrs. Sujatha Jonnavittula	Member
4.	*Mr. Ramesh Sinha Duggi	Member

\*The Corporate Social Responsibility Committee of the Board has been reconstituted upon resignation of Mr. G T Murty on August 29, 2022 by appointing Mr. D Ramesh Sinha (Independent Director) as Member of the Committee.

Further details with respect to the aforesaid Committees are provided in the Corporate Governance Report attached herewith.

## 25. Auditors:

The Board recommends re-appointment of M/S PARY & Co., Chartered Accountants, Hyderabad as statutory auditors of the Company for a further period of Five year i.e., from conclusion of this Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company.

### Explanation to Auditors Observation:

#### Observation:

The unsecured loan of Rs. 3.81 crores with Axis Bank Limited is overdue and we understand that the process of Re-schedule for repayment programme is in progress.

#### Managements Reply:

The Company has availed the said loan for execution of Abhayam Project, which was delayed due to COVID Pandemic. Presently the project is in execution and the company sought the re-schedule of the said loan which is in progress. Further, we state that the Company has repaid Rs. 105 lakhs during the year thereby reducing the liability to Rs. 3.81 crore.

As on the date of this report the liability of the Company further reduced to Rs. 2.81 crores, as Company has repaid a sum of Rs. 100 lacs in the month of July, 2023.

## 26. Secretarial Auditors report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of SEBI (LODR) regulations, 2015 M/s VCSR & Associates, Practicing Company Secretaries has been appointed as Secretarial Auditors of the Company for the FY 2022-23. The Secretarial audit report in the prescribed form MR-3 is annexed to this report as Annexure-4

### Auditors' qualifications:

- 1) The promoters of the company have to comply the Regulation 3(1) and Regulation 3(2) of SEBI (SAST) Regulations, 2011

### Management Comments on the above qualification:

- 1) The promoters of the Company i.e., the acquirer(s) assures to comply with the Regulation of SEBI (SAST) Regulations, 2011 in the near future.

## 27. Vigil Mechanism / Whistle Blower Policy

The Vigil Mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder and the SEBI (LODR) Regulations, 2015 is implemented through the Company's Whistle Blower Policy.

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avails the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All employees of the Company are covered under the Whistle Blower Policy. The policy is available on the website of the Company [www.vedvaag.com](http://www.vedvaag.com).

## 28. Maintenance of cost records specified by the Central Government under Section 148 of the Companies Act, 2013

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company

## 29. Corporate Social Responsibility (CSR):

The brief outline of the CSR policy of the Company and the CSR activities taken up by the Company during the year is appended to this report as Annexure-3 in the format prescribed in the Companies (Corporate Social Responsibility Policy), 2014. The Constitution of CSR Committee forms integral part of the report. The detailed CSR policy is available on the website of the Company.

## 30. Conservation of Energy, research and Development, Technology Absorption, Foreign exchange Earnings and Outgo:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

1. **Conservation of Energy:** The operations of the company involve low energy consumption; adequate measures have been taken to conserve energy.

2. **Technology Absorption:** Since Business and technologies are changing constantly, investment in Research and development activities are of paramount importance. Your Company continues its focus on quality up gradation of product and service development.

### 3. Foreign Exchange:

Foreign Exchange earnings for the year ended March 31, 2023: Rs. 46,04,624/-

Foreign Exchange Outgo for the year ended March 31, 2023: Rs. 45,28,580/-

## 31. Particulars of Loans, Guarantees and Investments under Section 186:

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

## 32. Particulars of Contracts or Arrangements with Related Parties:

During the year on review, the Board confirms that:

- a) The Company didn't enter into any contracts or arrangements or transactions that are not at arms lengths with the related parties during the financial year 2022-23.
- b) The Company didn't enter into any material contracts or arrangements or transactions that are at arms lengths with the related parties during the financial year 2022-23.

Therefore, as prescribed under Section 134(3) of the Companies Act 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 the disclosures under Form AOC-2 are not applicable for the Company for the year ended March 31, 2023.

## 33. Extract of Annual Return:

In accordance with Section 134 (3) (a) of the Companies Act, 2013, the Annual return in the prescribed format is available on the website of the Company [www.vedavaag.com](http://www.vedavaag.com).

## 34. Particulars of Employees:

The information required under Section 197 of the Companies Act 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure-2 to the Board Report.

## 35. Particulars Relating to the sexual harassment of women at workplace (Prevention, Prohibition and redressal) Act 2013

Your company has always provided a safe, harassment free workplace for every individual through its various policies and practices. The

company always endeavours to create and provide an environment that is free from discrimination and harassment. The Company has not received any complaints during the year. The Company regularly conducts awareness programme for its employees.

Summary of Sexual harassment complaints received and disposed of during the year:

S.No	Particulars	Status
1	No. of complaints filed during the year	Nil
2	No. of complaints disposed of during the year	NA
3	No. of complaints pending as on end of the financial year	NA

**36. Details of material subsidiary and date of appointment of Statutory Auditor of such subsidiary**

VSL Datasystems Private Limited is material subsidiary of the Company, it is incorporated on January 05, 2001 and M/s P Murali & Co., Chartered Accountants, Hyderabad was re-appointed as Statutory Auditor of the Company for a term of 5 years i.e., from April 01, 2022 to March 31, 2027.

**37. Corporate Governance**

Your Company is committed to implement the sound corporate governance practices with a view to bring transparency and in its operations and maximize shareholders value.

The Report on Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 forms part of the Annual Report as Annexure-6.

**38. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There have been no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

During the year under review, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**39. Material changes and commitments**

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended March 31, 2023 to which the Financial Statements relates and the date of signing of this report.

**40. Compliance with Secretarial Standards**

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under Section 118(10) of the Companies Act, 2013.

**41. MD and CFO certification:**

As required under the listing regulations, the Managing Director and the Chief Financial Officer Certification is attached to this Report.

**42. Acknowledgements:**

The Directors thank the Company's Bankers, Employees, Customers, Vendors, CSPs and Investors for their continuous support.

Your directors wish to place on record their deep sense of appreciation for the committed services of the associates of the company at all levels.

**For and on Behalf of the Board of Directors**

Sd/-	Sd/-
<b>J. Murali Krishna</b>	<b>J. Sujatha</b>
Managing Director	Director
DIN: 00016054	DIN: 07014640

Place: Hyderabad  
Date : 28-08-2023



## ANNEXURES TO DIRECTORS' REPORT

### ANNEXURE - 1

Statement containing the salient features of financial statements of subsidiaries / associate companies Rs. In lakhs

Sl. No.	Name of Subsidiary	Date of acquisition/ incorporation	Share capital	Total Assets	Total Liabilities (excluding share capital, reserves and surplus)	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	% Of share holding
1	VSL Data Systems Private Limited	5 <sup>th</sup> January, 2001	700.00	4340.66	2704.04	-	1059.22	22.73	-48.29	71.02	100%
2	Vedavaag Edutech Private Limited (Formerly Vagdevi Sark Edutech Private Limited)	16 <sup>th</sup> June, 2010	1.00	276.68	264.42	-	18.51	2.13	0.53	1.60	100%
3	Vedavag Common Service Centres Private Limited	26 <sup>th</sup> October, 2007	1.00	342.45	276.78	-	818.21	41.67	10.48	31.19	100%
4	Vedavaag Financial Services Private Limited	19 <sup>th</sup> April, 2021	1.00	4.83	2.92	-	3.68	0.83	0.21	0.62	100%
**5	Vedavaag Kiya Ecommerce Private Limited	29 <sup>th</sup> October, 2021	10.00	2.47	2.47	-	-	-	-	-	51%

\*\* The Company has made an application for its Closure

## ANNEXURE - 2

### PARTICULARS OF EMPLOYEES

The information is required under Section 197 of the Act read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial Year.

Executive Director	Ratio to median remuneration
Mr. J. Murali Krishna, Executive Director	16.19

- ii) The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial Year:

MD: NIL

CFO & CS: 18%

- iii) The percentage increase in median remuneration of employees in the financial year: (8.91%)
- iv) There are 299 employees on the rolls of the Company as on 31<sup>st</sup> March 2023.
- v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile increases already made in the salaries of employees is: 40.05%. The increase is mainly on account of increase in the number of employees during the financial year.

There were no exceptional circumstances for increase in the managerial remuneration. The company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the company.

- vi) The Company affirms that the remuneration is as per the remuneration policy of the Company.

## ANNEXURE - 3

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The guiding principle of Vedavaag Systems Limited is to grow and let grow. The Corporate Social Responsibility continues to be the integral part of business journey of Company. The Company developed its own sustainability model focusing on CSR activities. The leadership team is supportive, sensitive and encourages the team to work for implementing CSR activities.

#### 1. Brief outline of CSR Policy of the company:

The Company under its CSR policy, affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations by undertaking following activities / initiatives that are not taken in its normal course of business and/or confined to only the employees and their relatives and which are in line with the broad-based list of activities that are set out under schedule VII of the Companies Act 2013 and Rules.

- To Organise or help organize through business association/ social worker/ educational institution, health camps/ awareness, literacy or education programmes / sponsorships or such other awareness/initiative in the locality, villages etc that are deprived of such facilities.
- To take measures for optimum utilization of resources, pollution control and adopting cleaner environment/ environment friendly technologies and spread awareness of the same amongst employees and others.
- To create fund over a period of time for the purpose of helping or giving grants or donation either directly or through agency to the underprivileged or to those distressed in the event of natural calamity or major mishaps.
- To undertake such initiatives/ projects or participate in any events as the CSR Committee / Board may consider appropriate.
- To contribute to the funds set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1)	Mr. Jonnavittula Murali Krishna	Chairman/Managing Director	26-05-2022 & 29-08-2022	2
2)	*Mr. G T Murthy	Member/Independent Director		2
3)	Mrs. Jonnavittula Sujatha	Member/Non-Independent Director		2

\* \*The Corporate Social Responsibility Committee of the Board has been reconstituted upon resignation of Mr. G T Murthy on August 29, 2022 by appointing Mr. D Ramesh Sinha (Independent Director) as Member of the Committee.

- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://vedavaag.com/>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1)	2022-23	5,90,524/-	5,90,524/-
2)	2021-22	Nil	Nil
3)	2020-21	Nil	Nil

6. Average net profit of the company as per section 135 (5):

Financial Year	Amount in ₹
2019-20	7,13,80,675
2020-21	7,96,23,380
2021-22	9,58,44,849
Total	24,68,48,904
<b>Average</b>	<b>8,22,82,968</b>

7. (a) Two percent of the average net profit of the Company as per Section 135(5): Rs. 16,45,659/-  
 (b) Surplus arising out of CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount to be set-off for the financial Year: (5,90,524/-)  
 (d) Previous year's unspent amount: Nil  
 (d) Total CSR obligation for the Financial Year (a + b - c): Rs. 10,55,135/-
8. a) CSR amount spent or unspent for the Financial Year

Total amount spent for the FY	Total Amount transferred to unspent CSR account as per 135(6)	Amount Transferred to any fund specified under schedule VII as per second provision of section 135(5)
₹ 19,60,000/-	Nil	Nil

- b) Details of CSR amount spent on the ongoing project for the financial year : Nil  
 c) Details of CSR amount spent against other than ongoing project for the financial year :

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct Yes/No	Mode of implementation – through implementing agency	
				State	District			Name	CSR Reg no.
1)	Gomatha Seva	Animal Welfare	Yes	Andhra Pradesh,	Krishna District	18,00,000	No	Sri Kamakshi Ekamreswar Gomatha Sevaka Satsang Trust	CSR00000547
2)	Education	Promoting education	Yes	Telangana,	Hyderabad	1,60,000	Yes		

- d) Amount spent in administrative overheads : Nil
- e) Amount spent on Impact Assessment, if applicable : Nil
- f) Total amount spent for the financial year : ₹ 19,60,000/-
- g) Excess amount for set off, if any:

Sl.No.	Particulars	Amount (Rs.)
i)	Two percent of average net profit of the company as per section 135(5)	16,45,659/-
ii)	Total amount spent for the Financial Year	₹ 19,60,000/-
iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 3,14,341/-
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	<b>Amount available for set off in succeeding financial years [(iii)-(iv)]</b>	<b>₹ 3,14,341/-</b>

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NA**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

For Vedavaag Systems Limited

Sd/-

**J. Murali Krishna**  
Managing Director  
DIN: 00016054

Place: Hyderabad  
Date: 28-08-2023

## ANNEXURE - 4

### MR-3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To  
The Members,  
**M/s. VEDAVAAG SYSTEMS LIMITED,**  
(CIN: L72200TG1998PLC029240)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. VEDAVAAG SYSTEMS LIMITED (CIN: L72200TG1998PLC029240)**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **M/S VEDAVAAG SYSTEMS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. VEDAVAAG SYSTEMS LIMITED ("the Company") for the financial year ended on 31.03.2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. Other Laws applicable to the Company

Other Laws applicable specifically to the Company namely:

1. Information Technology Act, 2005 and the Rules made there under,
2. Software Technology Parks of India Rules made there under,
3. The Trade Marks Act, 1999.

We have also examined compliance with the applicable clauses of the following;

- I. Secretarial Standards issued by The Institute of Company Secretaries of India
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange(s) if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following observations:

- The promoters of the company have to comply the Regulation 3(1) and Regulation 3(2) of SEBI SAST regulation 2011.

**We further report that**

- a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the Period under review the following changes took place in the Board:
  - On 29/08/2022, Mr. Trivikrama Gundu Murthy, having DIN No: 02718132, Independent Director resigned from the Company.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the period under audit, the following specific events/actions, having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards.

Place: Hyderabad  
Date: 28.08.2023

**UDIN: F006121E000892041**

**For VCSR & Associates**  
Company Secretaries

Sd/-  
**(Ch. Veeranjanyulu)**  
Partner  
CP No. 6392

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



## ANNEXURE - A

To,  
The Members,  
**M/s. VEDAVAAG SYSTEMS LIMITED,**

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on their secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

The Verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for our opinion.

3. The correctness and appropriateness of the financial records and Books of accounts of the company have not been verified.
4. Wherever required, we have obtained the Management representation about the compliances of laws, Rules, Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination is limited to verification of procedure on random test basis.
6. The Secretarial Audit is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For VCSR & Associates**  
Company Secretaries

Sd/-  
**(Ch. Veeranjanyulu)**  
Partner  
CP No. 6392

Place: Hyderabad  
Date: 28.08.2023

**UDIN: F006121E000892041**

**MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

To  
The Members,  
**M/s. VSL Datasystems Private Limited,**  
Hyderabad.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by M/s. VSL Datasystems Private Limited (herein called 'the Company') Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. VSL Datasystems Private Limited ('the Company') for the financial year ended on March 31, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- V. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- VI. Employees State Insurance Act, 1948.
- VII. Income Tax Act, 1961 and Indirect Tax Laws.
- VIII. Indian Contract Act, 1872.
- IX. Indian Stamp Act, 1999.
- X. Payment of Bonus Act, 1965.
- XI. Payment of Gratuity Act, 1972.

➤ Other Laws applicable to the Company

Other Laws applicable specifically to the Company namely:

1. Information Technology Act, 2005 and the Rules made there under,
2. Software Technology Parks of India Rules made there under,
3. The Trade Marks Act, 1999.

We have also examined the Secretarial Standards issued by The Institute of Company Secretaries of India.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Company yet to file form MGT-7 for the Financial Year 2021-22.



We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Director. There were no change in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through and as informed by the Company, there were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

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

We further report that during the audit period there were no specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad  
Date: 28.08.2023

**UDIN: F006121E000892105**

**For VCSR & Associates**  
Company Secretaries

Sd/-  
**(Ch. Veeranjanyulu)**  
Partner  
CP No. 6392

**Note:** This report is to be read with our letter of even date, which is annexed as and forms an integral part of this report.

