



03.09.2021

To
The Secretary,
BSE Limited,
PJ Towers, Dalal Street, Fort,
Mumbai-400001.

Dear Sir/Madam

Subj: Submission of Annual Report along with notice of Annual General Meeting of the Company

Ref: Scrip code: 533056

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations 2015, please find enclosed copy of annual report of the Company for FY 2020-2021, together with notice of 23rd Annual General Meeting to be held on Saturday, 25th September 2021 at Surana Auditorium, FTCCI Building, Red Hills, Hyderabad at 11:30 A.M.

The notice and Annual Report are also available on Company's website www.vedavaag.com.

This is for your information and records.

Thanking You,
Yours Faithfully,
For Vedavaag Systems Limited


J. Muralikrishna
Managing Director



CIN : L72200TG1998PLC029240

103, West Block, Sirisai Orchid, Madhapur, Hitec City, Hyderabad - 500081. Telangana State, India
Tel: 040-40188140, Email : info@vedavaag.com. Web: www.vedavaag.com



VEDAVAAG SYSTEMS LIMITED
23RD ANNUAL REPORT 2020-2021

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CORPORATE INFORMATION

Board of Directors

Mr. J Murali Krishna
Managing Director

Dr. G T Murthy
Independent Director

Mr. Srinivas Pannala
Independent Director

Mrs. J Sujatha
Non- Executive Woman Director

Mr. N Pradeep Kumar
Independent Director

Mr. D Ramesh Sinha
Non- Executive Director

Mr. Jonnavittula Ananth
Non- Executive Director

Statutory Auditors

M/s Pary & Co
Chartered Accountants
No.6, 2nd Floor, 8-2-703/VJ/6
Vijaya Villa, Road no. 12
Banjara Hills, Hyderabad – 34

Secretarial Auditors

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

Bankers

State Bank of India
Axis Bank
ICICI Bank
Union Bank of India
Indian Overseas Bank

Registrar & Share Transfer Agent

M/s Venture Capital &
Corporate Investments Private Limited
MIG 167, # 12-10-167, Bharat Nagar Colony
Hyderabad – 500 018

Registered Office

1-90-8/13, 103, West Block
Siri sai Orchid, Hitech City
Madhapur, Hyderabad – 500 081

NOTICE TO THE ANNUAL GENERAL MEETING

To the Members of Vedavaag Systems Limited

Notice is hereby given that the 23rd Annual General Meeting of your Company, M/s Vedavaag Systems Limited, will be held on Saturday, 25th September 2021, at the Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red hills (FTCCI), Hyderabad - 500004 at 11.30 am to transact the following business.

Ordinary Business:

1. **Adoption of Audited Financial Statements for the year ended 31st March 2021:**

To Consider and Adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2021 and Reports of the Board of Directors of the and Statutory Auditors thereon, including Annexure thereto.

2. **Declaration of Final Dividend on Equity Shares for the Financial Year ended 31st March 2021:**

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 31st March 2021.

3. **Re-appointment of Mrs. Sujata Jonnavittula, as Director of the Company:**

Re-appointment of Mrs. Sujatha Jonnavittula (DIN: 07014640) as a Director, liable to retire by rotation and being eligible, offers herself for re-appointment as a Director of the Company.

4. **To re-appoint M/S PARY & CO as Statutory Auditors of the Company, to hold office from the Conclusion of 23rd Annual General Meeting till the Conclusion of 24th 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.

Ordinary Resolution:

“RESOLVED THAT based on the recommendation of the Audit Committee and pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act 2013 read with Companies (Audit and Audit rules) 2014 and all other applicable rules thereunder Companies Act 2013, M/S. PARY & CO be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of 23rd Annual General Meeting till the conclusion of 24th Annual General Meeting on such terms and remuneration and expenses incurred in connection with the audit”

Special Business:

To Consider and if thought fit to pass the resolution as ordinary resolution.

5. **Re-Designation of Mr. Ramesh Sinha D (DIN 08841202) as Independent of Director.**

In terms of Companies Act 2013, Mr. D. Ramesh Sinha who was appointed as Non-Executive and Non-Independent Director of the Company in the Board meeting dated 23/08/2020 and who has been regularized in the AGM held on 31/12/2020, Mr. D. Ramesh Sinha has expressed his consent dated 2nd September 2021, to be re-designated as Non-executive and Independent Director of the Company. He has further submitted his consent /declaration U/S 149(6) of the Companies Act 2013, that the criteria of Independence are met. The Board pursuant to aforesaid consent and declaration has considered to redesignated his appointment in the category of independent Director w.e.f. 25th September 2021

He shall be not liable to retire by rotation and is hereby re-designated as independent director for a period of 5 years from 25th September 2021 i.e., AGM date.

6. To Approve appointment of Mr. Ananth Jonnavittula (DIN No 0009300935) as additional director of the Company in the category of promoter director.

To Consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution.

“RESOLVED THAT Pursuant to section 161 of the Companies Act 2013, and rules made there under (including any statutory modifications and Re-enactment thereof for the time being in force) and Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions if any Mr. Ananth Jonnavittula (holding Din no-0009300935), who was appointed as Additional Director in the board meeting held on 2nd day of September 2021 be and is hereby appointed as Director, in the category of Promoter Director who is liable to retire by rotation.

7. **Approval of Vedavaag Systems Limited Employee Stock Option Scheme 2021 (VSL ESOP 2021) under SEBI (Share Based Employee Benefits) Regulations, 2014 To consider and, if thought fit, with or without modifications, the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (‘SBEB Regulations’) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), subject to such approvals, permissions, sanctions and such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions and subject to such other approvals, consent, permissions as may be necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’, which term shall include Nomination and Remuneration Committee constituted and designated by the Board to act as the ‘Compensation Committee’ under the SBEB Regulations) to introduce, offer and implement the proposed Vedavaag Systems Limited Employees Stock Options Scheme 2021 (‘VSL ESOP 2021’), to grant, vest and allot, from time to time, and in one or more tranches, 10,00,000 options exercisable into 10,00,000 Equity Shares of face value of Rs. 10/- each to the present and future employees, whether working in India or out of India, of the Company selected on the basis of criteria prescribed by the Board in accordance with the SBEB Regulations, hereinafter referred to as “the Eligible Employees” under VSL ESOP 2021, on such terms and conditions including the price,

as may be determined by the Board in accordance with the provisions of VSL ESOP 2021 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.”

“RESOLVED FURTHER THAT the Equity Shares issued upon exercise of the Options and issued under “VSL ESOP 2021” shall rank pari passu in all respects with the existing Equity Shares of the Company including the entitlement of dividend.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, change in capital structure, sale of division and others, if any, additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional Equity Shares issued.”

“RESOLVED FURTHER THAT in case the Equity Shares of the Company are consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the VSL ESOP 2021 shall automatically stand reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the equity shares of the Company after such consolidation, without affecting any other rights or obligations of the said grantees.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under VSL ESOP 2021 on the stock exchanges where the equity shares of the company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to VSL ESOP 2021”

“RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate VSL ESOP 2021 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of VSL ESOP 2021 and do all other things incidental and ancillary thereof.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things,

as it may, in its absolute discretion, deem necessary including authorizing or directing to appoint Merchant Bankers, Solicitors, Brokers and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of VSL ESOP 2021 as also to make applications to the appropriate authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

8. 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):

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), Regulation 6(3)(c) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI (SBEB) Regulations”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to extend the benefits of Vedavaag Systems Limited Employee Stock Option Scheme 2021 (VSL ESOP 2021) (“Scheme”) including the grant of

Employee Stock Options (“Options”) and issuance of Equity Shares thereunder, to such Employee(s) who are in permanent employment whether working in India or out of India, of the Subsidiary Company(ies) but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (“Eligible Employees”), on such terms and conditions including price as may be fixed or determined by the Board of Directors in accordance with the Scheme.”

“RESOLVED FURTHER THAT the new Equity Shares (if any) to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

By Order of the Board of Directors
For Vedavaag Systems Limited
J Murali Krishna
Managing Director
DIN: 00016054

Place: Hyderabad
Date: 02/09/2021

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 line with the Ministry of Corporate Affairs Circular no 17/2020 dated April 13, 2020 and SEBI Circular dated May 12th 2020, notice of the 23rd AGM along with Annual Report is being sent only through electronic mode and to those members whose email is registered with Company/Depositories. Member may note that the Notice can be accessed from the website of the Stock exchange i.e., BSE Limited. The Notice and Annual Report 2020-2021 is disseminated on the Company's website www.vedavaag.com and website of CDSL at www.evotingindia.com
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 with details of folio number attaching self-attested copy of Pan card and a photocopy of blank cancelled cheque of their bank account at investor@vccipl.com or to info@vedavaag.com.

Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant depository.
5. As per Regulation 40 and SEBI Listing Regulations as amended, securities of listed Companies can only be transferred in dematerialized with effective from 1st April 2019 except in case of request for transmission or transposition of Securities. In order to eliminate all risks associated with Physical Shares and for ease of Portfolio Management, Members holding shares in physical form are requested to consider converting their holding shares in physical form are requested to consider converting their holding in dematerialized form. Members can contact Company's Share Transfer Agent for assistance in this regard at the following address.
6. 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.
7. Members who hold shares in physical form can nominate a person in respect of all share 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.
8. 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.
9. In terms of Circular No 17/2011, dated 21-04-2011 and Circular No. 18/2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance, all the Members are requested to intimate their email-id address to the Company Registrar and Transfer Agents whose e-mail is investors.relations@vccipl.com mentioning the Company's name i.e., Vedavaag Systems Limited, so as to enable the Company to send the Annual Report and Accounts, Notices and other documents their e-mail address.
 - In respect of electronic shareholding – through their respective Depository participant.
 - In respect of Physical shareholding – send a request to the Company's Share Transfer Agent at info@vccipl.com, investor.relations@vccipl.com mentioning the Company's name. i.e. Vedavaag Systems Limited.
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.
11. Members may please note that at the ensuing Annual General Meeting Mrs. J. Sujatha will retire by rotation and being eligible offer herself for re-appointment.
12. Details of Director seeking for appointment/re-appointment at the ensuing AGM in pursuance of provisions of Companies Act 2013 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are given as Annexure to the Notice.

Book Closure And Dividend

1. The Register of members and Share Transfer Books of the Company will be closed from Saturday, 18th September 2021 to Saturday 25th September 2021, 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 17th September 2021 Friday, 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 1st 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 15.09.2021.

- Declaration of "No permanent establishment in India"
- Beneficial ownership declaration
- tax residency certificate
- Form 10F

4. Members who hold shares in Dematerialized form and want to provide 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**, Bharat Nagar, 12-10-167, Hyderabad 500018.

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 and 2018-2019, 2019-20 before the due dates as the unclaimed dividend will get transfer to IEPF Account in the years 2024, 2025, 2026 and 2027 respectively.

Voting Through Electronic Means:

- 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 Central Depository Services (India) Limited (CDSL) as the authorized agency to provide e-voting facilities.
- The Board of Directors has appointed Mrs. P. 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.
- 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) 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.
- 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.
- 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 and communicated to BSE Limited where the shares of the Company are listed for placing the same on their website.
- E-voting Instructions:**
 - The instructions and other information relating to e-voting are as under:

- Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- Now click on “Shareholders” to cast your votes.
- Now fill up the following details in the appropriate boxes.
- Next enter the Image Verification as displayed and click on Login.
- If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- If you are a first-time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.</p>
DOB	<p>Eg., If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Now select the Electronic Voting Sequence Number (EVSN) along with “Vedavaag Systems Limited” on the drop-down menu and click on “SUMBIT”.
- On the voting page, you will see “Resolution Description” and against the same the option “YES/ NO” for voting. The option “YES” implies that you assent to the Resolution and Option “NO” implies that you dissent to the Resolution. Enter the number of shares (which represents number of votes) under “YES/NO” or alternatively you may partially enter any number in “YES” and partially in “NO”, but the total number in “YES” and “NO” taken together should not exceed your total shareholding.
- Click on the “RESOLUTION FILE LINK” if you wish to view the entire notice or resolution details.
- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote. xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL’s

mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

7. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding remote e-voting, please write an email to helpdesk.evoting@cdslindia.com. Members can also refer to Frequently Asked Questions (“FAQs”) available under the “HELP” section on www.evotingindia.com.
8. Other Instructions
- The remote e-voting will commence on 22nd September 2021, Tuesday (09:00 AM. IST) and ends on 24th September 2021 Friday (5:00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on 17th September 2021 i.e., cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she / it shall not be allowed to change it subsequently.
 - The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e., 17th September 2021. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date 17th September 2021 shall only be entitled to avail the facility of remote e-voting and voting at the meeting through ballot.
 - Any person who becomes a member of the Company after the dispatch of the notice of the meeting and holding shares as on the cut-off date i.e., 17th September 2021 may write to helpdesk.evoting@cdslindia.com or to the Company at info@vedavaag.com for User ID and password or follow

the instructions in note no. 6 for casting their vote. If the member is already registered with CDSL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

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

Item-5:

In terms of the provisions of the Companies Act 2013 Mr. D. Ramesh Sinha who was appointed as Non-executive and Non-Independent Director with effective from 31/03/2020, has vide letter dated 02/09/2021 has given his consent to be re-designated as Non-executive and Independent Director.

Mr. D. Ramesh Sinha will be acting as independent director of the Board subject to shareholders approval and has met the requirements of regulation 17 of SEBI(LODR) and section 149 and 152, schedule IV and other applicable provisions of the Companies Act 2013 And rules made there under.

Mr. D. Ramesh Sinha has more than 30 years of cooperative banking industry experience and his brief profile as follows.

He is member of Committee constituted by the Govt of A.P (Agriculture and Cooperation Department) on HR matters of PACS in AP. He has been Professional Director on the Board of management, Chittoor District Co-operative Central Bank Ltd, A.P.

Member of National Federation of State Co-operative Bank (NAFSCOB) Committee to formulate Human Resource Policy for PACS -2018

Member of NABCONS study team on revival of the corporate sector encompassing short term Cooperative credit structure and District cooperative Marketing Societies.

Your directors recommend the resolution above for your approval.

None of the directors, key managerial personnel and /or their relatives, in any way, concerned or interested in the resolution.

Item-6:

In terms of Companies Act 2013. and based on the recommendation of Nomination and remuneration Committee, Mr. Ananth Jonnavittula was appointed as additional Director of the Company vide Board meeting Dated 2nd September 2021 and holds office up to the date of AGM. Details of his qualification, expertise and information pursuant to regulation 36(3) of Listing regulations.

The Company has received consent from Mr. J. Ananth and the same was placed before the Board of Directors on Board Meeting dated 2nd September 2021.

Except Mr. J. Muralikrishna and J. Sujatha, none of the Directors or Key Managerial Personnel of the Company are interested in the aforesaid resolution.

APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING REGULATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS 2015.

PARTICULARS	Mrs. J. Sujatha	Mr. D. Ramesh Sinha	Mr. Ananth Jonnavittula
DIN	07014640	08841202	0009300935
Date of appointment (Initial appointment)	30/09/2015	23/08/2020	02/09/2021
Qualification	Postgraduate in History from Nagarjuna University	Postgraduate in Commerce from University of Mysore	Pursuing Ph. D in Mechanical Engineering (Robotics) at Virginia Tech University, USA
Brief Resume and expertise in specific Functional areas	Mrs. J. Sujatha is Post graduate in History and Diploma in Classical Music and in teaching Profession.	Chief General Manager APCOB, Member of the Committee Constituted by Govt of AP, Professional Director on the Board of Management Chittoor District, Member of National Federation of State Cooperative Banks, Member of NABCONS study team on Revival of Cooperative Sector	Pursuing Ph. D in Mechanical Engineering (Robotics) at Virginia Tech University, USA. He is doing his research on Deep learning Techniques to develop algorithms. He worked as Robotics Engineer in Hannfin Corporation.
Directorships in other companies	2	0	0
Chairmanship/ Membership in other committees	3	0	0
Shareholding in the company	0.28	0	0

Item - 7 and 8

In order to reward and motivate employees as also to attract the talent as well as to retain the key managerial employees of the Company as well as employees of Wholly Owned Subsidiaries, the Board of Directors at its meeting held on 02 September 2021 have approved and proposed for the approval of the shareholders for issue of Stock Options as per which employees, who comply with certain eligibility criteria would be given / granted stock options to subscribe a specified number of equity shares of the Company offered to them at a price to be determined. The ESOP Plan would be subject to and in conformity with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by the Securities and Exchange Board of India (SEBI). The object of the plan is to enable such employees to participate in the long term growth of the Company and seek convergence of interest of shareholders such that eligible employees consciously work towards value creation for the shareholders.

The Salient features of the VSL ESOP Scheme are as under:

- A. Brief Description of the Scheme
 - a. The total number of options to be granted under this scheme is 10,00,000 of Rs. 10/- each.
 - b. The Board may with the approval of the shareholders increase the maximum number of options under the VSL ESOP 2021 at any time.
 - c. One option entitles the holder of the options to apply for one equity share of 10/- each of the company.
- B. Eligibility Criteria for the employees to participate in ESOP The following are eligible to participate in the ESOP Scheme of the Company:
 - a. A permanent employee of the company who is inside or outside India; or
 - b. A director of the company, whether a wholetime

director or not but excluding an independent / Promoter director;

- c. an Employee as defined in clause (i) or (ii) of a Subsidiary, in India or outside India, of the Company

The following are not eligible to participate in the scheme:

- a. an employee who is a promoter or a person belonging to the promoter group; or
- b. a director who either himself/herself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company;

C. Requirements of vesting and period of vesting

There shall be a minimum period of one year between the grant of options and vesting of options.

- a. The vesting shall happen in one or more tranches as may be decided by the Board.
- b. All the options granted on any date shall vest not later than a maximum period of 6 years from the date of grant of options as may be determined by the Board.
- c. The Board may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable laws and in the interest of the option grantee.

D. Exercise price or price formula

The exercise price for the conversion of 1 option into 1 equity share shall be as decided by the Board in terms of the "VSL ESOP 2021".