## Annexure

To  
The Members,  
**M/s. VSL Datasystems Private Limited,**  
Hyderabad.

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

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

Place: Hyderabad  
Date: 28.08.2023

**UDIN: F006121E000892041**

**For VCSR & Associates**  
Company Secretaries

Sd/-  
**(Ch. Veeranjanyulu)**  
Partner  
CP No. 6392

## ANNEXURE - 5

### MANAGEMENT DISCUSSION & ANALYSIS

#### Performance Highlights:

#### Financial Inclusion:

Your company has moved from strength to strengths in this forte of activities –

As a Business correspondent of SBI, the following are some of the awards the company won in the completed financial year and to date of this report.

1. **Super Achiever** for Account Opening under “Samajik Suraksha Abhiyan” (Period: 01.03.2023 to 31.03.2023) from State Bank of India
2. **Super Achiever** for Enrollments under “PMSBY Scheme” (Period: 01.08.2022 to 15.09.2022)
3. **Best Performance** for Enrollments under “PMSBY Scheme” (Period: 01.08.2022 to 15.09.2022)
4. **Best Performance** for Enrollments under PMJJY Scheme (Period: 01.08.2022 to 15.09.2022)

This line of business of activity is assured of continuous growth as the Government of India is committed to Financial Inclusion in a big way. Some of the highlights of FI as published by Govt. of India are as follows.

The Jan Dhan account opening scheme, which was introduced in the year 2014 as part of a national initiative for financial inclusion, has so far resulted in the opening of more than 50 crore accounts. Out of these accounts 56% accounts belong to women and 67% accounts have been opened in Rural / Semi-urban areas. The deposits in these accounts are above Rs. 2.03 lakh crore and about 34 crore RuPay cards have been issued in these accounts free of cost. The average balance in PMJDY accounts is ₹4,076 and more than 5.5 crore PMJDY accounts are receiving DBT benefits.

The Atal Pension Yojana (APY) has achieved a significant milestone as its enrolments crossed 5.25 crore as of 31 May 2023. This marks an increase of more than 20% in new subscribers, with over 1.19 crore enrolled in the fiscal year 2022- 2023 compared to the previous year. Launched in 2015, the scheme’s total assets under management (AUM) have surpassed ₹27,200 crores.

The center has made cash transfer of ₹2.2 lakh crore to more than 11.4 crore farmers in India under PM KISAN Scheme.

The government has successfully provided insurance coverage to 44.6 crore people who have availed Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJY).

This gives an assurance of high growth for the Company because of its transaction service oriented BC activity.

#### Technology Services:

Your company is continuously exploring new opportunities in terms of projects and technologies to augment its business.

Recently the company bagged Video Surveillance System order from IRIS as Supply and Installation services partner to cover over 1000 railway stations across Multiple States.

The company’s IoT (Internet of Things) product for public transport safety management received SDC approval from the Government of India organization.

The company is working on an IoT enabled product for CSP security management for intruder detection and alarm to prevent burglary, theft, way side robberies and man handling of CSPs.

There are more than 10Lac CSP points PAN India who can be targeted.

The India internet of things market size reached US\$ 1.0 Billion in 2022. Looking forward, IMARC Group expects the market to reach US\$ 2.2 Billion by 2028, exhibiting a growth rate (CAGR) of 14.23% during 2023-2028.

By 2025, India is expected to have nearly 500 million IoT devices connected to the internet, creating new opportunities for innovation and career growth. From smart homes to connected cars, and intelligent infrastructure, the possibilities of IoT are endless.

**About**

Established in 1998, as an e-Governance solution provider, Vedavaag is a niche player in Citizen Services Delivery that includes Financial Inclusion, AI&ML based products, Internet of Things (IOT) & other e-Governance solutions, Retail & Logistics and Education services.

Headquartered in Hyderabad, Telangana, India, the Company has operations spread across Andhra Pradesh, Maharashtra, Bihar, Jharkhand, Uttar Pradesh, Delhi, Chandigarh, Haryana, Punjab, Rajasthan, Telangana, Jammu & Kashmir, Odisha, Pondicherry, West Bengal, Uttarakhand, Himachal Pradesh, and Tamil Nadu.

An ISO-9001 and ISO-27001 certified enterprise, the Company has been listed on the Bombay Stock Exchange (BSE 533056) since 2009.

**CORPORATE & BUSINESS STRUCTURE**



**OUR CLIENTELE**





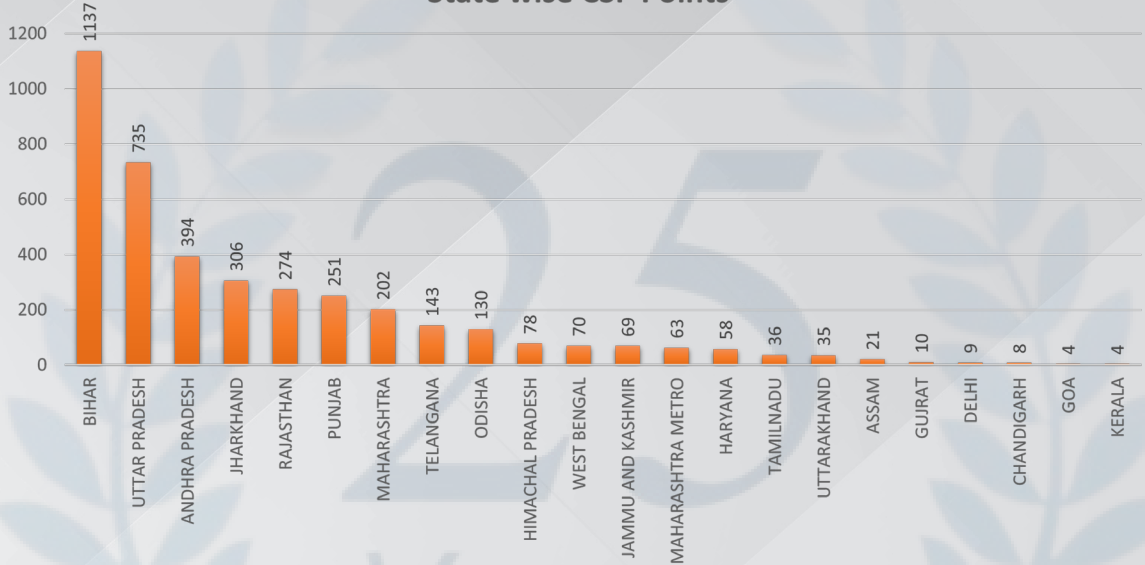
### Varishta Centres

Vedavaag is consolidating its brand of reliability and consistency in service by naming all its service points as Varishta Centres (VC). With the idea of maximizing its service bouquet to rural citizens from these Varishta Centres range of financial services, Agri commodity services and other cross selling services education.

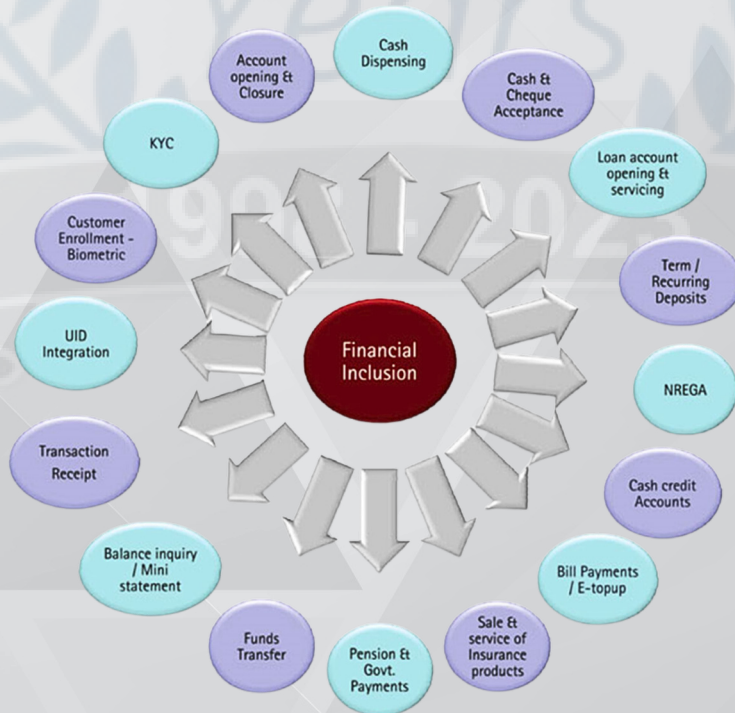
Presence in States	20
Customer Service Points	3781
Gross Transaction Value, 2022-23 (₹ in crore)	15,640
Number of Transactions, 2022-23	25+ Million
Households Served	31 Lac

### OUR PRESENCE PAN INDIA – KIOSKS:

#### State wise CSP Points



### OUR SERVICES



## Wholly owned Subsidiary

### VSL Data Systems Private Limited:

VSL Data Systems working on implementation tenders for PACS computerization. Our principal software vendor Intellect Informatics won the prestigious order from NABARD for supply of software to all PACS across PAN India.

There are more than 68000 PACS spread across 29 States of India.

The opportunity for implementation and services is huge in this segment and scope of it can be expanded to many other services such farmer supply chain activities.

### Vedavaag Edutech Private Limited (formerly known as Vagdevi Sark Edutech Pvt Ltd.).

The unit is still in the incubate stage and more than 25 schools are availing our services covering over 2000 students. The spread across PAN India Haryana, MP, Bihar, Kerala, and Telangana.

The opportunity appears to be tremendous, and it provides great satisfaction as we can reach the Hinterland areas to service the local citizens' educational needs.

### Vedavag Common Service Centers Private Limited

The company is actively pursuing the Insurance, retail, Pharmacy, and logistics business areas.

## Ratios in MDA

Particulars	FY 23	FY 22	% Change	Reasons for variance
<b>Stability Ratios</b>				
Debt equity ratio	0.056	0.062	10%	
Debt Service Coverage ratio	6.07	15.32	60%	Variance in the ratio is on account of repayment of term loans
Interest Coverage Ratio	328.10	107.36	206%	Interest charged to P&L is relatively lower as compared to previous year, hence the variance.
<b>Liquidity Ratios</b>				
Current Ratio	7.31	8.00	9%	
Debtors Turnover Ratio	6.33	9.30	32%	Increase in receivables and margin decrease in turnover resulted in reduction in the ratio.
Inventory Turnover Ratio	67.51	54.16	25%	Marginal decrease in turnover and inventory resulted in variance in Inventory turnover ratio.
<b>Profitability Ratios</b>				
Operating Profit Margin (%)	0.170	0.171	-1%	
Net Profit Margin(%)	0.105	0.104	1%	

## ANNEXURE - 6

### CORPORATE GOVERNANCE REPORT

#### Company's philosophy on code of governance:

The Fundamental principle of Corporate Governance is achieving sustained growth ethically and in best interest of all stakeholders. The Company has strong legacy of fair, transparent and ethical Governance practices in all the dealings, to achieve the objects of the Company.

Your company strongly believes that good corporate governance is pillar for any commercial business to build and last. The company philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders.

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the rules made thereunder ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws.

Your Company presents this report prepared in terms of SEBI Listing Regulations (including the amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company.

#### Board of Directors:

- i) The Board of Directors along with its committees provide leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2023, the Company has Six Directors of which One Managing Director, Two Directors are Non-Executive Non-Independent Directors (Promoter group) and three Directors are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii) The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.
- iii) The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board. The Board has complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.
- iv) a) **The Composition and category of the Board of Directors is as follows;**

The Board of the Company comprises of Six Directors as on March 31, 2023.

None of the Director is a Director in more than 10 Public Limited Companies (as specified in Section 165 of the Act) and Director in more than 7 Listed Entities (as specified in Regulation 17A of the Listing Regulations) or acts as an Independent Director (including any alternate directorships) in more than 7 Listed Companies or 3 equity Listed Companies in case he/she serves as a Whole-time Director/ Managing Director in any Listed Company (as specified in Regulation 17A of the Listing Regulations). Further, none of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited Companies in which he/she is a director.

S. No	Name of the Director	Designation	Category
1.	*Mr. G. T. Murthy	Chairman, Independent Director	Non-Executive Director
2.	Mr. J. Murali Krishna	Managing Director	Executive Director (Promoter)
3.	Mr. Srinivas Pannala	Independent Director	Non-Executive Director
4.	**Mrs. J. Sujatha	Non-independent Director	Non-Executive Director (Promoter)
5.	Mr. D. Ramesh Sinha	Independent Director	Non-Executive Director
6.	Mr. N. Pradeep Kumar	Independent Director	Non-Executive Director
7.	Mr. J Ananth	Non-independent Director	Non-Executive Director (Promoter Group)

\* Mr. G. T. Murthy - Chairman and Independent Director of the Company, tendered his resignation as Chairman and Independent Director on August 29, 2022. On his resignation the Committees of the Board have been reconstituted and the same has been reflected under composition of the committees which forms part of this report.

\*\* As on date of report, Mrs. J Sujatha is also on the Board of One more Listed Company i.e., I Power Solutions India Limited, Category: Independent Director and also member of Audit Committee and Stakeholders Committee of that Company.

None of the Directors except Mr. J Murali Krishna, Mr. J Ananth and Mrs. J Sujatha are related to each other.

**b) Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting:**

The details of the attendance of the Directors at the Board Meetings held during the Financial Year ended March 31, 2023 and at the last Annual General Meeting (AGM) are given below:

Name of Director	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
*Mr. G. T. Murthy	3	3	No
Mr. J. Murali Krishna	6	6	Yes
Mr. Srinivas Pannala	6	6	Yes
Mrs. J. Sujatha	6	6	No
Mr. D. Ramesh Sinha	6	6	No
Mr. N. Pradeep Kumar	6	6	Yes
Mr. J Ananth	6	6	No

\* Mr. G. T. Murthy - Chairman and Independent Director of the Company, tendered his resignation as Chairman and Independent Director on August 29, 2022. Total 3 Board meetings were held till the date of his resignation and he was present for all the Board meetings.

**c) Other Directorships:**

The number of Directorships and memberships in the Committees of other Companies held by the Directors as on March 31, 2023:

Name of Director	*No. of other Directorships	**In other Public Companies	
		Membership	Chairmanship
Mr. G. T. Murthy	-	-	-
***Mr. J. Murali Krishna	4	-	-
****Mr. Srinivas Pannala	1	-	-
*****Mrs. J. Sujatha	2	2	-
Mr. D. Ramesh Sinha	-	-	-
Mr. N. Pradeep Kumar	-	-	-
Mr. J Ananth	-	-	-

\* Includes Directorships in Public Companies incorporated under the Companies Act, 1956/2013.



\*\* Includes only Audit Committee and Stakeholder Relationship Committee (excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013/Section 25 of the Companies Act, 1956).

\*\*\*Mr. J Murali Krishna is Director on the Board of 4 (Four) wholly owned subsidiary Companies (deemed Public Companies).

\*\*\*\*Mr. Srinivas Pannala is Independent Director on the Board of One wholly owned subsidiary of the Company (VSL Datasystems Private Limited – Deemed Public Company).

\*\*\*\*\*Mrs. J Sujatha is Director on the Board of one wholly owned subsidiary of the Company and Listed Company as given below (i.e., Vedavaag Financial Services Private Limited – Deemed Public Company).