E. Exercise Period and the Process of Exercise

- a. Exercise period will commence from the vesting date as stipulated in each Employee Option Agreement, within which employee should exercise his right to apply for Shares against the Employee Stock Option vested in him in pursuance of the VSL ESOP 2021.
- b. The Board will decide on the expiry period of options for employees leaving the Company after grant of options in their favour.
- c. The Options will be exercisable by the employees by a written application to the designated officer of the Company to exercise the Options, in such manner and on execution of such documents as may be prescribed by the Board under the Scheme.
- d. The Options will lapse if not exercised within the specified exercise period. Such lapsed options may be re issued by the Board in such manner as it deems fit in the best interest of the employees.

F. Appraisal Process for determining the eligibility of employees to the ESOP Scheme

- a. The company has a formal established performance appraisal system wherein the performance of the employees is assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals.
- b. Employees and Directors would be granted Stock Options based on performance-linked parameters such as work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the Board from time to time.
- c. The Board may at its discretion extend the benefits of the "VSL ESOP 2021" to a new entrant or any existing employee on such other basis as it may deem fit.

G. Maximum number of options to be issued per employee and in aggregate

- a. The maximum number of options to be granted to each employee shall be as per the Scheme and will depend upon the rank/ designation of the employee as on the date of grant of options. However, no employee shall be entitled to more than such number of options more than 1% of the issued capital of the Company at the time of grant of options.
- b. The aggregate number of options to be granted under this scheme shall not exceed 10,00, 000 Equity shares
- c. The Board shall decide on the number of options to be granted to each employee within this limit.

H. Maximum quantum of benefits to be provided per employee under the VSL ESOP 2021 The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to difference between the option Exercise price and the Market Price of the shares on the exercise date.

I. Accounting Methods: The Company shall confirm to the accounting policies specified in the Regulation 15 of SBEB Regulations and/or such other guidelines as may be applicable from time to time.

J. Method of Valuation of these options The Company shall use the fair value method for valuation of the options.

K. Implementation of Scheme and source of acquisition

- a. The Scheme shall be implemented and administered directly by the Company.
- b. The Scheme contemplates fresh / new issue of shares by the Company.

Clause 6 of the SEBI (Share Based Employee Benefits)

Regulations, 2014 requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the Members of the Company by way of a Special Resolution in the General Meeting and furthermore, as the Scheme will entail further shares to be offered to persons other than the existing shareholders of the company, consent of the Members is required by way of a Special Resolution pursuant to the provisions of subsection (b) of Section 62 of the Companies Act, 2013 and all other applicable provisions of the law for the time being in force.

Further, as per Regulation 6(3)(c) of SEBI (SBEB) Regulations, approval of the Members of the Company by way of separate Special Resolution is also required for grant of Options to the Employees of Subsidiary Company(ies).

The Board of Directors recommends the Special Resolutions as set out in item No. 7 & 8 for the approval of the Members of the Company.

None of the Directors of the Company is in any way concerned or interested in the resolutions set out at Item No. 7 & 8 of the notice except to the extent of the financial interest for the shares that may be offered to him under the scheme.

Update from CEO



Summary of Progress and future developments:

Vedavaag is increasing its basket of services to citizen from FI (Banking) services to Insurance, Education, Retail and logistics and Agri commodity services.

The company is making over, all its locations with VARISHTA branded centers to offer a range of services under one umbrella. The company is bringing in Mr. Ananth s/o Mr. J Muralikrishna, MD of the company on board as a Director. Mr. Ananth is a Masters in Robotics and pursuing his PHD in Robotics after spending three years in a Fortune 250 company Parker Hamilton, USA. This is to give thrust to company's entry into emerging technologies like AI, ML, IoT to launch driver alertness maintenance system, citizen security solutions and others.

The company has signed up with Bank of Baroda as a National Business Correspondent and also has been shortlisted by Punjab National Bank as a National BC. This apart SBI has mandated the company to setup 420 plus customer service points. In all the company expects its FI presence to go up from the present 2754 CSPs to 4000 CSPs by the financial year end.

The company has done FI services of Gross Transaction Value (GTV) of Rs 9,714Cr for the financial year 20-21, and expected to reach a GTV of about Rs.12000Cr for the financial year 21-22.

The company is executing a manufacture, supply and maintenance contract of cloud enabled IoT based safety devices in public transport vehicles in the state of AP.

DIRECTORS' REPORT

Dear Shareholders

Your directors have immense pleasure in presenting the 23rd Directors' Report of your company together with the Audited Standalone and Consolidated Financial Statements for the year ended, 31st March 2021.

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Total Income	7,272.16	7,744.64	5,641.63	6,261.51
Total Expenditure	5,729.49	6,339.29	4,611.97	5,285.34
Gross profit before depreciation and Tax	1,542.67	1,405.34	1,029.66	976.17
Depreciation	576.41	570.66	233.42	262.36
Profit Before tax	966.25	834.68	796.23	713.80
Provision for tax	243.96	164.24	212.41	163.73
Deferred Tax	22.11	45.75	-5.53	13.00
Profit after tax	700.18	624.69	589.35	537.07

As you are aware, your Company provides customised Financial Inclusion, Insurance 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 to leverage market opportunities and gain competitive advantage.

1. Dividend:

Based on the Company's Performance, the Directors have recommended a final Dividend of Rs.0.60 per equity share. In terms of regulation 43 A of SEBI (Listing Obligation and Disclosure Requirement), the company has not yet formulated its dividend policy.

The Dividend Distribution Tax Payable by the Company in declaration of Dividend has been abolished w.e.f. 1st April 2020. Pursuant to this amendment and consequential amendment brought vide Finance Act 2020, as the dividend paid by the Companies is taxable in the hands of Shareholders, the Company would be under an obligation to deduct tax at source (TDS) in accordance with the Provisions of Income Tax Act 1961 (as amended from time to time).

2. Transfer to Reserves:

During the Financial Year 2020-21, your Company has not transferred any amount to General Reserves.

3. 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.

4. Share Capital:

There was no public issue, right issue or preferential issue during the Year. The paid-up Share Capital of the Company as on 31st March 2021 stands as 2,29,25,000 Shares of ₹10 Each.

5. Subsidiary Companies:

Your company has three Wholly Owned Subsidiary Companies as on 31st March, 2021 viz., VSL Data Systems Private Limited, Vagdevi Sark Edutech Private Limited, Vedavag Common Service Centres Private Limited.

Pursuant to Provisions of Section 129(3) of the Companies Act 2013, a statement containing the salient features of financial statements of the Company's Subsidiaries in the form AOC -2 is annexed (Annexure-2) to this report.

6. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, your Directors confirm as under:

- In the preparation of the Annual Accounts, the applicable Accounting Standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures from the same.
- 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 your Company at the end of the financial year ended 31st March, 2021 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 have 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 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.

7. 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- 4.

8. Directors and Key Managerial Personnel:

During the year under review, the following changes occurred in the Composition of the Board and Key Managerial Personnel of Your Company.

Pursuant to Section 152 of the Companies Act 2013, Mrs. J. Sujatha (DIN 07014640) Director will retire at the ensuing Annual general Meeting and being eligible offers herself for Re-appointment. The Board recommends her re-appointment.

Pursuant to provisions of section 149 of the companies Act 2013, the Independent Directors have submitted declaration that each meet criteria of Independence as provided under Section 149(6) of the Act along with Rules framed there under and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

Mr. D. Ramesh Sinha who was appointed as Non-executive and Non-independent Director is redesignated as Non-executive Independent Director vide Board Meeting Dated 02nd September 2021, the same has been placed in the forthcoming Annual General for shareholders approval.

Pursuant to provisions of section 149 of the companies Act 2013, the Independent Directors have submitted

declaration that each meet criteria of Independence as provided under Section 149(6) of the Act along with Rules framed there under and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

Pursuant to Section 161 of the Companies Act Mr. Jonnavittula Ananth was appointed as Additional director in the Category of Promoter Director Vide Board Meeting Held on 2nd September 2021.

9. Number of Board Meetings:

During the year, eight (8) meetings of the Board of Directors were held. The requisite details of the Directors present are provided under Corporate Governance report which forms part of this report.

10. Board Evaluation and Assessment:

Pursuant to the provisions of the Act, and Regulation 17 of SEBI (LODR) Regulations, 2015, the Board had carried out an annual evaluation of the Directors individually and of the committees of the Board by seeking the inputs of Directors on various aspects of the Board/ Corporate Governance. The Board has reviewed the performance of Individual Directors and Chairperson.

The performance of the committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of criteria such as compositions of committees, effectiveness of committee meetings.

11. 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.

12. 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.

13. Audit Committee:

The Audit Committee consists of three Directors as on March 31st, 2021. The committee is constituted as per Provisions of Companies Act 2013 read with rules made there under and SEBI (Listing Obligation and Disclosure Requirements) amended from time to time.

During the year, the Audit Committee met four times i.e., on 30th June, 2020, 14th September, 2020, 29th October, 2020, 13th February 2021.

14. Auditors:

At the 22st Annual General Meeting of the company M/S PARY & CO were appointed as Statutory Auditors of the company for one year i.e., till conclusion of 23rd AGM. The same auditors have been re-appointed as statutory auditors to hold office from conclusion of 23rd Annual General Meeting till the conclusion of 24th Annual General Meeting.

15. Secretarial Auditors report:

The Secretarial audit report is attached in the Annexure-5

16. Corporate Social Responsibility:

The Annual Report of Corporate Social Responsibility has been provided in Annexure-7. The Constitution of CSR Committee forms integral part of the report. The Composition of CSR Committee is disclosed in the said Annual Report and in the Corporate Governance Section.

17. 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 and outgo: **NIL**

18. Particulars of Loans, Guarantees and Investments:

The particulars of loans, guarantees and Investments have been disclosed in the financial statements.

19. Related party Transaction: The Company has formulated related party transaction policy:

The transactions with related parties were in ordinary course of Business and on arm's length pricing basis Suitable disclosure in the Accounting Standards (INAS) has been made in the notes of the Financial Statements. There were no material significant related party transactions.

As prescribed under Section 134(3) (h) of the Companies Act 2013 read with Rule 8 (2) of the Companies (Account) Rules 2014, particulars of contracts /arrangements with related parties are given on the Form AOC-2 annexed in the Annexure-2 of the report.

20. Extract of Annual Return:

As per the requirement of section 92(3) of the Act and rules framed there under, the extract of annual return for the Financial Year 2019 is given in Annexure-6 in the prescribed form no MGT-9 which is part of the report.

21. Particulars of Employees:

The information required under Section 197 of the Companies Act 2013, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-3. The Company affirms that the remuneration is as per remuneration policy of the Company.

22. 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

23. Corporate Governance:

Your Company understands the significance related to Corporate Governance Report. A report on Corporate Governance pursuant to provisions of Corporate Governance code stipulated under SEBI Listing Obligations and Disclosure Requirements forms part of Annual report. Details of various Board Committees are also provided along with Auditor Certificate regarding compliance of conditions of Corporate Governance is enclosed in Annexure - 8.

24. Whistle Blower Policy:

The Company has formulated Whistle Blower Policy in terms of section 177(9) of the Companies Act 2013 the details of which are provided in Corporate Governance Report.

25. CEO/CFO certification:

Pursuant to Provisions of Regulation 17 of SEBI(LODR) regulations,2015, a declaration by Managing Director of the Company declaring that all the members of the Board and Senior Management Personnel of the company have affirmed compliance with code of conduct of the company.

26. 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
Sd/-
J. Murali Krishna
Managing Director
DIN: 00016054

Place: Hyderabad
Date: 02/09/2021

ANNEXURES TO DIRECTORS' REPORT

Annexure - 1

Statement containing the salient features of financial statements of subsidiaries / associate companies

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 Ltd	07-Jan-17	700.00	4,194.72	2,686.00	-	1,594.05	156.91	55.97	100.94	100%
2	Vagdevi Sark Edutech Private Ltd	16-Apr-10	1.00	167.01	159.84	-	16.99	8.23	2.06	6.17	100%
3	Vaedavaag Common Service Centers Private Ltd	26-Oct-07	1.00	233.19	228.48	-	19.49	4.88	1.17	3.71	100%

Annexure - 2

FORM AOC - 2



**Details of Related party transaction
(Pursuant to clause 2(h) of subsection (3) of section 134 of the Companies Act 2013
and
Rule 8(2) of the Companies (accounts) rules, 2014).**

1. There were no materially pecuniary relationships or transactions of the Independent Directors with the Company.
2. Details of contracts or arrangement or transactions not at arm's length basis: NIL.

A. Name(s) of the related party and nature of relationship's

a	VSL Data systems Private Limited	Wholly owned subsidiary
b	Vagdevi Sark Edutech Private Limited	Wholly owned subsidiary
c	Vedavaag Common Service Centers Private Limited	Wholly owned subsidiary
d	Vangmaya Foundation	Trust, in which directors are interested
e	Infocrunch Analytics Private Limited	Company in which relative of director is a member
f	Infocrunch Campaigns Private Limited	Company in which relative of director is a member

B. Nature of contract/arrangements/transactions: **Not applicable.**

C. Salient terms of the contract or arrangements or transactions including value if any: **Not applicable.**

D. Justification for entering into such contracts of arrangements or transactions: **Not applicable.**

E. Date(s) of approval of the Board: **Not applicable.**

F. Amount of advances, if any:

Name of the company	Advances in Rs.
VSL Data Systems private Limited	16,76,65,205
Vagdevi Sark Edutech Private Limited	1,57,44,715
Vedavaag common Services Private limited	2,25,65,250

G. Duration of contract/ arrangements/transactions: Not applicable.

H. Date of special resolution was passed in general meeting as required under first provision of section 188: Not applicable.

3. Details of contracts or arrangement or transactions at arm's length basis:

a. Nature of Related party and nature of relationship: The company has sold computers systems and monitors to M/s KVK and Company, a proprietorship concern, owned by Mr. K Vijay Kumar, a director of VSL Data Systems Private Limited, wholly owned subsidiary company of Vedavaag Systems Limited.

b. Nature of Contracts /Arrangements /transactions: Sale

c. Duration of contracts/arrangements/transactions: Single Transaction.

d. Salient terms of the contract or arrangements or transactions including value if any: NIL

e. Date(s) of approval of the Board: Not Applicable.

f. Amount of advances, if any: NIL

Note: All related party transactions are benchmarked on arm's length, approved by audit committee and reviewed by statutory auditors.

Annexure - 3

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	12.60

- ii. The percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary or Manager if any in the Financial Year- **Nil**
- iii. The percentage increase in median remuneration of employees in the financial year. - **Nil**
- iv. There are 159 employees on the rolls of the Company as on 31st March 2021.
- v. The ratio of remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year – **Not applicable.**
- vi. The key parameters for the variable component of remuneration availed by the employee/KMP are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the remuneration policy for Directors, Key Managerial Personnel and Other employees.
- vii. It is hereby affirmed that the remuneration paid as per the Remuneration policy of the Directors, Key Managerial Personnel and other employees.

Annexure - 4

Management Discussion & Analysis

Economic overview

The global economy contracted by 3.3% in CY 2020, as all major economies barring China slipped into recession with COVID-19 induced lockdowns.

Aligned to the decline in global GDP, India's economic progress was expected to contract. But the decline was lesser than the initial estimates owing to a smart V-shaped recovery as most consumption and industrial indicators were back in positive growth zone in the Q3FY21.

India registered a positive GDP growth in Q3 at 0.4%, one of the few nations globally to emerge out of recession in such a short time period. As resurgence gained momentum, India's GDP growth for Q4 of 2020-21 stood at 1.6%.

The external sector exhibited resilience as current account turned surplus for the first time since 2004, on weaker domestic demand, falling oil prices and strength in India's services exports. FDI and equity FII flows were strong, driving India's forex reserves to an all-time high of ~US\$580

India's GDP Growth (%)



* Provisional



billion at the end of FY 2020-21, against ~US\$475 billion at the end of FY 2019-20.

In keeping with the uptick in economic activity, GST collection was above the Rs 1 lakh crore mark in the second half of FY21, peaking at Rs 1.23 lakh crore in March 2021.

The agriculture sector, which largely supports the rural economy, remained robust – it registered a growth of 3.0% in FY21(lower than 4.3% growth recorded in FY20).

In view of the economic momentum in Q4 FY21, leading opinion makers had estimated a sharp growth in India GDP for FY22. But, towards the end of FY21, a second wave of COVID-19 in the country intensified. It appears to be a hurdle in maintaining the pace of economic recovery.

While economic growth could get impacted in the first quarter of FY22, economic opinion makers are optimistic of a double digit growth. The RBI has projected India's FY22 gross domestic product (GDP) forecast at 10.5%.



About the Company

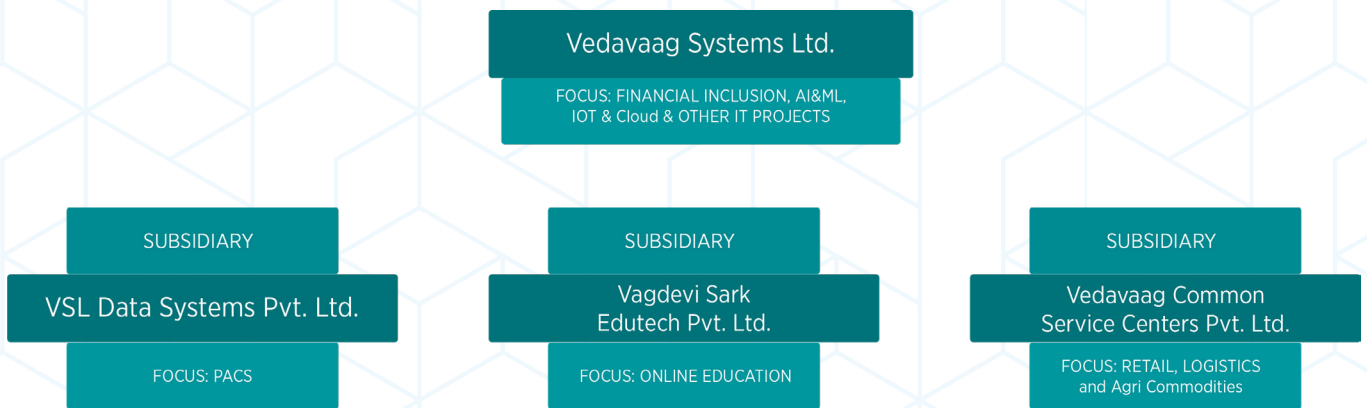
Established in 1998, as an e-Governance solution provider, Vedavaag is a niche player in Citizen Services Delivery that includes Financial Inclusion, AI&ML based products, Internet of Things (IOT) & other e-Governance solutions, Retail & Logistics and Education services.