**Names of the Listed Companies wherein the Directors of the Company are Directors:**

Name of the Director	No. of Directorships in other Listed Companies	Name of the other Listed Companies in which Directors of the Company are Directors
Mr. G. T. Murthy	-	-
Mr. J. Murali Krishna	-	-
Mr. Srinivas Pannala	-	-
Mrs. J. Sujatha	1	I POWER SOLUTIONS INDIA LIMITED
Mr. D. Ramesh Sinha	-	-
Mr. N. Pradeep Kumar	-	-
Mr. J Ananth	-	-

- v) Six Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on May 26, 2022, August 11, 2022, August 29, 2022, November 10, 2022, December 17, 2022 and February 10, 2023 and the necessary quorum was present for all the meetings.
- vi) During FY 2022-23, one meeting of the Independent Directors was held on February 10, 2023. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.
- vii) The Board periodically reviewed the compliance reports of all laws applicable to the Company.
- viii) Details of equity shares of the Company held by Director on the Board of Company - Mr. J. Murali Krishna, Managing Director holds 45,98,712 equity shares and Mrs. J. Sujatha, Non-Executive, Non-Independent Director of the Company holds 65,607 Equity shares as on March 31, 2023.
- ix) The details of familiarisation programme are available on the website: <http://vedavaag.com/>
- x) Skills and its description

	Mr. J Murali Krishna	Mr. Srinivas Pannala	Mr. N Pradeep Kumar	Mr. Ramesh Sinha	Mr. J Ananth	Mrs. J Sujatha
<b>Finance and Accounting Experience</b>						
Experience in handling Financial Management of the organization along with an understanding of accounting and Financial Statements	✓	✓	✓	✓	-	-
<b>Experience of crafting Business Strategies</b>						
Experience in developing long-term strategies to grow business, consistently, profitability and in a sustainable manner in diverse business environment and changing economic conditions	✓	✓	✓	✓	✓	✓
<b>Experience on understanding of the changing regulatory landscape</b>						
Experience of having Board accountability, high governance standard with an understanding of changing regulatory framework	✓	✓	✓	✓	✓	✓

- xi) All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.
- xii) Mr. G T Murthy, Independent Director of the Company has resigned during the financial year ended March 31, 2023 before the expiry of his term due to his pre-occupations, the same has been communicated to BSE as required under Regulation 30 of SEBI (LODR) Regulations, 2015.

#### **Committees of the Board**

There are Four Statutory Committees as on March 31, 2023; details of which are as follows.

##### **A) Audit Committee**

###### **Brief description of terms of reference:**

###### **The terms of reference of the Audit Committee are as under:**

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- xxi. Examination of the financial statement and the auditors' report thereon;
- xxii. Monitoring the end use of funds raised through public offers and related matters;
- xxiii. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- xxiv. The Audit Committee shall have authority to investigate into any matter or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- xxv. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
- xxvi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- xxvii. Management discussion and analysis of financial condition and results of operations;
- xxviii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- xxix. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- xxx. Internal audit reports relating to internal control weaknesses;
- xxxi. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- xxxii. Statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**Composition:**

Name of the Director	Category	Position
Mr. Srinivas Pannala	Non-Executive Independent Director	Chairman
*Mr. G T Murthy	Non-Executive Independent Director	Member
*Mr. D Ramesh Sinha	Non-Executive Independent Director	Member
Mrs. J Sujatha	Non-Executive Non-Independent Director	Member

\*The Audit Committee of the Board has been reconstituted upon resignation of Mr. G T Murthy on August 29, 2022 by appointing Mr. D Ramesh Sinha (Independent Director) as member of the Committee.

**Meetings:**

The Audit Committee met Five (5) times for the financial year 2022-23 i.e., on May 26, 2022, August 11, 2022, August 29, 2022 November 10, 2022 and February 10, 2023 and not more than One Hundred and Twenty Days has elapsed between any two Audit Committee Meetings. The necessary quorum was present for all the Audit Committee Meetings.

**Details of Attendance of the Audit Committee Meetings:**

Name of Director	Category	Number of Audit Committee Meetings	
		Held	Attended
Mr. Srinivas Pannala	Non-Executive Independent Director	5	5
*Mr. G T Murthy	Non-Executive Independent Director	3	3
*Mr. D Ramesh Sinha	Non-Executive Independent Director	2	2
Mrs. J Sujatha	Non-Executive Non-Independent Director	5	5

**B) Nomination and Remuneration Committee****Brief description of terms of reference:**

- formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. Use the services of an external agencies, if required;
  - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration in whatever form, payable to senior management.



**Composition:**

Name of the Director	Category	Position
Mr. Srinivas Pannala	Non-Executive Independent Director	Chairman
*Mr. G T Murthy	Non-Executive Independent Director	Member
*Mr. N Pradeep Kumar	Non-Executive Independent Director	Member
Mrs. J Sujatha	Non-Executive Non-Independent Director	Member

\*The Nomination and Remuneration Committee of the Board has been reconstituted upon resignation of Mr. G T Murthy on August 29, 2022 by appointing Mr. N Pradeep Kumar (Independent Director) as member of the Committee.

**Meetings:**

The Nomination and Remuneration Committee met Two (2) times for the financial year 2022-23 i.e., on May 26, 2022 and August 29, 2022. The necessary quorum was present for all the Nomination and Remuneration Committee Meetings.

**Details of Attendance of the Nomination and Remuneration Committee Meetings:**

Name of Director	Category	Number of Nomination and Remuneration Committee Meetings	
		Held	Attended
Mr. Srinivas Pannala	Non-Executive Independent Director	2	2
*Mr. G T Murthy	Non-Executive Independent Director	2	2
Mrs. J Sujatha	Non-Executive Non-Independent Director	2	2

**The Criteria for Evaluation of Independent Directors is given below:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors. In line with SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2017/004, dated January 5, 2017, the Company has adopted the criteria recommended by the SEBI.

The Directors were given Six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Outstanding
2. Surpasses Expectations
3. Meets Expectations
4. Needs Improvement
5. Below Expectations

### C) Stakeholders Relationship Committee

#### Terms of Reference

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii. Review of measures taken for effective exercise of voting rights by shareholders.
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### Composition:

Name of the Director	Category	Position
*Mr. G T Murthy	Non-Executive Independent Director	Chairman
*Mr. N Pradeep Kumar	Non-Executive Independent Director	Chairman
Mr. Srinivas Pannala	Non-Executive Independent Director	Member
Mrs. J Sujatha	Non-Executive Non-Independent Director	Member

\*The Stakeholders Relationship Committee of the Board has been reconstituted upon resignation of Mr. G T Murthy on August 29, 2022 by appointing Mr. N Pradeep Kumar (Independent Director) as Chairman of the Committee.

#### Meetings:

The Stakeholders Relationship Committee met Five (5) times for the financial year 2022-23 i.e., on May 26, 2022, August 11, 2022, August 29, 2022, November 10, 2022 and February 02, 2023. The necessary quorum was present for all the Stakeholders Relationship Committee Meetings.

#### Details of Attendance of the Stakeholders Relationship Committee Meetings:

Name of Director	Category	Number of Stakeholders Relationship Committee Meetings	
		Held	Attended
*Mr. G T Murthy	Non-Executive Independent Director	3	3
*Mr. N Pradeep Kumar	Non-Executive Independent Director	2	2
Mr. Srinivas Pannala	Non-Executive Independent Director	5	5
Mrs. J Sujatha	Non-Executive Non-Independent Director	5	5

- a. Name and designation of Compliance Officer: Mr. Saiteja Ivaturi Company Secretary and Compliance Officer
- b. Details of investor complaints received and redressed during FY 2022-2023 are Nil
- c. E-mail id for Investor Grievances: cs@vedavaag.com

### D) Corporate Social Responsibility Committee:

CSR Policy along with its composition and meetings held during the FY 2022-23 is attached as Annexure-3

### E) Remuneration of Directors:

- i) There were no pecuniary relationship or transactions with any Non-Executive Director of the Company
- ii) The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., <http://vedavaag.com/>

iii) **Non-Executive Directors are paid only sitting fees:**

Following are the details of sitting fees paid to the Non-Executive Directors during the Financial Year ended 31<sup>st</sup> March, 2023:

S. No	Name of Director	Sitting Fees
1)	Mr. Jonnavittula Murali Krishna	-
2)	Mr. Srinivas Pannala	30,000/-
3)	Mr. Gundu Trivikrama Murthy	15,000/-
4)	Mr. Narsupalli Pradeep Kumar	30,000/-
5)	Mr. Duggi Ramesh Sinha	30,000/-
6)	Mr. Jonnavittula Ananth	30,000/-
7)	Mrs. Jonnavittula Sujata	30,000/-

F) **The Remuneration paid to Managing Director during the Financial Year 2022-23 is as follows:**

Name of Director and designation	Salary	Ben-efits	Bonuses	Commis-sion	Performance linked incentives	Total
Mr. Jonnavittula Murali Krishna, Managing Director	24,00,000/-	-	-	-	-	24,00,000/-

G) **Annual General Meeting (AGM)**

Financial Year	Date	Time	Venue	Special Resolutions passed during last 3 FYs
2021-22	September 30, 2022	12.00 Noon	Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Redhills (FTCCI), Hyderabad - 500004	<ol style="list-style-type: none"> <li>To consider and approve the re-appointment of Mr. J Murali Krishna (DIN: 00016054) as Managing Director of the Company and increase in remuneration.</li> <li>To re-appoint Mr. Srinivas Pannala, (DIN: 00018295) as Independent Director of the Company</li> <li>Approval for payment of commission on profits to Non-Executive Directors</li> </ol>
2020-2021	September 25, 2021	11.30 A.M	Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Redhills (FTCCI), Hyderabad - 500004	<ol style="list-style-type: none"> <li>Approval of Vedavaag Systems Limited Employee Stock Option Scheme 2021 (VSL ESOP 2021) under SEBI (Share Based Employee Benefits) Regulations, 2014</li> <li>Approval of grant of stock options to the employees of subsidiary company (ies) under Vedavaag Systems Limited Employee Stock Option Scheme 2021 (VSL ESOP 2021)</li> </ol>
2019-2020	December 31, 2020	11.30 A.M	Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Redhills (FTCCI), Hyderabad - 500004	No Special resolution

No Extra-Ordinary General Meetings were held during the Financial Year 2022-23.

No Special Resolutions were passed through postal ballots during the Financial Year 2022-23.

- H) A certificate has been received from VCSR and Associates, Practising Company Secretary, that none of the directors of the Board of the company has been debarred or disqualified from being appointed or continuing as directors of the company by Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- I) **Means of Communication:** Quarterly results approved by the Board are usually published in Business Standard (English) and Andhra Prabha (Telugu) newspapers. In addition to this, the Company is communicating its results to Bombay Stock Exchange where the shares are listed. Further, the quarterly results are also placed on the company's website, [www.vedavaag.com](http://www.vedavaag.com). Investor presentations have been made available on the Stock Exchange of the Company from time to time.

The Annual General Meeting is the principal forum for face-to-face communication with shareholders, where the Directors / Senior Management personnel / Auditors / KMP's respond to the specific queries of the shareholders.

J) **General shareholder information**

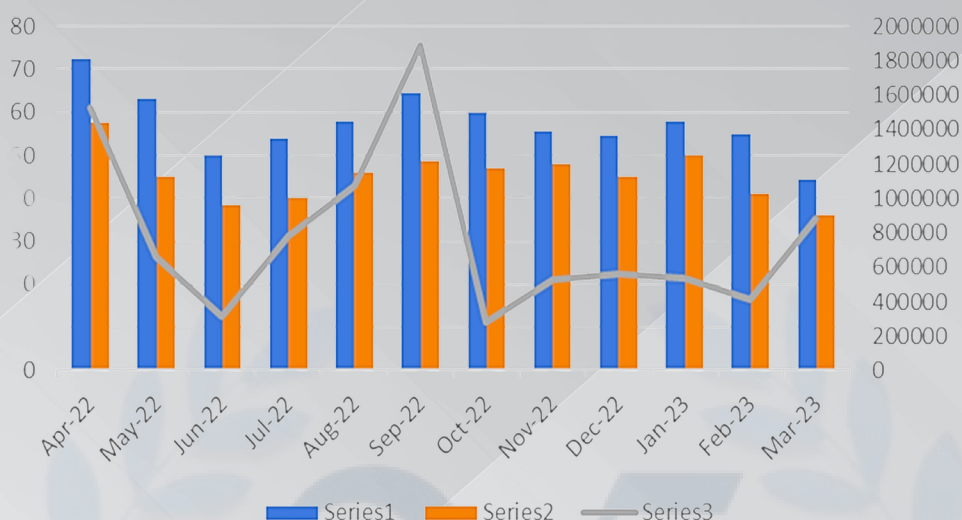
<b>Day, Date, time and venue of the Annual General Meeting</b>	Friday, September 29, 2023 at 10:00 A.M. at FTCCI, Red hills, Hyderabad
<b>Financial year</b>	April to March
<b>Listing of shares on stock exchanges</b>	BSE Limited (BSE)
<b>Scrip Code</b>	533056
<b>Book Closure</b>	From Monday, September 25, 2023 to Friday, September 29, 2023
<b>Corporate Identification Number (CIN)</b>	L72200TG1998PLC029240
<b>International Securities Identification Number (ISIN) for equity shares of Rs. 10/- each under Depository System</b>	INE359B01010
<b>Registrar and Share Transfer Agents (RTA)</b>	For share related matters, the shareholders are requested to correspond with the RTA of the Company quoting their Folio Number or Client ID and DP ID at the following address.  Venture Capital and Corporate Investments Private Limited. Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally – 500032, Telangana, India.
<b>Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity</b>	No GDRs and ADRs
<b>Address for Correspondence</b>	103, West Block, Siri Sai Orchid, Madhapur, Hi Tec City, Hyderabad, Telangana 500081

K) **Market Price data – high/low (each month) during the FY 2022-23:**

Month	High Price	Low Price	Volume
Apr-22	72.30	57.60	1524284
May-22	63.20	45.15	661676
Jun-22	50.00	38.50	315932
Jul-22	53.90	40.00	783425
Aug-22	58.00	46.20	1071553
Sep-22	64.50	48.75	1886144
Oct-22	59.95	47.00	278067
Nov-22	55.65	48.15	525872
Dec-22	54.50	45.00	562034
Jan-23	57.95	50.05	538505
Feb-23	54.90	41.10	414104
Mar-23	44.25	36.00	886456



Chart Title



L) There was no suspension of trading in the Securities of the Company during the year under review

M) Distribution of Shareholding:

Nominal Value	Holders		Amount	
	Number	% To Total	In Rs	% To Total
Upto - 5000	9333	78.30	15159030	6.61
5001 - 10000	1197	10.04	9938720	4.34
10001 - 20000	631	5.29	9902110	4.32
20001 - 30000	239	2.01	6199850	2.70
30001 - 40000	118	0.99	4256200	1.86
40001 - 50000	105	0.88	4944260	2.16
50001 - 100000	139	1.17	9934920	4.33
100001 and above	157	1.32	168914910	73.68
<b>Total</b>	<b>11919</b>	<b>100.00</b>	<b>229250000</b>	<b>100.00</b>

Shareholding Details as on March 31, 2023

TYPE	RECORDS	SHARES	%
CDSL	6521	13131043	57.2782682
NSDL	4658	9256742	40.3783729
PHYSICAL	740	537215	2.3433587
<b>Total</b>	<b>11919</b>	<b>22925000</b>	<b>100.00</b>

N) Other Disclosures

a) Disclosure of related party transactions:

Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements. All transactions with related parties are at arm's length. All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors and are entered into on Arm's length basis.

In terms of the Companies Act, 2013 and Securities and Exchange Board of India (LODR) Regulations, 2015 the Company has adopted Related Party transactions policy and the same has been placed on the Company's website at: <http://vedavaag.com/>

During the financial year 2022-23 there were no materially significant related party transactions, which had potential conflict with the interest of the Company at large. The transactions with the related parties are disclosed in the notes to accounts.