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-certified enterprise, the Company is listed on the Bombay Stock Exchange (BSE 533056) since 2009.

Corporate & Business structure



Our business partners



Varishta Centres

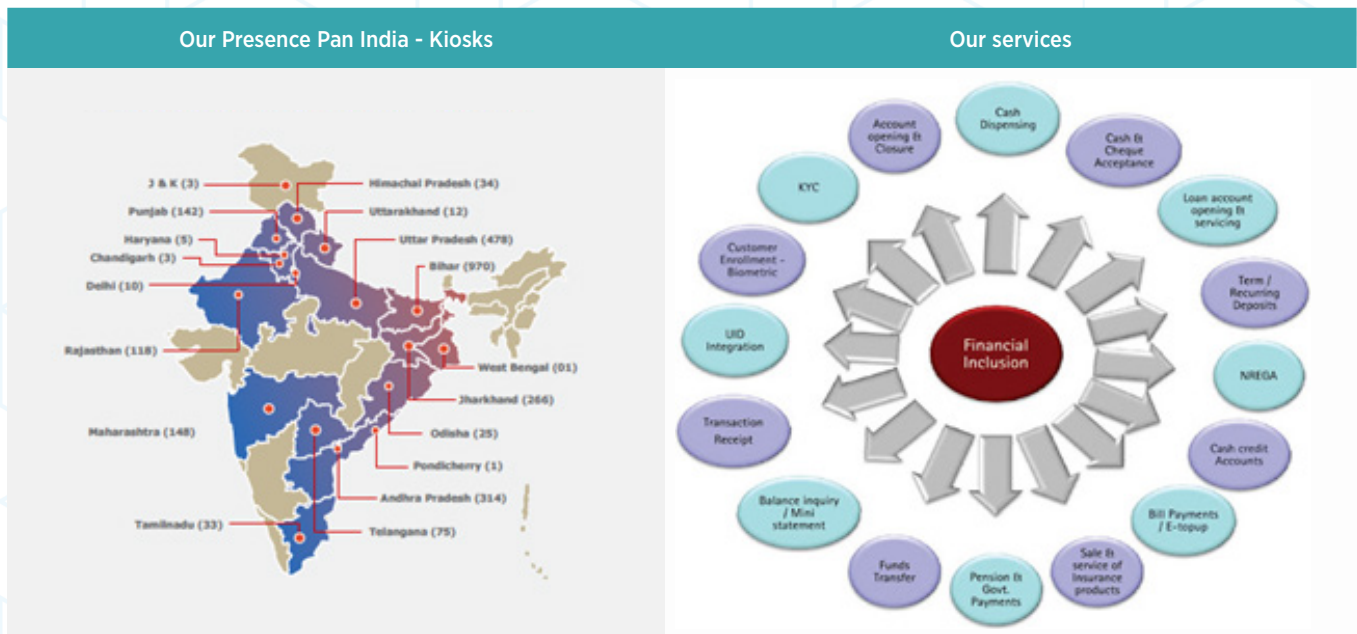
Vedavaag is consolidating its brand of reliability and consistency in service by naming all its service points as Varishta Centres (VC). With the idea of maximising its service bouquet to rural citizens from these Varishta Centres range of financial services, Agri commodity services and other cross selling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

Business vertical – 1

Rural Financial Services

Vedavaag is a leading National Business Correspondent of State Bank of India. It has an entrenched network of 2,700 + CSPs in the rural parts of Bihar, Jharkhand, Uttar Pradesh, Punjab, Rajasthan, Andhra Pradesh, Telangana, Uttarakhand, Delhi, Haryana, Chandigarh, Odisha and Maharashtra - serving thousands of rural citizens for their banking services requirements. About 80% of these points are in rural India to provide financial services to the weaker sections of society. The Company offers all products and services as underlined under the Financial Inclusion mandate.

18	2,754+	9,714	24+ Million	29 Lac
Presence in states	Customer service points	Gross transaction value, 2020-21 (Rs crore)	Number of transactions, 2020-21	Households' services



Performance in FY21

FY21 was a challenging period for India owing to the pandemic which spread with speed across the Indian landmass. A stringent nationwide lockdown was instituted to contain the contagion. The Government announced relief packages aimed at supporting rural India - it included direct transfer of funds to their accounts to cover up for their drop in livelihood owing to the lockdown. This proved to be a boon for the BC business as the volume of transactions increased significantly. The Company, on its part, continued to expand its CSP network, which also contributed to revenue growth.

	FY19	FY20	FY21
Gross Transaction value (Rs crore)	5,709	8,324	9,714

	FY19	FY20	FY21
Revenue (Rs crore)	21.27	31.25	41.08

About Rural India

India lives in its villages. More than 60% of the Indian diaspora resides in the lakhs of villages dotting the Indian landmass. As of March 31, 2020, there were about 640,000 villages in India, inhabited by about 893 million people, comprising about 66% of the country's population.

Rural areas in India contributed to 47% of India's GDP, however, the share in total credit outstanding as of Fiscal 2020 was 9% in rural areas as compared to 91% in urban areas. The divergence in the share of rural areas in India's GDP and banking credit indicates the low reach of banking in rural areas.

About Financial Inclusion

Financial inclusion is a much-cherished policy objective for India and its economic policy has always been driven by an underlying intent of a sustainable and inclusive growth. India began its financial inclusion journey as early as in 1956 with the nationalisation of Life Insurance companies, followed by nationalisation of banks in 1969 and 1980.

The world's largest Financial Inclusion Scheme

The most recent and relatively more successful policies towards financial inclusion has been the Pradhan Mantri Jan Dhan Yojana - the world's largest financial inclusion initiative. This scheme which promises to make every citizen of the country avail a bank account, has successfully attracted 40 crore people in the last six years.

Indian policy making has shown unwavering resolve for inclusive growth which culminated in the National Mission for Financial Inclusion, namely the Pradhan Mantri Jan Dhan Yojana (PMJDY).

Launched in August 2014, it offers a bouquet of products viz., overdraft of ₹10,000, accidental death cum disability insurance cover, term-life cover and old age pension. Jan Dhan Accounts, Aadhaar biometric ID and Mobile (JAM) are enablers which provide a unique opportunity to implement Direct Benefit Transfer (DBT) in all welfare schemes across the country. The DBT has enabled efficiency, effectiveness, transparency and accountability in all Government to Persons (G2P) transfers.

Under Pradhan Mantri Suraksha Bima Yojana (PMSBY) a renewable one-year accidental death cum disability cover of ₹2 lakhs is offered to all subscribing bank account holders in the age group of 18 to 70 years for a premium as low as ₹12/- per annum per subscriber.

Another insurance product with one-year term life cover of ₹2 lakhs under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is made available to all subscribing bank account holders in the age group of 18 to 50 years, for a premium of ₹330/- per annum per subscriber.

To take care of the financial needs in old age, a pension product named Atal Pension Yojana (APY) guaranteed by the Government of India has also been made available to the newly included bank account holders. Under APY, a subscriber (in the age group of 18 to 40 years) will receive fixed monthly pension in the range of 1,000 to 5,000 after completing 60 years of age, depending on the contributions made by the subscriber.

About Business Correspondent Channel

To bridge the gap in the last mile connectivity, RBI permitted banks to engage Business Correspondents / Business Facilitators (2006). This has resulted in cost effective delivery of services through ICT based solutions. Banks were mandated to open branches nationwide especially in underbanked pockets which led to a considerable increase in bank branches and later Automated Teller Machines (ATMs) in the 1990s to early 2000. The banks were advised to draw up a roadmap for having banking outlets in villages with population more than 2000 (in 2009) and less than 2000 (in 2012). Subsequently the banks were advised to open brick and mortar branches in villages with population more than 5000.

In 2017, RBI relaxed the branch authorisation guidelines wherein fixed-point Business Correspondent (BC) outlets serving for more than 4 hours a day and five days a week are treated on par with physical brick and mortar branches.

To strengthen the BC model of delivery and ensure certain minimum standards of service rendered by the BCs, the BC partners must undergo a Certification course conducted by the Indian Institute of Banking and Finance (IIBF).

At the forefront during Covid-19: Business correspondents came to the rescue of rural India in Covid-times.

While banks could not open many branches in the rural areas last year, they appointed a huge number of business correspondents to deliver services amidst the pandemic. The expansion of banks in the rural areas was hit in Covid-scarred FY21 but banking services was extended by a fast growth in the number of business correspondents (According to the RBI Annual Report).

Branches of banks in rural India went up marginally by 592 between December 2019 and December 2020. While it stood at 54,481 in December 2019, the number of branches rose to 55,073 a year later.

However, there is an explosion in the number of business

correspondents, especially in bigger villages that have a population of more than 2,000. The number of business correspondents in these villages rose from 1,28,980 in December 2019 to 8,51,272 in December 2020 – a rise of 560%. In the smaller villages – those with less than 2,000 residents – the number of business correspondents went up marginally from 3,83,864 to 3,85,537.

According to NITI Aayog, less than 15% of villages have a brick-and-mortar bank branch and business correspondent agents are the only transaction point in many of the remaining villages. “COVID-19 has magnified the importance and agility of this network. With close to 8 lakh active agents, catering to approximately 34 crore people in face-to-face transactions, the agent network has become indispensable in the current scenario.

(Source: <https://www.money9.com/news/banking/business-correspondents-come-to-the-rescue-to-rural-india-in-covid-hit-year-41131.html>)

Business strategy

Growth in this business is about strengthening the existing network and partnering with more banks. Vedavaag is doing both. On the one hand, in June 2021, it has signed a MoU with Bank of Baroda as a National Business Correspondent. The company aspires to create additional 500 CSPs in 4 months. Company got mandate for another 400+ CSPs from the SBI in August 2021 and company expects rollout all by October/ November. The company has been shortlisted by PNB as BC for nationwide services.

Business vertical – 2

Artificial Intelligence & Internet of Things

1. Product development under Artificial Intelligence & Machine Learning (AI&ML)

India has less than 3% of the world's total vehicles, but accidents are close to 11%. Every year around 4.5-5 lakh accidents and 1.5 lakh unfortunate deaths occur in the country. It is not less than a silent pandemic. Road accidents claimed around 1.32 lakh lives in 2020, which is the lowest in the past 11 years. In 2019, around 1.51 lakh lives were lost in road crashes in India. Majority of these accidents are owing to driver-related issues.

Vedavaag has determined to make a meaningful difference in reducing human-error related accidents. Leveraging technology, the Company has developed the Driver Activity Monitoring System (V-DAMS).

V-DAMS is developed using Computer vision, Machine learning (ML), Artificial intelligence (AI) and Internet of Things (IoT).

Artificial intelligence (AI) is a wide-ranging branch of computer science concerned with building smart machines capable of performing tasks that typically require human intelligence.

This solution captures and analyses first order biometrics of the driver such as gaze, head position, pupil diameter

and other parameters. Having done that, the device detects human errors and alerts the driver in real time to avoid accidents.

This is a solution whose time has come.

The Company has developed two variants of the same device

V-DAMS Basic: This is a standalone device fixed in the vehicle to alert the driver in real time.

V-DAMS Pro: The device is fixed in the vehicle to alert the driver real time and is connected with the Command Control Centre (CCC) to facilitate real-time monitoring. This means, that in the unfortunate event of an accident, help reaches the spot in no time.

2. Product Development under IoT and Cloud

Women safety has been very high on the priority of every Government, at the Center and at States. This has specially gained sharpened focus after the Nirbhaya case which shook India and the world. According to the National Crimes Records Bureau (NCRB), India recorded 88 rape cases every day in 2019. The NCRB report highlights that rape vulnerability of a girl or woman has increased up to 44% in the last 10 years.

Government agencies have preferred technology-led solutions for safety of women across the country. Some important technology-based initiatives implemented are:

- Emergency Response Support System provides a pan-India, single, internationally recognised number (112) based system for all emergencies, with computer-aided despatch of field resources to the location of distress.
- Using technology to aid smart policing and safety management, Safe City Projects have been sanctioned in first Phase in 8 cities (Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Lucknow and Mumbai).

The company inhouse product development team designed this product to meet specific requirements of public transport utility needs in terms of citizen safety.

The Government of Andhra Pradesh has launched the Abhayam initiative as a decisive step towards women safety in the state. The project is envisaged as a first of its kind implementation under Nirbhaya Scheme initiated by Government of India scheme of funding.

The Abhayam Initiative is a technology-driven initiative to ensure safety of people (especially women and children) during their regular commuting. It promises to provide swift and efficient relief and rescue measures during accidents, emergency and casualty using latest technology such as IoT.

Vedavaag is executing a Rs 92 crore (supply and installation Rs 61 crore and AMC for 5 years Rs 31 crore)

under the Abhayam initiative The scope of the project includes supply, installation and commissioning of 1,00,000 devices in public utility vehicles and connected over cloud to the Data Center to enable real time monitoring and rapid response in times of emergency.

Vedavaag's comprehensive solution comprises of the following

- Install IoT device with in-built GNSS and GSM/GPRS in auto-rickshaws
- Provide a real-time location tracking and data communication solution
- Provide an integrated system that connect the IoT device, the user (mobile app), driver (web app), Transport Department and Police Department for swift and real time communication
- Provide a Web-application for registration of vehicle and managing the IoT dashboard and back-end operations such as registration of driver, vehicle, trip etc.

The successful completion of the project is expected in FY22 to garner interest and traction among other states over the coming years.

Wholly owned Subsidiary

VSL Data Systems Pvt. Ltd.

From the earlier days of being a support system, technology has become a business imperative, for everyone... even the roadside shop. Over the years, the Government has sharpened its focus on deploying technology for data accessibility and retrieval, processes and accuracy. Who would have imagined a decade ago, that Income Tax returns would have to be submitted only digitally?

Interestingly technology is not just confined to urban locales but is seeping into rural agencies and organisations. The Government has intensified its efforts on deploying technology for seamless operations of Primary Agricultural Cooperative Society, PACS is the smallest co-operative credit institution in India.

PACS work at the grassroot level (gram panchayat and village). They are created with the objective of promoting thrift and mutual/self-help among the members; cater to their credit requirements and provide credit-linked services like input supply, storage (inventory maintenance) and marketing of agricultural produce (Public Distribution System) etc.

PACS are the base tier of the 3-tier Short Term Cooperative Credit Structure (STCCS) comprising District Cooperative Central Banks (DCCB) at the district level and State Cooperative Banks (SCB) at the Apex / State level. The structure is owned and run by about 13 crore farmers as members at PACS, about 80% of whom are small and marginal in nature.

Vedavaag through its subsidiary, VSL Data Systems, has entered an exclusive implementation partnership with M/s

Intellect Informatics Private Limited for deploying its UNITE ERP for Primary Agricultural Credit Societies (PACS).

VSL Data Systems has successfully implemented an ambitious project of automating 1,500 PACS in the states of Telangana and Uttarakhand.

The Telangana and Uttarakhand model of PACS computerisation provides a custom designed comprehensive ERP solution. The solution meets all the current business needs and provides considerable room for scale up to meet its future business needs, governance and statutory (CAS & MIS prescribed by NABARD) requirements of PACS.

The opportunity: In one of the biggest initiatives towards institution building, NABARD is facilitating the process of bringing the co-operative sector onto a completely automated platform. It is expected to be a nation-wide transformation program across ~1,00,000 PACS. The Central Government made a budget allocation of Rs 1,900 crore in 2017-18 towards computerisation of about 63,000 PACS within a 3-year timeframe, which remains largely unutilised. Because only 1,500 of the 100,000 PACS are computerised yet.

The successful implementation in Telangana and Uttarakhand, become showcase projects for Vedavaag to garner additional work in this space. The Company remains focused on garnering new orders in this space.

Wholly owned Subsidiary

Vagdevi Sark Edutech Pvt. Ltd.

If there is an area where the Covid-19 pandemic has shown we can succeed in multiple ways, it is education. All over the world, including in India, drastic steps were taken – schools, colleges and universities were shut down to fight the pandemic, and online learning became the order of the day.

Vedavaag, through its subsidiary Vagdevi Sark Edutech has entered the online education space with a difference. Its highly skilled faculty cherry-picked from premier IIT institutes across India will impart training and sharpen the skills of aspirants from rural India to crack highly competitive examinations such as IIT-JEE, NEET.

Why this space?

Vedavaag has chosen this space for important reasons:

1. Students from rural India occupy only 25% of the seats in IIT/NEET even when more than 60% of India resides in its rural pin codes.
2. Rural India contributes close to 50% of India's GDP currently; an educated rural India would make a world of difference to India's economic resurgence
3. As the aspiration of policy makers to place India firmly on the global map gains momentum, India will need much more qualified youth to make transform its dream into reality. Much of the new age educated youth will need to come from rural India.

Why has this not happened in the past?

1. Hitherto, rural India was never in the spotlight. Hence, the focus was primarily on urban India. But as the potential of rural India is becoming more visible in India's economic progress, the focus of the Government and policy makers is shifting towards rural India.
2. Coaching for these competitive exams was largely classroom based. Moreover, the fee for such training is prohibitive – hence out of the reach of rural India. But the advent and success of online education, coaching can be made available across India at affordable rates.

Vedavaag's solution: The Company will enrol children between Class IX and XII. It has devised two courses:

1. For school children of Classes IX & X (CBSE): The team will prepare them for IIT JEE Foundation + School syllabus.
2. For High School children of XI & XII (CBSE): The team will prepare them for IIT-JEE + NEET + School Syllabus.

Covid compulsion have made online classes an accepted reality and thus more and more students are positively disposed to online education services. This expected to give result in considerable ramp up over the coming years.

The opportunity! India has 35 million students enrolled in higher education contributing to a small gross enrolment ratio (GER) of 26%. China with a larger population has a much higher GER of 51.6%. If we are to achieve the target of 50% GER by 2035 as envisaged by the new National Education Policy (NEP) 2020, we have to give prominence to online learning.