**b) Compliance(s) of matters relating to Capital Market:**

The Company has complied with all applicable rules and regulations prescribed by stock exchange (BSE), Securities and Exchange Board of India (SEBI) or any other statutory authority relating to the capital markets.

**c) Whistle Blower Policy/Vigil Mechanism:**

The Company has established a whistle blower policy/vigil mechanism to provide an avenue to raise concerns. The mechanism provides, for adequate safeguards against victimization of employees who avails it. The policy also lays down the process to be followed for dealing with complaints.

**d) Code of conduct for prevention of insider trading**

The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading code which is applicable to all directors and designated employees lays down guidelines and procedures to be followed and disclosures to be made while dealing in the securities of the Company.

**e) Details of compliance with mandatory requirements and adoption of Discretionary Requirements**

The Company has complied with the mandatory requirements of the Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has from time to time in the best interest of Stakeholders of the Company has adopted discretionary requirements that are non-mandatory in nature.

**f) Risk Management**

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.

**g) Statutory Auditor Remuneration:**

M/s Pary and Co., Chartered Accountants (Firm Registration No. 007288C) have been appointed as the Statutory Auditors of the Company. The fees paid to Statutory Auditors of the Company on consolidated basis during the financial year ended March 31, 2023 is:

Particulars	Amount in (₹)
Statutory Audit fee	3,00,000
Tax Audit	25,000

**h) The Company has complied with the requirements of Schedule V Corporate Governance sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing and Disclosure Requirements) regulations, 2015.**

**i) Disclosure of commodity risk price risks and commodity hedging activities – Not applicable**

**j) There were no funds raised through preferential allotments or qualified institutional placements as specified under Reg. 32(7A)**

**k) A certificate from Company Secretary in practice has been obtained confirming that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.**

### Communication to Shareholders:

Documents required from Shareholders holding shares in Physical mode

With reference to Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 03 November 2021 on Common and Simplified Norms for processing Investor's service requests and further clarification circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14, December, 2021.

This has reference to the aforesaid circular from SEBI on Common and Simplified Norms for processing investor's service requests by Registrar and Transfer Agent (RTA) and norms for furnishing PAN, KYC details and Nomination. Pursuant to the aforesaid circular, we are requesting our shareholders holding shares in physical mode to furnish the following mandatory documents to our RTA:

- 1) Valid PAN including PAN of Joint Shareholders duly linked with Aadhaar and KYC details.
- 2) Nomination (If shares are held in single name) with Specimen Signature and self-attested Pan/Aadhaar card copy of the Nominee.
- 3) Postal Address with Pin code, Email id and Mobile Number
- 4) Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code and MICR code) with Cancelled Cheque leaf.

The Shareholders holding shares in physical form to keep folio(s) in active status, are requested to post/courier the completed mandatory forms for updation of Signature, in form ISR-2 immediately by enclosing self-attested proof as mentioned in the respective forms along with date of attestation.

SI. No.	Purpose	Form No.
<b>Mandatory Forms</b>		
1.	Request for registering PAN, KYC details or changes/ updation thereof	Form ISR-1
2.	Registration of Nomination	Form SH-13
<b>Other Forms</b>		
3..	Request for Updation of Specimen Signature - Download from <a href="https://www.integratedindia.in/Corporate_Container.aspx?RTI/STA">https://www.integratedindia.in/Corporate_Container.aspx?RTI/STA</a>	Form ISR-2
4.	Declaration Form for Opting-out of Nomination – Download from <a href="https://www.integratedindia.in/Corporate_Container.aspx?RTI/STA">https://www.integratedindia.in/Corporate_Container.aspx?RTI/STA</a>	Form ISR -3
5.	Cancellation or Variation of Nomination – Download from <a href="https://www.integratedindia.in/Corporate_Container.aspx?RTI/STA">https://www.integratedindia.in/Corporate_Container.aspx?RTI/STA</a>	Form SH-14

Please note that above documents should be sent to our Registrar and Transfer Agents at the below mentioned address:

Venture Capital And Corporate Investments Private Limited  
Door No. 4-50/P-II/57/4 & 5th Floors,  
Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli,  
Seri Lingampally TG 500032 IN  
Tel: 23818475 / 23818476 / 23868023  
Email: investor.relations@vccipl.com

Further please also note that Securities held in physical form which stand frozen till 31-12-2025, shall be referred by RTA and the Company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

The above information has been communicated to all the Shareholders having shares in physical form to the available address as per records by the RTA, the same has been duplicated here as a part of Good Corporate Governance practice for required updation.

## DECLARATION ON CODE OF CONDUCT

As the Managing Director of Vedavaag Systems Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2022-23.

Place: Hyderabad  
Date : 28-08-2023

For Vedavaag Systems Limited

Sd/-  
**J. Murali Krishna**  
Managing Director  
DIN: 00016054

## MD and CFO Certification

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as below:

To  
The Board of Directors  
**Vedavaag Systems Limited**

We, J Murali Krishna, Managing Director and T.B. Krishna Mohan, Chief Financial Officer of Vedavaag Systems Limited, to the best of our knowledge and information, and on behalf of the Company certify that:

- a. We have reviewed financial statements and cash flow statement for year ended March 31, 2023 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. During the year under reference we have indicated to the auditors and Audit committee-
  - (i) there were no significant changes in the internal controls or overall financial reporting;
  - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
  - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place: Hyderabad  
Date : 28-08-2023

For Vedavaag Systems Limited

Sd/-  
**J. Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**T B Krishna Mohan**  
Chief Financial Officer



## CERTIFICATE ON CORPORATE GOVERNANCE

### Practicing Company Secretary's Certificate on compliance of conditions of Corporate Governance as per Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015

To  
The Members of  
**M/s. Vedavaag Systems Limited,**  
Hyderabad.

We have examined the compliances of requirements of Corporate Governance by **M/s. Vedavaag Systems Limited**, for the year ended on 31<sup>st</sup> March, 2023 as stipulated under regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (LODR) Regulation, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management;

We certify that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company/RTA.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and applicable clauses from (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V the SEBI (LODR) Regulation, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For VCSR & Associates**  
Company Secretaries

Sd/-  
**(Ch. Veeranjanyulu)**  
Partner  
CP No. 6392, M No. F6121

Place: Hyderabad  
Date : 28.08.2023

**UDIN: F006121E000892094**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
**M/s. Vedavaag Systems Limited,**  
(CIN: L72200TG1998PLC029240)

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. VEDAVAAG SYSTEMS LIMITED** having CIN: L72200TG1998PLC029240 and having registered office at 1-90-8/13, B Block, 103 Sri Sai Orchid, Hi Tec City, Madhapur, Hyderabad, Telangana - 500081 India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Designation
1.	Mr. Murali Krishna Jonnavittula	00016054	Managing Director
2.	Mr. Srinivas Pannala	00018295	Independent Director
3.	Mrs. Sujata Jonnavittula	07014640	Director
4.	Mrs. Narsupalli Pradeep Kumar	03498381	Independent Director
5.	Mr. Ramesh Sinha Duggi	08841202	Independent Director
6.	Mr. Ananth Jonnavittula	09300935	Director

On 29/08/2022, Mr. Trivikrama Gundu Murthy, having DIN No: 02718132, Independent Director resigned from the Company.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date : 28.08.2023

UDIN: F006121E000892083

**For VCSR & Associates**  
Company Secretaries

Sd/-  
**Ch Veeranjanyulu**  
Partner  
CP NO. 6392, FCS No. 6121

## | INDEPENDENT AUDITOR'S REPORT

### To The Members of **Vedavaag Systems Limited** Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Vedavaag Systems Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.



### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.



- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For P A R Y & CO.,**  
*Chartered accountants*  
(Firm's Registration No. 007288C)

Sd/-  
**Vamshi Krishna Reddy Pathi**  
Partner  
(Membership No. 224674)  
UDIN: 23224674BGUAVS5589

Place: Hyderabad  
Date: May 29, 2023

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone financial statements of **Vedavaag Systems Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: May 29, 2023

For **P A R Y & CO.,**  
Chartered accountants  
(Firm's Registration No. 007288C)

Sd/-  
**Vamshi Krishna Reddy Pathi**  
Partner  
(Membership No. 224674)  
UDIN: 23224674BGUAVS5589



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment and capital work-in-progress so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us the company is not having any immovable properties, and hence the question of title deeds in the name of the company does not arise.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/ alternate procedures performed as applicable, when compared with the books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets of the company.
- (iii) (a), (b) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) and (iii)(b) of the Order are not applicable.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.



- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the order are not applicable to the Company.
- (vii) According to the information and explanations given to us, In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has defaulted in the repayment of unsecured loans to Axis Bank Limited and the outstanding overdue amount as on 31.03.2023 is Rs. 3.81 Crs (Both principle and Interest).
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
- (c) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year for certain scoped in areas and covering the period up to December 2022 and draft audit reports where issued after the balance sheet date covering the period January 2023 to March 2023 for the period under audit.

- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a,b,c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order are not applicable.
- (d) As represented to us by the Management, the Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provisions of sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable.

Place: Hyderabad  
Date: May 29, 2023

For **P A R Y & CO.,**  
*Chartered accountants*  
(Firm's Registration No. 007288C)

Sd/-  
**Vamshi Krishna Reddy Pathi**  
Partner  
(Membership No. 224674)  
UDIN: 23224674BGUAVS5589

## BALANCE SHEET (STANDALONE) AS AT 31<sup>ST</sup> MARCH, 2023

Rs. In lakhs

Particulars	Note	As at 31.03.2023	As at 31.03.2022
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property Plant & Equipment	1	1,276.73	1,399.66
(b) Other Intangible Assets	2	682.86	775.26
(c) Financial Assets			
i. Investments	3	704.00	704.00
ii. Trade Receivables	4	1,484.68	1,543.36
iii. Other Financial Assets			
(d) Other Non Current Assets	5	297.93	292.98
<b>Total Non Current Assets</b>		<b>4,446.20</b>	<b>4,715.25</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	96.92	126.98
(b) WIP			
(b) Financial Assets			
i. Investments			
ii. Trade Receivables	7	1,033.40	739.34
iii. Cash and Cash Equivalents	8	176.04	167.74
iv. Bank Balances Other than iii above	9	119.00	124.00
(d) Other Current Assets	10	7,648.00	6,753.43
<b>Total Current Assets</b>		<b>9,073.37</b>	<b>7,911.50</b>
<b>TOTAL ASSETS</b>		<b>13,519.57</b>	<b>12,626.75</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	11	2,292.50	2,292.50
(b) Other Equity	12	9,447.95	8,916.24
<b>Total Equity</b>		<b>11,740.45</b>	<b>11,208.74</b>
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	13	12.05	21.49
ii. Trade Payables			
iii. Other Financial Liabilities			
(b) Deferred Tax Liabilities (Net)	14	261.43	279.97
(c) Other Non Current Liabilities	15	265.91	223.37
<b>Total Non Current Liabilities</b>		<b>539.39</b>	<b>524.83</b>

(Contd...)

## BALANCE SHEET (Contd.)

Rs. In lakhs

Particulars	Note	As at 31.03.2023	As at 31.03.2022
<b>Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	16	381.02	453.91
ii. Trade Payables	17	120.67	92.29
iii. Other Financial Liabilities			
(b) Other Current Liabilities	18	703.45	295.11
(c) Current Tax Liabilities	19	34.60	51.87
<b>Total Current Liabilities</b>		<b>1,239.73</b>	<b>893.18</b>
<b>Total Liabilities</b>		<b>1,779.12</b>	<b>1,418.02</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,519.57</b>	<b>12,626.76</b>

### Significant Accounting Policies

The accompanying notes 1 to 37 are an integral part of the financial statements

#### For PARY & CO

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

#### For & on behalf of the Board of Directors

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**Ivaturi Saiteja**  
Company Secretary



## PROFIT & LOSS ACCOUNT (STANDALONE) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Rs. In lakhs

Particulars	Note	for the year ended 31 Mar 2023	for the year ended 31 Mar 2022
<b>1 INCOME</b>			
a) Revenue from Operations	20	6,542.91	6,877.52
b) Other Income	21	14.35	10.34
<b>Total Income</b>		<b>6,557.26</b>	<b>6,887.86</b>
<b>2 EXPENSES</b>			
a) Project Expenses	22	3,653.13	3,896.77
b) Cost of Material	23	1,328.33	1,333.68
c) Employee Benefit Expense	24	280.46	268.70
d) Finance Cost	25	3.40	10.97
e) Depreciation and Amortisation Expense		185.95	208.55
f) Other Expenses	26	181.04	210.74
<b>Total Expenses</b>		<b>5,632.31</b>	<b>5,929.41</b>
<b>3 Profit Before Exceptional Item and Tax (1-2)</b>		<b>924.94</b>	<b>958.45</b>
4 Exceptional Item		-	-
<b>5 Profit Before Tax</b>		<b>924.94</b>	<b>958.45</b>
<b>Tax Expenses</b>			
Current Tax		254.63	256.99
Deferred Tax		(18.55)	(13.97)
<b>6 Profit After Tax</b>		<b>688.86</b>	<b>715.44</b>
<b>7 Other Comprehensive Income</b>			
a) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will not be reclassified to profit or loss		-	-
b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive Income</b>			
<b>8 Total Comprehensive Income</b>		<b>688.86</b>	<b>715.44</b>
<b>9 Earnings per Share</b>	27		
a) Basic		3.005	3.121
b) Diluted		3.005	3.121

### Significant Accounting Policies

The accompanying notes 1 to 37 are an integral part of the financial statements

#### For PARY & CO

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

#### For & on behalf of the Board of Directors

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**Ivaturi Saiteja**  
Company Secretary

## CASH FLOW STATEMENT (STANDALONE) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Rs. In lakhs

Particulars	for the year ended 31 Mar 2023	for the year ended 31 Mar 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>924.94</b>	<b>958.45</b>
Adjustments for:		
Depreciation	185.95	208.55
Interest & Finance Charges	3.40	10.97
Interest Income	(12.19)	(5.50)
<b>Operating Profit before Working Capital Changes</b>	<b>1,102.11</b>	<b>1,172.47</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Inventories	30.06	(27.76)
(Increase)/Decrease in Current Trade Recivables	(294.06)	403.55
(Increase)/Decrease in Non current Trade Receivables	58.68	(14.24)
(Increase)/Decrease in Other Non-Current Assets	(4.95)	(0.10)
(Increase)/Decrease in Investments	-	(1.00)
(Increase)/Decrease in Other Current Assets	(894.57)	(1,124.45)
Increase/(Decrease) in Trade Payables	28.37	78.21
Increase/(Decrease) in Other Current Liabilities & Provisions	391.06	(21.26)
Increase/(Decrease) in Non Current Liabilities	42.54	49.40
<b>Cash generated from operations</b>	<b>459.24</b>	<b>514.82</b>
Income Tax	254.63	256.99
<b>Net Cash flow from Operating activities</b>	<b>204.61</b>	<b>257.83</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Capital Work In progress	29.38	(60.63)
Purchase of Investments	-	-
Interest Received	12.19	5.50
<b>Net Cash used in Investing activities</b>	<b>41.56</b>	<b>(55.13)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in Other Equity	(19.60)	(75.95)
Interest Charges	(3.40)	(10.97)
Dividend Payment	(137.55)	(137.55)
Borrowings	(82.33)	30.75
<b>Net Cash used in financing activities</b>	<b>(242.88)</b>	<b>(193.71)</b>
Net Increase in Cash & Cash Equivalents	<b>3.30</b>	<b>8.99</b>
Cash and Cash Equivalent at the beginning of the period	291.74	282.75
<b>Cash and Cash Equivalent at the end of the period</b>	<b>295.04</b>	<b>291.74</b>

### For PARY & CO

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

### For & on behalf of the Board of Directors

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**Ivaturi Saiteja**  
Company Secretary

## STATEMENT OF CHANGE IN EQUITY - STANDALONE

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>A. Equity Share Capital</b>		
Balance at the beginning	2,292.50	2,292.50
Add: Changes in Equity share capital during the year	-	-
<b>Closing Balances</b>	<b>2,292.50</b>	<b>2,292.50</b>
<b>B. Other Equity</b>		
<b>Other Reserves</b>		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited	129.19	129.19
<b>Surplus</b>		
Opening Balances	5,534.63	5,032.69
Add: Profit during the Year	688.86	715.44
Less: Dividend for Financial Year 2020-21		137.55
Less: Dividend for Financial Year 2021-22	137.55	
Less: CSR expenditure	19.60	45.59
Less: Prior period item	-	30.35
<b>Closing Balances</b>	<b>6,066.35</b>	<b>5,534.63</b>
<b>Total</b>	<b>9,447.95</b>	<b>8,916.24</b>

### For PARY & CO

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

### For & on behalf of the Board of Directors

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**Ivaturi Saiteja**  
Company Secretary

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### Company information:

Vedavaag Systems Limited ("The Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE stock exchange in India.