<https://theprint.in/opinion/online-learning-is-the-future-education-ministry-and-ugc-must-not-hold-india-back-anymore/605503/>

Wholly owned Subsidiary

Vedavaag Common Service Centers Pvt. Ltd.

- A. **Insurance:** Vedavaag is an IRDA certified Corporate Agency offering Insurance Services. The Company has a tie up with SBI general insurance & SBI LIFE INSURANCE Life and General insurance services. It markets the insurance products through its CSP network to the rural masses.
- B. **Retail:** As e-commerce has become the buzz word across India, Vedavaag promises to emerge as the e-commerce partner for rural Indians. Branded as VedaRetail, this platform assists rural citizens in their monthly purchases of kirana, household items and FMCG goods (TV, refrigerators, washing machines, air-conditioners, etc.) by providing them with a superior value proposition.
- C. **Logistics:** There are numerous courier services that zip through cities and towns. Interestingly though, there are hardly any couriers who service villages on a regular basis. The nearest service is usually available at the Block level.

Branded as VARIOR, the Company logistic services aim to provide convenience for rural citizens to send documents, gifts, medicines and other utility items to friends, family, and relatives within the district and across India. This service being offered from all its service centres.

- D. **Agri Commodities:** The company wants to leverage from VARISHTA Centres its reach to rural community by providing a selling platform to its rural customer base for Agri products and services and to offer cross selling of allied products and services.

Human Resource

FY21 was one of the most challenging year from a people perspective owing to fear and uncertainty from the pandemic and the unprecedented lockdown. This held true even for Vedavaag Systems.

The Company took this crisis as an opportunity to connect with its team. It leveraged technology to connect virtually with the Vedavaag family. The senior leadership spoke periodically with the team to allay apprehensions.

The HR team also connected with the entire team at regular intervals to explain the Do's and Don'ts during the pandemic, about the need to wear masks and undertake sanitisation measures for the health of the individual and his family.

The HR team focused on keeping the team engaged and motivated. Knowledge sharing sessions and regular training sessions were organised virtually to enhance skill sets and for personality development.

The Company also developed a roadmap for aligning to the 'new normal', drew up an action plan, reinforced the review mechanism for safety of business operations and its people. This helped in becoming business ready with the phased unlocking of the nation.

Even as work resumed, the HR team remained extremely vigilant to ensure that the Covid protocols announced by the Government from time-to-time were strictly adhered to.

Going forward, the HR team will sharpen its focus on Training and Development - working out customised training sessions for specific requirements.

Financial Overview

Significant changes i.e., change of 25% or more in the key financial ratios

In accordance with the amendments notified by SEBI in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on 9th May, 2018, the details of significant changes i.e. change of 25% or more in the key financial ratios as compared to the immediately previous financial year along with detailed explanations are reported hereunder:

	FY21	FY20	% Change
Stability Ratios			
Debt equity Ratio	0.002	0.003	32%
Debt Service Coverage Ratio	0.002	0.030	93%
Interest Coverage Ratio	173.77	67.41	158%
Liquidity Ratios			
Current Ratio	8.01	6.25	28%
Debtor Turnover Ratio (days)	75	63	18%
Inventory Turnover Ratio (days)	30	15	97%
Profitability Ratios			
Operating Profit Margin (%)	21%	18%	13%
Net Profit Margin (%)	10%	9%	22%

Internal control and it's adequacy

The Company has in place a sound system of internal controls to ensure the achievement of goals, evaluation of risks and reliable reporting of financial and operational information. This efficient internal control procedure is driven by a robust system of checks and balances that ensures safeguarding of assets, compliance with all regulatory norms, and procedural and systemic improvements periodically.

The Company uses an ERP (Enterprise Resource Planning) package supported by in-built controls. This guarantees timely financial reporting. The audit system periodically reviews the control mechanism and legal, regulatory and environmental compliances.

The internal audit team also checks the effectiveness of internal controls and initiates necessary changes arising out of inadequacies, if any. All financial and audit controls are further reviewed by the Audit Committee of the Board of Directors.

Risk management

At Vedavaag, the risk strategy is determined by a risk appetite defined for a series of risk criteria. The criteria are based on sectoral circumstances, terrain realities, liquidity available and our earnings target within accepted volatility limits. These criteria provide a reference for our operating divisions.

Our risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes far beyond traditional boundaries and seeks to involve all our key managers.

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors. There is a formal monitoring process at

unit and company level, wherein new risks are identified, categorised as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan.

To ensure transparency and critical assessment, we have a Risk Management Committee that coordinates the risk management system. The risk management framework is reviewed annually by the Audit Committee on behalf of the Board.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulations.

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statements or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

Annexure - 5

MR-3



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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 31/03/2021 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 31/03/2021 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:

- Notice of non-compliance was served (pursuant to regulation 17(1)(C) of SEBI LODR 2015), requiring the company to pay a fine of Rs. 5,36,900/- (including GST) by BSE. The Company through its email dated 21st August 2020 requested for waiver due to COVID-19 Pandemic conditions. BSE vide its email dated 17th November 2020 Granted waiver and reduced the amount to 2,65,000 which was paid on 30th November 2020. The complete waiver for the same was granted by BSE Limited Vide letter dated 23rd June 2021, hence the paid amount will be adjusted towards ALF (Annual Listing Fees) / other pending charges / fees payable to the Exchange.
- Notice of non-compliance was served (Regulation 33 of SEBI (LODR) Regulations, 2015), requiring the company to pay a fine of Rs. 5,900/- (including GST). The prescribed fee was paid to BSE on 25th March 2021.

We further report that

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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.
- 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 audit period the company has no specific events/ actions which have a major bearing on the company's affairs in pursuance of the laws, rules, regulations and guidelines, standards which are applicable to the company and as referred above.

For VCSR & Associates
Company Secretaries
Sd/-
(Ch. Veeranjanyulu)
Partner
CP No. 6392

Place: Hyderabad
Date: 02/09/2021

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.
3. 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.
4. The correctness and appropriateness of the financial records and Books of accounts of the company have not been verified.
5. Wherever required, we have obtained the Management representation about the compliances of laws, Rules, Regulations and happening of events etc.
6. 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.

7. 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.

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 Siri

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, 2021 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 Jonnavittula Krishna	00016054	Managing Director
2.	Mr. Srinivas Pannala	00018295	Independent Director
3.	Mr. Trivikrama Gundu Murthy	02718132	Independent Director
4.	Mrs. Sujata Jonnavittula	07014640	Director
5.	*Mr. Narsupalli Pradeep Kumar	03498381	Independent Director
6.	**Mr. Ramesh Sinha Duggi	08841202	Director
7.	***Mr. Jonnavittula Ananth	0009300935	Director

*Appointed in Board Meeting Dated 30/06/2020

** Appointed in Board Meeting Dated 23/08/2020

*** Appointed in Board meeting Dated 02/09/2021

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: 02/09/2021

For VCSR & Associates
Company Secretaries
Sd/-
(Ch. Veeranjanyulu)
Partner
CP No. 6392

Annexure - 6

MGT - 9



EXTRACT OF ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS:

i.	CIN	L72200TG1998PLC029240
ii.	Registration Date	16-04-1998
iii.	Name of the Company	Vedavaag Systems Limited
iv.	Category/Sub-category of the Company	Public Company, Limited by shares, Company Having share Capital
v.	Address of the Registered office & contact details	1-90-8/13, B Block, 103, Sirisai orchid Hitech City, Madhapur, Hyderabad - 500081
vi.	Whether listed company	Yes (BSE)
vii.	Name and address of Registrar & transfer Agent if any	M/S Venture Capital and Corporate Investments Private Limited, MIG 167, Bharat Nagar colony, Hyderabad

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	IT Sales and Services	620	100

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	VSL Data Systems Private Limited -	U72900TG2001PTC035997	Subsidiary	100	Section 2(78)
2	Vagdevi Sark Edutech Private Limited	U72200TG2010PTC069782	Subsidiary	100	Section 2(78)
3	Vedavaag Common Service Centers Private Limited	U74140TG2007PTC056084	Subsidiary	100	Section 2(78)

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a. Category wise share holding

Category of share holders	No. of shares held at the beginning of the year 01-04-2020				No. of shares held at the end of the year 31-03-2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	82,49,279		82,49,279	35.98%	82,49,279		82,49,279	35.98%	0.00%
b) Central Govt									
c) State Govt									
d) Bodies of Corporate									
e) Bank/FI									
f) Any Other									
SUB TOTAL (A) (1)	82,49,279		82,49,279	35.98%	82,49,279		82,49,279	35.98%	0.00%
2) Foreign									
a) NRI - Individual									
b) other Individual									
c) bodies Corp									
d) banks/FI									
e) Any other									
Sub Total (A) (2)									
Total Promotor Shareholding									
(A) = (A)(1) + (A)(2)	82,49,279		82,49,279	35.98%	82,49,279		82,49,279	35.98%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/ FI									
c) Central Govt									
d) State Govt									
e) Venture Capital									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (FPI)									
SUB TOTAL (B) (1)									
2. Non institutions									
a) Bodies Corp (India)					7,72,172		7,72,172	3.37%	3.37%