The registered office of the company is located at 103, West Block, Siri Sai Orchid, Hi-Tech City, Madhapur, Hyderabad-500 081 Telangana. The Company is principally engaged in IT Sales and Services like Governance & Citizen Services, Banking, Finance and Insurance Services.

### Significant Accounting Policies:

#### a. Statement of Compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) specified under Section 133 of companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, with effect from 1 April 2017. Previous periods have been restated to Ind- AS.

#### b. Basis of Preparation:

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

#### c. Functional and Presentation Currency:

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency.

#### d. Use of Estimates and Judgment:

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosures of contingent liabilities and contingent assets at the date of the financial statements and reported amounts of income and expenses during the period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

#### e. Current and Non-Current classification:

The Company presents assets and liabilities in the balance sheet on current /non- current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or Cash equivalent unless restricted from being exchanged or used settle a liability at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.



All the other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

**f. Property, Plant and Equipment: Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses if any. Cost includes expenditure directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

**Depreciation:**

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use.

The estimated useful life of assets is reviewed and where appropriate are adjusted, annually.

**Subsequent Cost:**

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

**g. Intangible Assets:**

An intangible asset shall be recognised if, and only if:

- It is probable that the expected future economic benefits that are attributable to the will flow to the entity; and
- The cost of the asset can be measured reliably

An intangible asset shall be carried at its cost less any accumulated amortisation. Intangible assets are amortized on straight line basis.

**h. Investments:**

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long- term investments is made only if such a decline is other than temporary in the opinion of the management.

**i. Inventory:**

Inventories shall be measured at the lower of cost and net realisable value Cost of Inventory is determined using the FIFO.

**j. Revenue recognition:**

The company primarily derives Revenue from rendering IT and IT enabled services, System Integration/IOT Projects.

- Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers'
- In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis"
- Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.
- Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.
- Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

#### **k. Income Tax**

Income tax comprises current and deferred tax, Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period' The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

#### **l. Employee Benefits**

##### **Gratuity:**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by third party funds, The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company Recognizes actual/Re measurement gains and losses in other comprehensive income, net of taxes.

##### **Provident Fund:**

The Company make contribution to the statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the services are rendered.

##### **Leave Encashment:**

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in tire period in which the absences occur.

#### **m. Impairment of Non-financial Assets:**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**n. Earnings Per Share:**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of Equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares,

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances

**o. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**p. Foreign Currencies**

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the company's monetary items at the closing rates, are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction.

**q. Critical accounting judgements and key source of estimation uncertainty:**

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

**1. Useful life of property, plant and equipment:**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

**2. Recoverable amount of property, plant and equipment:**

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.



### 3. Post-employment benefit plans:

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have material impact on the resulting calculations.

### 4. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 "Non-Current Assets held for sale and discontinued Operations". In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

### 5. Provisions and contingencies:

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### 6. Impairment of Investments:

Investments in Subsidiaries are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test is performed at entity level. An impairment loss is recognised whenever the carrying amount of Investment exceeds its recoverable amount.

The recoverable amount is the greater of its fair value less costs to sell and value in use. To Calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset.

The calculation involves use of significant estimates and assumptions which include turnover and gross margin, growth rate and net margin used to calculate projected future cash flows, Discount rate and long-term growth rate.

### r. Financial Instruments:

As per Ind AS 109, Financial Instruments, all financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Financial assets are subsequently measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income as the case may be.

On account of adoption of Ind AS 109, the group uses Expected Credit Loss (ECL) model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors, credit ratings and the Group's historical experience for customers. The adoption of ECL model did not have a material impact on the financial statements.



**Fair value of financial instrument:**

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

**s. Investments in subsidiaries and associates**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

**t. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**u. Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax are adjusted for the effects of transaction of non-cash and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the company are segregated.

## NOTES TO BALANCE SHEET (STANDALONE)

### Note 1 : Property Plant & Equipment

Rs. In lakhs

Particulars	Computer Harware	Furniture and Fixtures	Vehicles	Office Equipment	Others	Total
<b>Gross Block</b>						
Balance as at 31.03.2021	4,477.63	118.75	125.04	31.58	109.81	4,862.82
Additions	11.68	0.68	-	0.38	2.88	15.63
Deletions	-	-	-	-	-	-
Balance as at 31.03.2022	4,489.31	119.44	125.04	31.97	112.69	4,878.44
Additions	7.90	-	-	4.15	1.07	13.12
Deletions	-	-	-	-	-	-
<b>Balance as at 31.03.2023</b>	<b>4,497.21</b>	<b>119.44</b>	<b>125.04</b>	<b>36.12</b>	<b>113.76</b>	<b>4,891.57</b>
<b>Accumulated Depreciation</b>						
Balance as at 31.03.2021	3,094.21	94.33	45.44	13.53	82.01	3,329.52
Charge for the year	135.31	1.56	7.76	1.78	2.86	149.26
Deletion	-	-	-	-	-	-
Balance as at 31.03.2022	3,229.52	95.89	53.20	15.31	84.87	3,478.79
Charge for the year	123.09	1.49	7.01	1.88	2.58	136.05
Deletion	-	-	-	-	-	-
<b>Balance as at 31.03.2023</b>	<b>3,352.61</b>	<b>97.38</b>	<b>60.20</b>	<b>17.19</b>	<b>87.45</b>	<b>3,614.84</b>
<b>Net Block</b>						
Balance as at 31.03.2021	1,383.42	24.42	79.61	18.05	27.79	1,533.29
Balance as at 31.03.2022	1,259.79	23.54	71.85	16.66	27.82	1,399.66
<b>Balance as at 31.03.2023</b>	<b>1,144.60</b>	<b>22.05</b>	<b>64.84</b>	<b>18.93</b>	<b>26.31</b>	<b>1,276.73</b>

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**Note 2 : Other Intangible Assets**

Rs. In lakhs

Particulars	Computer Software	Project Development WIP	Total
<b>Gross Block</b>			
Balance as at 31.03.2021	764.06	415.02	1,179.08
Additions	-	45.00	45.00
Deletions	-	-	-
Balance as at 31.03.2022	764.06	460.02	1,224.08
Additions	-	-	-
Deletions	-	42.50	42.50
<b>Balance as at 31.03.2023</b>	<b>764.06</b>	<b>417.52</b>	<b>1,181.58</b>
<b>Amortization</b>			
Balance as at 31.03.2021	389.53	-	389.53
Charge for the year	59.29	-	59.29
Disposals	-	-	-
Balance as at 31.03.2022	448.82	-	448.82
Charge for the year	49.90	-	49.90
Disposals	-	-	-
<b>Balance as at 31.03.2023</b>	<b>498.72</b>	<b>-</b>	<b>498.72</b>
<b>Net Block</b>			
Balance as at 31.03.2021	374.53	415.02	789.55
Balance as at 31.03.2022	315.24	460.02	775.26
<b>Balance as at 31.03.2023</b>	<b>265.34</b>	<b>417.52</b>	<b>682.86</b>

**Project development WIP**

Reconciliation of carrying amount:	As at 31.03.2023	As at 31.03.2022
Opening balances	460.02	415.02
Additions during the year	-	45.00
Deletions during the year	42.50	-
<b>Closing balances</b>	<b>417.52</b>	<b>460.02</b>

**Ageing Schedule**

**As at 31st March 2023**

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	-	45.00	64.00	308.52	417.52
Projects suspended	-	-	-	-	-

**As at 31st March 2022**

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	45.00	64.00	343.89	7.13	460.02
Projects suspended	-	-	-	-	-

**Note 3 : Non Current Investments**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>A. Investment in Wholly Owned Subsidiaries (At Cost)</b>		
<b>1. Investment in Equity Instruments (Unquoted)</b>		
VSL Data Systems Private Limited (formaly Synaptic Systems Pvt.Ltd) 30,00,000 Equity shares of Rs.10 each	300.00	300.00
Vedavaag Edutech Private Limited 10000 equity shares of Rs.10 each	1.00	1.00
Vedavaag common Service Centers Private Limited 10000 equity shares of Rs.10 each	1.00	1.00
Vedavaag Financial Services Private Limited 10000 equity shares of Rs.10 each	1.00	1.00
<b>2. Investments in Preference Shares</b>		
VSL Data Systems Private Limited 40,00,000 5% Redeemable Cumulative Preference shares of Rs.10 each	400.00	400.00
<b>Investment in subsidiaries</b>	<b>703.00</b>	<b>703.00</b>
<b>B. Investment in other companies</b>		
1. Investment in Business Correspondent Resource Council (BCRC) (A company registered under Section 8 of the Companies Act, 2013) 10,000 equity shares of Rs. 10/- each	1.00	1.00
<b>Aggregate value of Unquoted investments</b>	<b>704.00</b>	<b>704.00</b>

During the previous financial years the company held investments in the subsidiary company to the tune of Rs. 704 lakhs. The management is of the opinion that all the above investments are good and realizable, no provision/impairment is made in the books of account.

**Note : 4 Trade Receivables (Non Current)**

Particulars	As at 31.03.2023	As at 31.03.2022
Secured, Considered Good (Receivable from govt.Parties and Others)		-
UnSecured, Considered Good (more than six months) (Receivable from govt.Parties and Others)	1,484.68	1,543.36
<b>Total</b>	<b>1,484.68</b>	<b>1,543.36</b>

Confirmation of balances / Reconciliation: The reconciliation of balances with major debtors, creditors etc., has been carrying out from time to time with the confirmation of balances from the parties. The company is in process of obtaining the confirmation of balances from others for reconciliation.

**Outstanding for the following periods****As at 31st March 2023**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	-	-			946.28	946.28
Disputed trade receivables					538.40	538.40
<b>Total</b>	-	-	-	-	<b>1,484.68</b>	<b>1,484.68</b>

**As at 31st March 2022**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	-	-		341.21	663.74	1,004.95
Disputed trade receivables					538.40	538.40
<b>Total</b>	-	-	-	<b>341.21</b>	<b>1,202.14</b>	<b>1,543.35</b>



**Note 5 : Other Non Current Assets**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Advances	291.97	287.97
Deposits (Unsecured Considered good)	5.96	5.01
<b>Total</b>	<b>297.93</b>	<b>292.98</b>

**Note : 6 Inventory**

Particulars	As at 31.03.2023	As at 31.03.2022
Inventories and Project WIP (valued at FIFO)	96.92	126.98
<b>Total</b>	<b>96.92</b>	<b>126.98</b>

**Note : 7 Trade Receivables**

Particulars	As at 31.03.2023	As at 31.03.2022
Secured, Considered Good (Receivable from govt.Parties and Others)	1,033.40	739.34
UnSecured, Considered Good (Receivable from govt.Parties and Others)	-	-
<b>Total</b>	<b>1,033.40</b>	<b>739.34</b>

**Outstanding for the following periods****As at 31st March 2023**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	524.18	-	-	-	-	524.18
Disputed trade receivables	-	-	-	-	-	-
Unbilled dues	509.22	-	-	-	-	509.22
<b>Total</b>	<b>1,033.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,033.40</b>

**As at 31st March 2022**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	352.92	-	-	-	-	352.92
Disputed trade receivables	386.42	-	-	-	-	386.42
Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>739.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>739.34</b>

**Note : 8 Cash and Cash Equivalents**

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Bank	38.12	40.48
Cash on Hand	137.93	127.26
<b>Total</b>	<b>176.04</b>	<b>167.74</b>

**Note 9 : Bank Balances Other than above**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Bank (Margin Money Deposits)	119.00	124.00
<b>Total</b>	<b>119.00</b>	<b>124.00</b>

**Note : 10 Other Current Assets**

Particulars	As at 31.03.2023	As at 31.03.2022
Advances otherthan Capital Advances		
Advance to Subsidiaries	2,229.91	2,119.26
BC Bank Accounts	55.30	412.17
Less: CSP Deposits	(55.30)	(412.17)
Other Advances	5,362.76	4,578.84
MAT Credit	55.33	55.33
<b>Total</b>	<b>7,648.00</b>	<b>6,753.43</b>

**Note : 11 Notes to Equity****A Equity Share Capital**

Particulars	As at 31.03.2023		As at 31.03.2022	
	No.	Rs. Lakhs	No.	Rs. Lakhs
<b>Authorised</b>				
Equity Shares of Rs.10 Each	30,000,000	3,000.00	30,000,000	3,000.00
<b>Total</b>		<b>3,000.00</b>		<b>3,000.00</b>
<b>Issued, Subscribed &amp; paid up</b>				
Equity shares of Rs.10 Each	22,925,000	2,292.50	22,925,000	2,292.50
<b>Total</b>		<b>2,292.50</b>		<b>2,292.50</b>

**B Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31.03.2023		As at 31.03.2022	
	No.	Rs. Lakhs	No.	Rs. Lakhs
Shares outstanding at the beginning of the year	22,925,000	2,292.50	22,925,000	2,292.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>22,925,000</b>	<b>2,292.50</b>	<b>22,925,000</b>	<b>2,292.50</b>

**C Terms/rights attached to equity shares, including restrictions on distribution of dividends and the repayment of capital**

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts

The disribution will be in proportion to the number of equity shares held by the shareholders

**D Shares in the Company held by each share holder holding more than 5 percent shares specifying the number of shares** Rs. In lakhs

Name of Share Holder	As at 31.03.2023		As at 31.03.2022	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J.MURALI KRISHNA	4,598,712	20.06%	4,598,712	20.06%
J.S.R.DURGA PRASAD	3,584,960	15.64%	3,584,960	15.64%
S. ABHEESHTA	1,500,000	6.54%	1,500,000	6.54%

**E Equity shres held by promoters at the end of the year**

Name of Share Holder	As at 31.03.2023		As at 31.03.2022	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J.MURALI KRISHNA	4,598,712	20.06%	4,598,712	20.06%
J.S.R.DURGA PRASAD	3,584,960	15.64%	3,584,960	15.64%
J. SUJATHA	65,607	0.29%	65,607	0.29%

**Note : 12 Other Equity**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Other Reserves</b>		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited	129.19	129.19
<b>Surplus</b>		
Opening Balances	5,534.63	5,032.69
Add:Profit during the Year	688.86	715.44
Less: Dividend for Financial Year 2020-21		137.55
Less: Dividend for Financial Year 2021-22	137.55	-
Less: CSR expenditure	19.60	45.59
Less: Prior period item	-	30.35
Closing Balances	6,066.35	5,534.63
<b>Total</b>	<b>9,447.95</b>	<b>8,916.24</b>

**Note : 13 Borrowings (Non Current)**

Particulars	As at 31.03.2023	As at 31.03.2022
Vehicle Loan (secured by Hypothication of the Vehicles)	12.05	21.49
<b>Total</b>	<b>12.05</b>	<b>21.49</b>

**Note : 14 Deferred Tax Liabilities (Net)**

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	279.97	293.95
Add or (Less):Charge during the Year	(18.55)	(13.97)
<b>Total</b>	<b>261.43</b>	<b>279.97</b>

**Note : 15 Other Non Current Liabilities**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
CSP and Other Deposits	160.54	128.00
Others	105.37	95.37
<b>Total</b>	<b>265.91</b>	<b>223.37</b>

**Note : 16 Current Liabilities - Borrowings**

Particulars	As at 31.03.2023	As at 31.03.2022
Borrowing - Axis Bank	381.02	453.91
<b>Total</b>	<b>381.02</b>	<b>453.91</b>

Secured long term borrowings represent the amounts received from Banks as summarised below

Lender Name	Axis Bank
Rate of Interest	6 Months MCL + 0.5% payable at monthly intervals
Security	Post dated cheque equal to sanctioned amount + 1 month Interest and personal guarantee of Mr J Murali Krishna and Mr JSR Durga Prasad.
Terms of Repayment	Subject to Covid 19 guidelines of RBI for MSMEs
Amount Overdue	Rs. 3,81,02,141/-

The company is reconciling with the bank on outstanding due amounts to close the account in line with latest RBI guidelines.

**Note : 17 Trade Payables**

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Payables	120.67	92.29
<b>Total</b>	<b>120.67</b>	<b>92.29</b>

**Outstanding for the following periods****As at 31st March 2023**

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade payables	61.20	59.47	-	-	120.67
Disputed trade payables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
<b>Total</b>	<b>61.20</b>	<b>59.47</b>	<b>-</b>	<b>-</b>	<b>120.67</b>

**As at 31st March 2022**

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	92.29	-	-	-	92.29
Disputed trade receivables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
<b>Total</b>	<b>92.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92.29</b>



**Note : 18 Other Current Liabilities**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Expenses payable	261.69	147.37
Current maturities of Long Term Debt (Vehicle loans)	2.44	14.21
Unpaid Dividend	33.82	27.62
Taxes and Duties	405.50	105.92
<b>Total</b>	<b>703.45</b>	<b>295.11</b>

**Note : 19 Current Tax Liability**

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for the year	254.63	256.99
Less:TDS & TCS	220.03	205.12
<b>Total</b>	<b>34.60</b>	<b>51.87</b>

**| NOTES TO PROFIT & LOSS ACCOUNT (STANDALONE)****Note : 20 Revenue From Operations**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Sales	82.98	2,033.78
Services	6,459.93	4,843.74
<b>Total</b>	<b>6,542.91</b>	<b>6,877.52</b>

**Note : 21 Other Income**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Interest Income	12.19	5.50
Other Non Operating Income	2.16	4.84
<b>Total</b>	<b>14.35</b>	<b>10.34</b>

**Note : 22 Project Expenses**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Project Expenses	3,653.13	3,896.77
<b>Total</b>	<b>3,653.13</b>	<b>3,896.77</b>

**Note : 23 Cost of Material**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Opening Inventory	126.98	99.23
Add: Purchases (Net)	48.27	1,111.43
Add: Cost of materials consumed in IoT	1,250.00	250.00
<b>Total</b>	<b>1,425.25</b>	<b>1,460.66</b>
Less: Closing Inventory	96.92	126.98
Less: WIP (PROJECTS)	-	-
<b>Total</b>	<b>1,328.33</b>	<b>1,333.68</b>

**Note : 24 Employee Benefit Expenses**

Rs. In lakhs

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Salaries and Wages	280.46	268.70
<b>Total</b>	<b>280.46</b>	<b>268.70</b>

The company has taken policy for group gratuity scheme with Life insurance Corporation of India and making premium contributions towards Gratuity and Pension liability as intimated from time to time. The Company does not possess the data relating to actuarial valuation made by the Trust for the year and correspondingly does not have any actuarial valuation provision in the financial statement against such employee benefits.

**Note : 25 Finance Cost**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Interest -Others	1.68	7.86
Interest on Vehicle Loan	1.71	3.11
<b>Total</b>	<b>3.40</b>	<b>10.97</b>

**Note : 26 Administrative and Marketing Expenses**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Audit Fee	3.00	3.00
Business Development and Marketing	10.75	13.28
Bank charges	1.16	1.49
Consultancy & Professional charges	18.48	29.67
Telephone & Internet, web server maintenance etc.,	11.09	11.47
Miscellaneous	1.28	3.10
Meeting Expenses	1.73	1.55
Printing and Stationery	7.96	3.65
Insurance	20.57	19.68
Rent	36.21	37.04
Repairs and maintenance	1.52	7.93
Share Services Charges	7.31	7.87
Travelling and Conveyance	21.93	20.66
Office Maintenance	38.06	50.35
<b>Total</b>	<b>181.04</b>	<b>210.74</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

### Note: 27 Earnings per Share

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Numerator for EPS		
Net Profit after tax (Rs. Lacs) (A)	688.86	715.44
Weighted Average no. of Shares considered for Denominator for Basic EPS (Rs. Lacs) (B)*	229.25	229.25
Basic and diluted Earnings Per Share (Rs.) (A) / (B)	3.005	3.121

### Note: 28 Related Party Disclosures

#### 1. Related Parties Where Control Exits

Company	Type of Relation
VSL Data Systems Private Limited	Wholly owned subsidiary
Vedavaag Edutech Private Limited	Wholly owned subsidiary
Vedavag Common Service Centers Private Limited	Wholly owned subsidiary
Vedavag Financial Services Private Limited	Wholly owned subsidiary
Vedavag Kiya E Commerce Private Limited	Subsidiary

#### 2. Key Management Personnel

- J. Murali Krishna : Managing Director
- T B Krishna Mohan : CFO
- Ivaturi Sai Teja : Company Secretary & Compliance officer

#### 3. Related Party transactions during the year

Nature of transactions	Name of Entity	2022-23	2021-22
Advances to Subsidiaries	VSL Data Systems Private Limited	47.65	14.04
	Vedavaag Edutech Private Limited	55.67	39.66
	Vedavaag Common Service Centers Private Limited	7.56	3.18
	Vedavaag Financial Services Private Limited	-0.48	0.12
	Vedavaag Kiya E Commerce Private Limited	0.24	2.23

#### 4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2023	31 March 2022
Short term employee benefits	Rs. 47.85 lakhs	Rs. 41.75 lakhs

The above post-employment benefits exclude gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

## 5. Outstanding balances:

Rs. In lacs

Description	Company	2022-23	2021-22
Equity Investment in Subsidiaries	VSL Data Systems Private Limited	300.00	300.00
	Vagdevi Sark Edutech Private Limited	1.00	1.00
	Vedavag Common Service Centres Private Limited	1.00	1.00
	Vedavaag Financial Services Private Limited	1.00	1.00
Preference Shares Investment in Subsidiaries	VSL Data Systems Private Limited	400.00	400.00
Advance to subsidiaries	VSL Data Systems Private Limited	1738.35	1690.69
	Vagdevi Sark Edutech Private Limited	252.78	197.11
	Vedavag Common Services Centers Private Limited	236.66	229.10
	Vedavaag Financial Services Private Limited	-0.36	0.12
	Vedavaag Kiya E Commerce Private Limited	2.47	2.23

**Note: 29 Contingent liabilities**

The Company has submitted Performance Bank Guarantees worth of Rs.70.00 lakhs for various projects. The BGs were obtained against 100% margin money from various banks for Financial Inclusion projects and other projects.

**Note: 30 Corporate social responsibility**

In accordance with section 135(5) of the Companies Act, 2013, the CSR expenditure for the year was Rs. 16.46 lakhs and the CSR expenditure incurred was Rs. 19.60 lakhs resulting in surplus of Rs. 3.14 lakhs which can be adjusted against the CSR liability for the next three financial years.

**Note: 31 Disclosures pertaining to SEBI (listing obligations & disclosure requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013****Outstanding position of the Investment:**

Entity	As at 31-03-2022	Allotment/purchases during the year	Sold during the year	As at 31-03-2023
Business Correspondent Resource Council (BCRC), a company registered under Section 8 of the Companies Act, 2013	1,00,000	-	-	1,00,000



**Note: 32 Analytical Ratios**

Ratio	Numerator	Denominator	Current Period	Previous period	% Variance	Reasons for variance #
Current ratio	Current assets	Current liabilities	7.32	8.003	-9%	
Debt equity Ratio	Total Debt	Share-holders' equity	0.06	0.06	-10%	
Debt Service Coverage ratio	Earnings available for debt service	Debt service	6.07	15.32	-60%	Variance in the ratio is on account of repayment of term loans
Return on Equity (ROE)	Net profit after taxes	Share-holders' equity	5.87%	6.38%	-8%	
Inventory Turnover ratio	Sales	Closing Inventory	67.51	54.16	25%	Marginal decrease in turnover and inventory resulted in variance in Inventory turnover ratio.
Trade Receivable Turnover ratio	Sales	Closing trade receivables	6.33	9.30	-32%	Increase in receivables and margin decrease in turnover resulted in reduction in the ratio.
Trade Payables Turnover ratio	Credit purchases	Closing trade payables	6.46	8.85	-27%	Marginal decrease in purchases and lower creditors as compared to previous year resulted in improvement in the ratio
Net Capital turnover ratio	Sales	Working capital	1.02	1.17	-13%	
Net profit ratio	Profit after tax	Total income	10.51%	10.39%	1%	
Return on Capital employed	Earnings before interest and taxes	Capital employed	0.08	0.08	-8%	
Return on investment	Realised gain on investment	Investment value	-	-	-	

# Reason for variance is given for ratios having % change more than 25%.

**Note: 33 Benami Property**

There are no proceedings initiated or pending against the company as at 31<sup>st</sup> March 2023, under Prohibition of Benami Property Transaction Act, 1988 (as amended in 2016).

**Note: 34 Wilful Defaulter**

The company is not declared a wilful defaulter by any bank or financial institution or other lender.

**Note: 35 Undisclosed incomes**

The company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search, survey or any other relevant provisions of the Income Tax Act, 1961)

**Note: 36**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note: 37 Struck off companies**

The company has not entered into any transaction with the companies struck off as per section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

Previous figures have been regrouped wherever necessary to confirm to current years classification

**For PARY & CO**

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

**For & on behalf of the Board of Directors**

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**Ivaturi Saiteja**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To The Members of **Vedavaag Systems Limited**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of **Vedavaag Systems Limited** ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to and in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditor.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate



accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the



planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matters

- (a) We did not audit the financial statements of four subsidiaries, whose unaudited financial statements reflect total assets of ₹ 4964.61 lacs as at March 31, 2023, total revenues of ₹ 1899.62 lacs and net cash outflows of Rs.110.65 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been un audited and the financial reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statements of the subsidiary entity referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements and with the returns received by us and the other auditor.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Company, none of the directors of the Group companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33 to the consolidated financial statements;

- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
  - iv) (a) The Management of the Holding Company have represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management of the Holding Company, have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) The final dividend proposed in the previous year, declared and paid by the Holding Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.
  - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Holding Company, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Holding Company, we report that CARO is applicable only to the Holding Company and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of Holding Company.

Place: Hyderabad  
Date : May 29, 2023

For **P A R Y & CO.,**  
*Chartered accountants*  
(Firm’s Registration No. 007288C)

Sd/-  
**Vamshi Krishna Reddy Pathi**  
Partner  
(Membership No. 224674)  
UDIN: 23224674BGUAVT8988

## **| ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Vedavaag Systems Limited** (hereinafter referred to as “the Holding Company”), as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Holding company, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls with reference to consolidated financial statements**

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control



with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date : May 29, 2023

For **P A R Y & CO.,**  
*Chartered accountants*  
(Firm's Registration No. 007288C)

Sd/-  
**Vamshi Krishna Reddy Pathi**  
Partner  
(Membership No. 224674)  
UDIN: 23224674BGUAVT8988

25  
Years  
1998 - 2023



## BALANCE SHEET (CONSOLIDATED) AS AT 31<sup>ST</sup> MARCH, 2023

Rs. In lakhs

Particulars	Note	As at 31.03.2023	As at 31.03.2022
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property Plant & Equipment	1	1,277.60	1,401.12
(b) Other Intangible Assets	2	1,549.17	1,719.41
(c) Financial Assets			
i. Investments	3	1.00	1.00
ii. Trade Receivables	4	1,484.68	1,543.36
iii. Other Financial Assets			
(d) Other Non Current Assets	5	297.93	292.98
<b>Total Non Current Assets</b>		<b>4,610.38</b>	<b>4,957.86</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	96.92	126.98
(b) WIP			
(b) Financial Assets			
i. Investments			
ii. Trade Receivables	7	2,320.19	2,091.57
iii. Cash and Cash Equivalents	8	185.90	173.53
iv. Bank Balances Other than iii above	9	119.00	124.00
(d) Other Current Assets	10	8,221.38	7,160.61
<b>Total Current Assets</b>		<b>10,943.40</b>	<b>9,676.70</b>
<b>TOTAL ASSETS</b>		<b>15,553.78</b>	<b>14,634.56</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	11	2,292.50	2,292.50
(b) Other Equity	12	10,461.42	9,849.84
<b>Total Equity</b>		<b>12,753.92</b>	<b>12,142.34</b>
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	13	12.05	21.49
ii. Trade Payables			
iii. Other Financial Liabilities			
(b) Deferred Tax Liabilities (Net)	14	393.69	425.90
(c) Other Non Current Liabilities	15	265.91	223.36
<b>Total Non Current Liabilities</b>		<b>671.66</b>	<b>670.75</b>

(Contd...)

## BALANCE SHEET (CONSOLIDATED) (Contd.)

Rs. In lakhs

Particulars	Note	As at 31.03.2023	As at 31.03.2022
<b>Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	16	381.02	453.91
ii. Trade Payables	17	596.24	573.11
iii. Other Financial Liabilities			
(b) Other Current Liabilities	18	1,099.63	669.98
(c) Current Tax Liabilities	19	51.31	124.46
<b>Total Current Liabilities</b>		<b>2,128.20</b>	<b>1,821.46</b>
<b>Total Liabilities</b>		<b>2,799.86</b>	<b>2,492.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,553.78</b>	<b>14,634.56</b>

### Significant Accounting Policies

The accompanying notes 1 to 37 are an integral part of the financial statements

#### For PARY & CO

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

#### For & on behalf of the Board of Directors

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**Ivaturi Saiteja**  
Company Secretary

**PROFIT & LOSS ACCOUNT (CONSOLIDATED)  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Rs. In lakhs

Particulars	Note	for the year ended 31 Mar 2023	for the year ended 31 Mar 2022
<b>1 INCOME</b>			
a) Revenue from Operations	20	8,440.31	9,545.97
b) Other Income	21	16.57	10.34
<b>Total Income</b>		<b>8,456.88</b>	<b>9,556.31</b>
<b>2 EXPENSES</b>			
a) Project Expenses	22	3,653.13	3,896.77
b) Cost of Material	23	2,094.91	2,664.63
c) Employee Benefit Expense	24	730.97	873.55
d) Finance Cost	25	3.40	10.97
e) Depreciation and Amortisation Expense		629.86	592.90
f) Other Expenses	26	352.29	403.96
<b>Total Expenses</b>		<b>7,464.56</b>	<b>8,442.78</b>
<b>3 Profit Before Exceptional Item and Tax (1-2)</b>		<b>992.32</b>	<b>1,113.53</b>
4 Exceptional Item			-
<b>5 Profit Before Tax</b>		<b>992.32</b>	<b>1,113.53</b>
Tax Expenses			
Current Tax		271.51	329.65
Deferred Tax		(72.49)	(46.55)
<b>6 Profit After Tax</b>		<b>793.30</b>	<b>830.43</b>
<b>7 Other Comprehensive Income</b>			
a) (i) Items that will not be reclassified to profit or loss			
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
b) (i) Items that will be reclassified to profit or loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss			
<b>Total other comprehensive Income</b>			
<b>8 Total Comprehensive Income</b>		<b>793.30</b>	<b>830.43</b>
<b>9 Earnings per Share</b>	<b>27</b>		
a) Basic		3.460	3.622
b) Diluted		3.460	3.622

Significant Accounting Policies

The accompanying notes 1 to 37 are an integral part of the financial statements

**For PARY & CO**

Chartered Accountants

(Firm's Registration No.007288C)

Sd/-

**(P VAMSI KRISHNA REDDY)**

Partner

M.No.224674

Place: Hyderabad

Date : 29-May-2023

**For & on behalf of the Board of Directors**

Sd/-

**J Murali Krishna**

Managing Director

DIN: 00016054

Sd/-

**T B Krishna Mohan**

CFO

Sd/-

**J Sujatha**

Director

DIN: 07014640

Sd/-

**Ivaturi Saiteja**

Company Secretary

## CASH FLOW STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

Rs. In lakhs

Particulars	for the year ended 31 Mar 2023	for the year ended 31 Mar 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>992.32</b>	<b>1,113.53</b>
Adjustments for:		
Depreciation	629.86	592.90
Interest & Finance Charges	3.40	10.97
Interest Income	(12.19)	(5.50)
<b>Operating Profit before Working Capital Changes</b>	<b>1,613.39</b>	<b>1,711.90</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Inventories	30.06	(27.76)
(Increase)/Decrease in Current Trade Recivables	(228.62)	(936.02)
(Increase)/Decrease in Other Current Assets	(1,060.77)	(1,449.41)
(Increase)/Decrease in Non current Trade Receivables	58.68	1,094.94
(Increase)/Decrease in Other Non-Current Assets	(4.95)	(0.10)
(Increase)/Decrease in Investments	-	-
Increase/(Decrease) in Trade Payables	23.13	100.92
Increase/(Decrease) in Other Current Liabilities & Provisions	396.78	48.23
Increase/(Decrease) in Non Current Liabilities	42.55	49.40
<b>Cash generated from operations</b>	<b>870.24</b>	<b>592.10</b>
Income Tax	271.51	329.65
<b>Net Cash flow from Operating activities</b>	<b>598.74</b>	<b>262.45</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Capital Work In progress	(336.10)	(61.73)
Purchase of Investments	-	-
Interest Received	12.19	5.50
<b>Net Cash used in Investing activities</b>	<b>(323.92)</b>	<b>(56.23)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in Other Equity	(44.17)	(75.95)
Interest Charges	(3.40)	(10.97)
Dividend Payment	(137.55)	(137.55)
Borrowings	(82.33)	30.75
<b>Net Cash used in financing activities</b>	<b>(267.45)</b>	<b>(193.71)</b>
Net Increase in Cash & Cash Equivalents	<b>7.38</b>	<b>12.51</b>
Cash and Cash Equivalent at the beginning of the period	297.53	285.02
<b>Cash and Cash Equivalent at the end of the period</b>	<b>304.90</b>	<b>297.53</b>

### For PARY & CO

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

### For & on behalf of the Board of Directors

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**Ivaturi Saiteja**  
Company Secretary



## STATEMENT OF CHANGE IN EQUITY - CONSOLIDATED

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>A. Equity Share Capital</b>		
Balance at the beginning	2,292.50	2,292.50
Add: Changes in Equity share capital during the year		-
<b>Closing Balances</b>	<b>2,292.50</b>	<b>2,292.50</b>
<b>B. Other Equity</b>		
<b>Other Reserves</b>		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited*	129.19	129.19
<b>Surplus</b>		
Opening Balances	6,468.24	5,851.30
Add: Profit during the Year	793.30	830.43
Less: Dividend for Financial Year 2020-21		137.55
Less: Dividend for Financial Year 2021-22	137.55	-
Less: CSR expenditure	19.60	45.59
Less: Prior period item	24.57	30.35
<b>Closing Balances</b>	<b>7,079.81</b>	<b>6,468.24</b>
<b>Total</b>	<b>10,461.42</b>	<b>9,849.84</b>

### For PARY & CO

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

### For & on behalf of the Board of Directors

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**Ivaturi Saiteja**  
Company Secretary

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## Company information:

Vedavaag Systems Limited (“The Company”) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE stock exchange in India.

The registered office of the company is located at 103, West Block, Siri Sai Orchid, Hi-Tech City, Madhapur, Hyderabad-500 081 Telangana. The Company is principally engaged in IT Sales and Services like Governance & Citizen Services, Banking, Finance and Insurance Services.

## Significant Accounting Policies:

### a. Statement of Compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) specified under Section 133 of companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, with effect from 1 April 2017. Previous periods have been restated to Ind- AS.

### b. Basis of Preparation:

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

### c. Functional and Presentation Currency:

These financial statements are presented in Indian Rupees (INR), which is the Company’s functional currency.

### d. Use of Estimates and Judgment:

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosures of contingent liabilities and contingent assets at the date of the financial statements and reported amounts of income and expenses during the period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

### e. Current and Non-Current classification:

The Company presents assets and liabilities in the balance sheet on current /non- current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or Cash equivalent unless restricted from being exchanged or used settle a liability at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All the other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

**f. Property, Plant and Equipment: Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses if any. Cost includes expenditure directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

**Depreciation:**

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use.

The estimated useful life of assets is reviewed and where appropriate are adjusted, annually.

**Subsequent Cost:**

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

**g. Intangible Assets:**

An intangible asset shall be recognised if, and only if:

- It is probable that the expected future economic benefits that are attributable to the will flow to the entity; and
- The cost of the asset can be measured reliably

An intangible asset shall be carried at its cost less any accumulated amortisation. Intangible assets are amortized on straight line basis.

**h. Investments:**

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long- term investments is made only if such a decline is other than temporary in the opinion of the management.

**i. Inventory:**

Inventories shall be measured at the lower of cost and net realisable value Cost of Inventory is determined using the FIFO.

**j. Revenue recognition:**

The company primarily derives Revenue from rendering IT and IT enabled services, System Integration/IOT Projects.

- Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers'
- In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis"
- Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.
- Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.
- Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

#### **k. Income Tax**

Income tax comprises current and deferred tax, Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period' The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

#### **l. Employee Benefits**

##### **Gratuity:**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by third party funds, The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company Recognizes actual/Re measurement gains and losses in other comprehensive income, net of taxes.

##### **Provident Fund:**

The Company make contribution to the statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the services are rendered.

##### **Leave Encashment:**

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in tire period in which the absences occur.

#### **m. Impairment of Non-financial Assets:**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



**n. Earnings Per Share:**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of Equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares,

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances

**o. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**p. Foreign Currencies**

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the company's monetary items at the closing rates, are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction.

**q. Critical accounting judgements and key source of estimation uncertainty:**

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

**1. Useful life of property, plant and equipment:**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

**2. Recoverable amount of property, plant and equipment:**

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

### 3. **Post-employment benefit plans:**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have material impact on the resulting calculations.

### 4. **Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 "Non-Current Assets held for sale and discontinued Operations". In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

### 5. **Provisions and contingencies:**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### 6. **Impairment of Investments:**

Investments in Subsidiaries are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test is performed at entity level. An impairment loss is recognised whenever the carrying amount of Investment exceeds its recoverable amount.

The recoverable amount is the greater of its fair value less costs to sell and value in use. To Calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset.

The calculation involves use of significant estimates and assumptions which include turnover and gross margin, growth rate and net margin used to calculate projected future cash flows, Discount rate and long-term growth rate.

### r. **Financial Instruments:**

As per Ind AS 109, Financial Instruments, all financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Financial assets are subsequently measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income as the case may be.

On account of adoption of Ind AS 109, the group uses Expected Credit Loss (ECL) model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors, credit ratings and the Group's historical experience for customers. The adoption of ECL model did not have a material impact on the financial statements.

#### **Fair value of financial instrument:**

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

**s. Investments in subsidiaries and associates**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

**t. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**u. Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax are adjusted for the effects of transaction of non-cash and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the company are segregated.



## NOTES TO BALANCE SHEET (CONSOLIDATED)

### Note 1 : Property Plant & Equipment

Rs. In lakhs

Particulars	Computer Harware	Furniture and Fixtures	Vehicles	Office Equipment	Others	Total
<b>Gross Block</b>						
Balance as at 31.03.2021	4,478.37	118.75	125.04	31.58	109.81	4,863.56
Additions	12.79	0.68	-	0.38	2.88	16.74
Deletions	-	-	-	-	-	-
Balance as at 31.03.2022	4,491.16	119.44	125.04	31.97	112.69	4,880.29
Additions	7.90	-	-	4.15	1.07	13.12
Deletions	-	-	-	-	-	-
<b>Balance as at 31.03.2023</b>	<b>4,499.06</b>	<b>119.44</b>	<b>125.04</b>	<b>36.12</b>	<b>113.76</b>	<b>4,893.42</b>
<b>Accumulated Depreciation</b>						
Balance as at 31.03.2021	3,094.33	94.33	45.44	13.53	82.01	3,329.64
Charge for the year	135.58	1.56	7.76	1.78	2.86	149.54
Deletion	-	-	-	-	-	-
Balance as at 31.03.2022	3,229.91	95.89	53.20	15.31	84.87	3,479.18
Charge for the year	123.68	1.49	7.01	1.88	2.58	136.64
Deletion	-	-	-	-	-	-
<b>Balance as at 31.03.2023</b>	<b>3,353.59</b>	<b>97.38</b>	<b>60.20</b>	<b>17.19</b>	<b>87.45</b>	<b>3,615.82</b>
<b>Net Block</b>						
Balance as at 31.03.2021	1,384.04	24.42	79.61	18.05	27.79	1,533.91
Balance as at 31.03.2022	1,261.25	23.54	71.85	16.66	27.82	1,401.12
<b>Balance as at 31.03.2023</b>	<b>1,145.47</b>	<b>22.05</b>	<b>64.84</b>	<b>18.93</b>	<b>26.31</b>	<b>1,277.60</b>

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**Note 2 : Other Intangible Assets**

Rs. In lakhs

Particulars	Computer Software	Project Development WIP	Total
<b>Gross Block</b>			
Balance as at 31.03.2021	3,133.47	415.02	3,548.49
Additions	-	45.00	45.00
Deletions	-	-	-
Balance as at 31.03.2022	3,133.47	460.02	3,593.49
Additions	365.48	-	365.48
Deletions	-	42.50	42.50
<b>Balance as at 31.03.2023</b>	<b>3,498.95</b>	<b>417.52</b>	<b>3,916.47</b>
<b>Amortization</b>			
Balance as at 31.03.2021	1,430.71	-	1,430.71
Charge for the year	443.37	-	443.37
Disposals	-	-	-
Balance as at 31.03.2022	1,874.08	-	1,874.08
Charge for the year	493.22	-	493.22
Disposals	-	-	-
<b>Balance as at 31.03.2023</b>	<b>2,367.30</b>		<b>2,367.30</b>
<b>Net Block</b>			
Balance as at 31.03.2021	1,702.76	415.02	2,117.78
Balance as at 31.03.2022	1,259.39	460.02	1,719.41
<b>Balance as at 31.03.2023</b>	<b>1,131.65</b>	<b>417.52</b>	<b>1,549.17</b>

**Project development WIP**

Reconciliation of carrying amount:	As at 31.03.2023	As at 31.03.2022
Opening balances	460.02	415.02
Additions during the year	-	45.00
Deletions during the year	42.50	-
<b>Closing balances</b>	<b>417.52</b>	<b>460.02</b>

**Ageing Schedule**

**As at 31st March 2023**

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	-	45.00	64.00	308.52	417.52
Projects suspended	-	-	-	-	-

**As at 31st March 2022**

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	45.00	64.00	343.89	7.13	460.02
Projects suspended	-	-	-	-	-

**Note 3 : Non Current Investments**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Investment in other companies</b>		
1. Investment in Business Correspondent Resource Council (BCRC) (A company registered under Section 8 of the Companies Act, 2013) 10,000 equity shares of Rs. 10/- each	1.00	1.00
<b>Aggregate value of Unquoted investments</b>	<b>1.00</b>	<b>1.00</b>

**Note : 4 Trade Receivables (Non Current)**

Particulars	As at 31.03.2023	As at 31.03.2022
Secured, Considered Good (Receivable from govt.Parties and Others)		-
UnSecured, Considered Good (more than six months) (Receivable from govt.Parties and Others)	1,484.68	1,543.36
<b>Total</b>	<b>1,484.68</b>	<b>1,543.36</b>

Confirmation of balances / Reconciliation: The reconciliation of balances with major debtors, creditors etc., has been carrying out from time to time with the confirmation of balances from the parties. The company is in process of obtaining the confirmation of balances from others for reconciliation.

**Outstanding for the following periods****As at 31st March 2023**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	-	-			946.28	946.28
Disputed trade receivables					538.40	538.40
<b>Total</b>	-	-	-	-	<b>1,484.68</b>	<b>1,484.68</b>

**As at 31st March 2022**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	-	-		341.21	663.74	1,004.95
Disputed trade receivables					538.40	538.40
<b>Total</b>	-	-	-	<b>341.21</b>	<b>1,202.14</b>	<b>1,543.35</b>

**Note 5 : Other Non Current Assets**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Advances	291.97	287.97
Deposits (Unsecured Considered good)	5.96	5.01
<b>Total</b>	<b>297.93</b>	<b>292.98</b>

**Note : 6 Inventory**

Particulars	As at 31.03.2023	As at 31.03.2022
Inventories and Project WIP (valued at FIFO)	96.92	126.98
<b>Total</b>	<b>96.92</b>	<b>126.98</b>

**Note : 7 Trade Receivables**

Particulars	As at 31.03.2023	As at 31.03.2022
Secured, Considered Good (Receivable from govt.Parties and Others)	2,320.19	2,091.57
UnSecured, Considered Good (Receivable from govt.Parties and Others)	-	-
<b>Total</b>	<b>2,320.19</b>	<b>2,091.57</b>

**Outstanding for the following periods****As at 31st March 2023**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	1,217.48	593	-	-	-	1,810.97
Disputed trade receivables	-	-	-	-	-	-
Unbilled dues	509.22	-	-	-	-	509.22
<b>Total</b>	<b>1,726.71</b>	<b>593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,320.19</b>

**As at 31st March 2022**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	595.95	-	1,109.20	-	-	1,705.15
Disputed trade receivables	-	-	-	-	-	-
Unbilled dues	386.42	-	-	-	-	386.42
<b>Total</b>	<b>982.37</b>	<b>-</b>	<b>1,109.20</b>	<b>-</b>	<b>-</b>	<b>2,091.57</b>

**Note : 8 Cash and Cash Equivalents**

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Bank	38.46	42.68
Cash on Hand	147.45	130.85
<b>Total</b>	<b>185.90</b>	<b>173.53</b>

**Note 9 : Bank Balances Other than above**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Bank (Margin Money Deposits)	119.00	124.00
<b>Total</b>	<b>119.00</b>	<b>124.00</b>

**Note : 10 Other Current Assets**

Particulars	As at 31.03.2023	As at 31.03.2022
Advances otherthan Capital Advances		
Security Deposits	281.59	10.08
BC Bank Accounts	55.30	412.17
Less: CSP Deposits	-55.30	-412.17
Other Advances	7,884.45	7,095.20
MAT Credit	55.33	55.33
<b>Total</b>	<b>8,221.38</b>	<b>7,160.61</b>

**Note : 11 Notes to Equity****A Equity Share Capital**

Particulars	As at 31.03.2023		As at 31.03.2022	
	No.	Rs. Lakhs	No.	Rs. Lakhs
<b>Authorised</b>				
Equity Shares of Rs.10 Each	30,000,000	3,000.00	30,000,000	3,000.00
<b>Total</b>		<b>3,000.00</b>		<b>3,000.00</b>
<b>Issued, Subscribed &amp; paid up</b>				
Equity shares of Rs.10 Each	22,925,000	2,292.50	22,925,000	2,292.50
<b>Total</b>		<b>2,292.50</b>		<b>2,292.50</b>

**B Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31.03.2023		As at 31.03.2022	
	No.	Rs. Lakhs	No.	Rs. Lakhs
Shares outstanding at the beginning of the year	22,925,000	2,292.50	22,925,000	2,292.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>22,925,000</b>	<b>2,292.50</b>	<b>22,925,000</b>	<b>2,292.50</b>

**C Terms/rights attached to equity shares, including restrictions on distribution of dividends and the repayment of capital**

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each

Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts

The distribution will be in proportion to the number of equity shares held by the shareholders



**D Shares in the Company held by each share holder holding more than 5 percent shares specifying the number of shares** Rs. In lakhs

Name of Share Holder	As at 31.03.2023		As at 31.03.2022	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J.Murali Krishna	4,598,712	20.06%	4,598,712	20.06%
J.S.R.Durga Prasad	3,584,960	15.64%	3,584,960	15.64%
S. Abheeshta	1,500,000	6.54%	1,500,000	6.54%

**E Equity shres held by promoters at the end of the year**

Name of Share Holder	As at 31.03.2023		As at 31.03.2022	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J.Murali Krishna	4,598,712	20.06%	4,598,712	20.06%
J.S.R.Durga Prasad	3,584,960	15.64%	3,584,960	15.64%
J. Sujatha	65,607	0.29%	65,607	0.29%

**Note : 12 Other Equity**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Other Reserves</b>		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited	129.19	129.19
<b>Surplus</b>		
Opening Balances	6,468.24	5,851.30
Add:Profit	793.30	830.43
Less: Dividend for Financial Year 2020-21		137.55
Less: Dividend for Financial Year 2021-22	137.55	-
Less: CSR expenditure	19.60	45.59
Less: Prior period item	24.57	30.35
Closing Balances	7,079.81	6,468.24
<b>Total</b>	<b>10,461.42</b>	<b>9,849.84</b>

**Note : 13 Borrowings (Non Current)**

Particulars	As at 31.03.2023	As at 31.03.2022
Vehicle Loan (secured by Hypothication of the Vehicles)	12.05	21.49
<b>Total</b>	<b>12.05</b>	<b>21.49</b>

**Note : 14 Deferred Tax Liabilities (Net)**

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	425.90	472.45
Add or (Less):Charge during the Year	(32.21)	(46.55)
<b>Total</b>	<b>393.69</b>	<b>425.90</b>

**Note : 15 Other Non Current Liabilities**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
CSP and Other Deposits	160.54	127.99
Others	105.37	95.37
<b>Total</b>	<b>265.91</b>	<b>223.36</b>

**Note : 16 Current Liabilities - Borrowings**

Particulars	As at 31.03.2023	As at 31.03.2022
Borrowing - Axis Bank	381.02	453.91
<b>Total</b>	<b>381.02</b>	<b>453.91</b>

Secured long term borrowings represent the amounts received from Banks as summarised below

Lender Name	Axis Bank
Rate of Interest	6 Months MCL + 0.5% payable at monthly intervals
Security	Post dated cheque equal to sanctioned amount + 1 month Interest and personal guarantee of Mr J Murali Krishna and Mr JSR Durga Prasad.
Terms of Repayment	Subject to Covid 19 guidelines of RBI for MSMEs
Amount Overdue Rs. In lakhs	381.02

The company is reconciling with the bank on outstanding due amounts to close the account in line with latest RBI guidelines.

**Note : 17 Trade Payables**

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Payables	596.24	573.11
<b>Total</b>	<b>596.24</b>	<b>573.11</b>

**Outstanding for the following periods****As at 31st March 2023**

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade payables	536.77	59.47	-	-	596.24
Disputed trade payables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
<b>Total</b>	<b>536.77</b>	<b>59.47</b>	<b>-</b>	<b>-</b>	<b>596.24</b>

**As at 31st March 2022**

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	573.11	-	-	-	573.11
Disputed trade receivables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
<b>Total</b>	<b>573.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>573.11</b>

**Note : 18 Other Current Liabilities**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Expenses payable	390.64	166.93
Current maturities of Long Term Debt (Vehicle loans)	2.44	14.21
Unpaid Dividend	33.82	27.62
Taxes and Duties	672.72	461.23
<b>Total</b>	<b>1,099.62</b>	<b>669.98</b>

**Note : 19 Current Tax Liability**

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for the year	271.51	329.65
Less:TDS & TCS	220.19	205.19
<b>Total</b>	<b>51.31</b>	<b>124.46</b>

**NOTES TO PROFIT & LOSS ACCOUNT (CONSOLIDATED)****Note : 20 Revenue From Operations**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Sales	901.19	4,684.15
Services	7,539.12	4,861.82
<b>Total</b>	<b>8,440.31</b>	<b>9,545.97</b>

**Note : 21 Other Income**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Interest Income	12.19	5.50
Other Non Operating Income	4.38	4.84
<b>Total</b>	<b>16.57</b>	<b>10.34</b>

**Note : 22 Project Expenses**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Project Expenses	3,653.13	3,896.77
<b>Total</b>	<b>3,653.13</b>	<b>3,896.77</b>

**Note : 23 Cost of Material**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Opening Inventory	126.98	99.23
Add: Purchases (Net)	814.85	2,442.39
Add: Cost of materials consumed in IoT	1,250.00	250.00
<b>Total</b>	<b>2,191.83</b>	<b>2,791.62</b>
Less: Closing Inventory	96.92	126.98
<b>Total</b>	<b>2,094.91</b>	<b>2,664.63</b>

**Note : 24 Employee Benefit Expenses**

Rs. In lakhs

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Salaries and Wages	730.97	873.55
<b>Total</b>	<b>730.97</b>	<b>873.55</b>

The company has taken policy for group gratuity scheme with Life insurance Corporation of India and making premium contributions towards Gratuity and Pension liability as intimated from time to time. The Company does not possess the data relating to actuarial valuation made by the Trust for the year and correspondingly does not have any actuarial valuation provision in the financial statement against such employee benefits.

**Note : 25 Finance Cost**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Interest -Others	1.68	7.86
Interest on Vehicle Loan	1.71	3.11
<b>Total</b>	<b>3.40</b>	<b>10.97</b>

**Note : 26 Administrative and Marketing Expenses**

Particulars	for the year ended 31.03.2023	for the year ended 31.03.2022
Audit Fee	3.93	3.93
Business Development and Marketing	11.47	13.35
Bank charges	1.37	2.01
Consultancy & Professional charges	34.08	33.66
Telephone & Internet, web server maintenance etc.,	16.16	12.60
Miscellaneous	1.28	3.82
Meeting Expenses	2.73	1.55
Printing and Stationery	8.06	3.65
Insurance	22.57	19.69
Rent	44.15	39.80
Repairs and maintenance	2.52	8.08
Share Services Charges	7.58	7.99
Travelling and Conveyance	33.01	31.71
Office Maintenance	137.78	156.80
GST paid	25.61	65.32
<b>Total</b>	<b>352.29</b>	<b>403.96</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

### Note: 27 Earnings per Share

Rs. In lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Numerator for EPS		
Net Profit after tax (Rs. Lacs) (A)	793.30	830.43
Weighted Average no. of Shares considered for Denominator for Basic EPS (Rs. Lacs) (B)*	229.25	229.25
Basic and diluted Earnings Per Share (Rs.) (A) / (B)	3.460	3.622

### Note: 28 Related Party Disclosures

#### 1. Related Parties Where Control Exits

Company	Type of Relation
VSL Data Systems Private Limited	Wholly owned subsidiary
Vedavaag Edutech Private Limited	Wholly owned subsidiary
Vedavag Common Service Centers Private Limited	Wholly owned subsidiary
Vedavag Financial Services Private Limited	Wholly owned subsidiary
Vedavag Kiya E Commerce Private Limited	Subsidiary

#### 2. Key Management Personnel

- J. Murali Krishna : Managing Director
- T B Krishna Mohan : CFO
- Ivaturi Sai Teja : Company Secretary & Compliance officer

#### 3. Related Party transactions during the year

Nature of transactions	Name of Entity	2022-23	2021-22
Advances to Subsidiaries	VSL Data Systems Private Limited	47.65	14.04
	Vedavaag Edutech Private Limited	55.67	39.66
	Vedavaag Common Service Centers Private Limited	7.56	3.18
	Vedavaag Financial Services Private Limited	-0.48	0.12
	Vedavaag Kiya E Commerce Private Limited	0.24	2.23

#### 4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2023	31 March 2022
Short term employee benefits	Rs. 47.85 lakhs	Rs. 41.75 lakhs

The above post-employment benefits exclude gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

## 5. Outstanding balances:

Rs. In lacs

Description	Company	2022-23	2021-22
Equity Investment in Subsidiaries	VSL Data Systems Private Limited	300.00	300.00
	Vagdevi Sark Edutech Private Limited	1.00	1.00
	Vedavag Common Service Centres Private Limited	1.00	1.00
	Vedavaag Financial Services Private Limited	1.00	1.00
Preference Shares Investment in Subsidiaries	VSL Data Systems Private Limited	400.00	400.00
Advance to subsidiaries	VSL Data Systems Private Limited	1738.35	1690.69
	Vagdevi Sark Edutech Private Limited	252.78	197.11
	Vedavag Common Services Centers Private Limited	236.66	229.10
	Vedavaag Financial Services Private Limited	-0.36	0.12
	Vedavaag Kiya E Commerce Private Limited	2.47	2.23

**Note: 29 Contingent liabilities**

The Company has submitted Performance Bank Guarantees worth of Rs.70.00 lakhs for various projects. The BGs were obtained against 100% margin money from various banks for Financial Inclusion projects and other projects.

**Note: 30 Corporate social responsibility**

In accordance with section 135(5) of the Companies Act, 2013, the CSR expenditure for the year was Rs. 16.46 lakhs and the CSR expenditure incurred was Rs. 19.60 lakhs resulting in surplus of Rs. 3.14 lakhs which can be adjusted against the CSR liability for the next three financial years.

**Note: 31 Disclosures pertaining to SEBI (listing obligations & disclosure requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013****Outstanding position of the Investment:**

Entity	As at 31-03-2022	Allotment/purchases during the year	Sold during the year	As at 31-03-2023
Business Correspondent Resource Council (BCRC), a company registered under Section 8 of the Companies Act, 2013	1,00,000	-	-	1,00,000

**Note: 32 Analytical Ratios**

Ratio	Numerator	Denominator	Current Period	Previous period	% variance	Reasons for variance #
Current ratio	Current assets	Current liabilities	5.14	5.31	-3%	
Debt – equity ratio	Total Debt	Shareholders' equity	0.052	0.058	-10%	
Debt Service Coverage ratio	Earnings available for debt service	Debt service	9.73	23.17	-58%	Decrease is on account of repayment of term loans
Return on Equity (ROE)	Net profit after taxes	Shareholders' equity	6.22%	6.84%	-9%	
Inventory Turnover ratio	Sales	Closing Inventory	87.08	75.17	16%	
Trade Receivable Turnover ratio	Sales	Closing trade receivables	3.638	4.564	-20%	
Trade Payables Turnover ratio	Credit purchases	Closing trade payables	2.08	2.82	-26%	Marginal decrease in purchases and lower creditors as compared to previous year resulted in improvement in the ratio
Net Capital turnover ratio	Sales	Working capital	0.957	1.215	-21%	
Net profit ratio	Profit after tax	Total income	9.38%	8.69%	8%	
Return on Capital employed	Earnings before interest and taxes	Capital employed	0.07	0.09	-15%	
Return on investment	Realised gain on investment	Investment value	-	-	-	

# Reason for variance is given for ratios having % change more than 25%.

**Note: 33 Benami Property**

There are no proceedings initiated or pending against the company as at 31<sup>st</sup> March 2023, under Prohibition of Benami Property Transaction Act, 1988 (as amended in 2016).

**Note: 34 Wilful Defaulter**

The company is not declared a wilful defaulter by any bank or financial institution or other lender.

**Note: 35 Undisclosed incomes**

The company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search, survey or any other relevant provisions of the Income Tax Act, 1961)

**Note: 36**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note: 37 Struck off companies**

The company has not entered into any transaction with the companies struck off as per section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

Previous figures have been regrouped wherever necessary to confirm to current years classification

**For PARY & CO**

Chartered Accountants  
(Firm's Registration No.007288C)

Sd/-  
**(P VAMSI KRISHNA REDDY)**  
Partner  
M.No.224674

Place: Hyderabad  
Date : 29-May-2023

**For & on behalf of the Board of Directors**

Sd/-  
**J Murali Krishna**  
Managing Director  
DIN: 00016054

Sd/-  
**T B Krishna Mohan**  
CFO

Sd/-  
**J Sujatha**  
Director  
DIN: 07014640

Sd/-  
**Ivaturi Saiteja**  
Company Secretary



**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, B BLOCK, 103 SRI SAI ORCHID, HI TEC CITY, Madhapur, Hyderabad - 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 25<sup>th</sup> Annual general meeting of the company, to be held on the Friday, September 29, 2023 at 10:00 A.M at Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red Hills (FTCCI), Hyderabad - 500004 and at any adjournment thereof in respect of such resolutions as are indicated below:

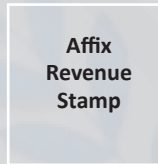
**Resolution No.**

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023.
2. DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
3. RE-APPOINTMENT OF MRS. SUJATA JONNAVITTULA (DIN: 07014640), AS DIRECTOR OF THE COMPANY
4. TO RE-APPOINT M/S PARY & CO. AS STATUTOY AUDITORS OF THE COMPANY, TO HOLD OFFICE FROM THE CONCLUSION OF 25<sup>th</sup> ANNUAL GENERAL MEETING TILL THE CONCLUSION OF 30<sup>th</sup> ANNUAL GENERAL MEETING AND TO AUTHORIZE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION
5. APPROVAL FOR PAYMENT OF COMMISSION ON PROFITS TO NON-EXECUTIVE DIRECTORS

Signed this..... day of..... 20.....

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.

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**ATTENDANCE SLIP**

**25<sup>TH</sup> ANNUAL GENERAL MEETING, FRIDAY SEPTEMBER 29, 2023, AT 10.00 A.M**

Regd. Folio No: \_\_\_\_\_ /DP ID/ \_\_\_\_\_ Client ID/Ben A/C \_\_\_\_\_

No. of shares held \_\_\_\_\_

I hereby confirm/certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and here by record my presence at the 25<sup>th</sup> Annual General Meeting of the Company on Friday September 29, 2023, at 10.00 A.M at Federation of Telangana Chambers of Commerce and Industry (Formerly Known as FAPCCI), Red Hills, Hyderabad – 500004.

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Member's/Proxy's Signature

**Note:** No Additional / Duplicate Attendance Slip will be issued at the Meeting Hall.



## **VEDAVAAG SYSTEMS LIMITED**

103, West Block, Sirisai Orchid, Madhapur, Hitech City,  
Hyderabad- 500081. TS. India

Phone: +91 70324 95959. Email: [info@vedavaag.com](mailto:info@vedavaag.com)

Web: [www.vedavaag.com](http://www.vedavaag.com)