Category of share holders	No. of shares held at the beginning of the year 01-04-2020				No. of shares held at the end of the year 31-03-2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Bodies Corp (Overseas)								-	
b) Individuals								-	
(I) Individual shareholders holding nominal share capital up to 1 Lakh	37,38,134	5,22,635	42,60,769	18.59%	28,42,319	3,42,635	31,84,954	13.89%	-4.69%
(I) Individual shareholders holding nominal share capital excess of 1 Lakh	74,94,771	17,01,000	91,95,771	40.11%	96,01,480	7,45,800	1,03,47,280	45.14%	5.02%
c) Any other (Specify NRI's)	12,19,181		12,19,181	5.32%	1,74,297	-	1,74,297	0.76%	-4.56%
Clearing Members					1,97,018	-	1,97,018	0.86%	0.86%
HUF									
SUB TOTAL (2)	1,24,52,086	22,23,635	1,46,75,721	64.02%	1,35,87,286	10,88,435	1,46,75,721	64.02%	0.00%
Total Public Shareholding (B) = (B)(1) + (B)(2)	1,24,52,086	22,23,635	1,46,75,721	64.02%	1,35,87,286	10,88,435	1,46,75,721	64.02%	0.00%
C. Shares held by custodian for GDRs's and ADR's									
Grand Total (A+B+C)	2,07,01,365	22,23,635	2,29,25,000	100.00%	2,18,36,565	10,88,435	2,29,25,000	100%	0.00%

b. Shareholding of promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year 01-4-2020			Shareholding at the end of the year 31-03-2021			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. JSR Durga Prasad	35,84,960	15.64	-	35,84,960	15.64	-	0
2.	Mr. J. Murali Krishna	45,98,712	20.05	-	45,98,712	20.05	-	0
3	Mrs. J. Sujatha	65,607	0.286	-	65,607	0.286	-	0

c. Change in Promoters Shareholding during financial year – **NIL**

d. Shareholding pattern of top ten shareholders (other than directors, Promoters and Holders of GDR's and ADR's)

SI. No.	Name of The Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	S Abheeshta	15,00,000	6.54%	15,00,000	6.54%

2	K Vijay Kumar	10,00,000	4.36%	10,00,000	4.36%
3	Rayapuraju Ravikumar Rao	4,55,487	1.99%	4,55,487	1.99%
4	Ghadiyaram Kaladhar	4,50,000	1.96%	4,51,300	1.97%
5	P Purushottam	1,50,000	0.65%	4,00,000	1.74%
6	Peddiboyana Ramanaiah	-	0.00%	3,11,765	1.36%
7	G Hanumantha Rao	1,70,878	0.75%	2,85,143	1.24%
8	Macharla Suguna	2,00,100	0.87%	2,65,873	1.16%
9	Atlanta International Limited	2,45,176	1.07%	2,40,417	1.05%
10	Narasimha Raju Gottumukkala	2,02,000	0.88%	2,02,000	0.88%

5. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. J. Murali Krishna	45,98,712	20.06%	45,98,712	20.06%
2.	Mrs. J. Sujatha	65,607	0.286%	65,607	0.286%
3.	Mr. Srinivas Pannala	-	-	-	-
4.	Mr. G. T. Murthy	1000	0.004%	1000	0.004%

6. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

Particulars	Secured Loans excl. deposits Rs.	Unsecured Loans Rs.	Deposits Rs.	Total Indebtedness Rs.
<i>Indebtedness at the beginning of the financial year.</i>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid		5,00,00,000		5,00,00,000
iii) Interest accrued but not due		3,65,205		3,65,205
Total (i+ii+iii)		5,03,65,205		5,03,65,205
<i>Change in indebtedness during the financial year</i>				

Particulars	Secured Loans excl. deposits Rs.	Unsecured Loans Rs.	Deposits Rs.	Total Indebtedness Rs.
Addition	43,903			43,903
Reduction		1,37,87,400		1,37,87,400
Net Change	43,903	1,37,87,400		1,37,43,497
Indebtedness at the end of the financial year				
i) Principal Amount	43,903	3,65,77,805		3,66,21,708
ii) Interest due but not paid				
iii) Interest accrued but not due		49,27,632		49,27,632
Total (I + ii + iii)	43,903	4,15,05,437		4,15,49,340

7. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Remuneration to Managing Director, Whole-time and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD Mr. J. Murali Krishna	Total Amount Rs.
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	24,00,000
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
	(c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profits	-	-
	- others	-	-
5	Others	-	-
	Total	24,00,000	24,00,000

b. Remuneration to other directors

Particulars of Remuneration	Mrs. J. Sujatha	Mr. Srinivas Pannala	Dr. G. T. Murthy	Mr. Pradeep Kumar	Mr. Ramesh Sinha	Total
Fee for attending board / committee meetings	18,000	21,000	18,000	21,000	12,000	90,000
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	18,000	21,000	18,000	21,000	12,000	90,000

c. Remuneration to key managerial personal other than MD

Sl. No.	Particulars of Remuneration	Total amount Rs.
1	Gross salary	4,08,387
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	
	(c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	
2	Stock option	
3	Sweat Equity	
	- as % of profits	
	- others	
	Total	4,08,387

8. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Annexure-7

CSR REPORT



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The guiding principle of Vedavaag Systems Limited is to grow and let's 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.

- a. 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.
- b. 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.
- c. 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.

- d. To undertake such initiatives/projects or participate in any events as the CSR Committee/Board may consider appropriate.
- e. 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:

The Board of Directors has constituted the CSR Committee and the scope of the CSR Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility Policy, to recommend the amount of expenditure to be incurred on the CSR activities, to monitor the Corporate Social Responsibility Policy of the Company from time to time, to determine the implementation process and modalities of utilization of funds for undertaking CSR initiatives whether on annual basis or long term basis either by self-execution through Social Development cell consisting of senior officials of the Company appointed by the Managing Director for CSR implementation or otherwise as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, etc.

Name of Committee members	Designation/nature of directorship	No. of meetings held during the year	No. of meetings attended
J.Muralikrishna	Chairperson, Executive Director	1	1
Dr.G.T.Murthy	Member, Non-Executive - Independent Director	1	1
J.Sujatha	Member, Non-Executive - Non-Independent Director	1	1

3. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (CSR Policy) Rules, 2014, if applicable (attach the report).
Not applicable

- | | |
|---|-----------------|
| 4. Details of amount available for set off in pursuance of sub-rule (3) of Rule 7 of the of the Companies (CSR Policy) Rules, 2014, if applicable and the amount required for set off for the financial year, if any. | Not applicable |
| 5. Average net profit of the company as per section 135 (5): | Rs.11,11,98,247 |
| 6. a. Two percent of the average net profit of the Company as per Section 135(5): | Rs. 22,23,965 |
| 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: | NIL |
| d. Previous year's unspent amount: | Rs. 32,57,992 |
| e. Total CSR obligation for the Financial Year (a+b+c): | Rs. 54,81,957 |
| 7. 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)
Rs. 55,26,891/-	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: (Refer annexure to this report) | Rs. 55,26,891/- |
| d. Amount spent for administrative overhead: | Nil |
| e. Total amount spent for the financial year: | Rs. 55,26,891/- |
| 8. In case of creation or acquisition of Capital asset, furnish details relating to asset so created or acquired through CSR Spent in the Financial Year: | Not applicable |
| 9. Specify the reasons if the Company has failed to spend two percent of average net profit as per section 135(5): | Not applicable. |

ANNEXURE TO CSR REPORT

Sl. no	Name of the project	List of activities under schedule VII	Local area	Location of the project	Amount spent Rs.	Mode of Implementation Direct (yes/no)
1	Sri Kamakshi Ekamreswar Gomatha Sevaka Satsang Trust	Animal welfare	Yes	AP	22,50,000	Yes
2	Sri Vidya Parameswari Dharma Samstha	Animal Welfare	Yes	AP	5,00,000	Yes
3	Sanitary Napkins	Health care	Yes	TS	13,09,468	Yes
4	Distribution of provisions	Eradicating hunger, poverty and malnutrition, promoting health	Yes	TS	1,08,975	Yes
5	Promoting Education	Education	Yes	TS	1,35,000	Yes
6	RO plant	Eradicating hunger, poverty and malnutrition, promoting health	No	Bihar	12,03,448	Yes

Place: Hyderabad
Date: 02/09/2021

Sd/-
J. Murali Krishna
Chairman
DIN: 00016054

Annexure-8

CORPORATE GOVERNANCE REPORT

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.

Company's philosophy on code of governance:

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable to corporate.

Board of Directors:

- i. As at 31st March 2021, the Company has six Directors. Out of the Six Directors, Two Directors are Non-Executive Directors 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. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2021 have been made by the Directors. None of the Directors is related to each other except Mr. J. Murali Krishna and Mrs. J. Sujatha.

- iii. Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed there under. In terms of Regulation 25(8) of SEBI Listing Regulations, declarations were received from the Independent Directors and the Board of Directors has confirmed that all the Independent Directors meet the criteria of Independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are Independent of the management
- iv. Eight 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 30th June 2020, 23rd August, 2020, 14th September 2020, 29th October 2020, 5th December 2020, 31st December 2020, 13th February 2021, 20th March 2021 and the necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director. For the purpose of determination of limit of the Board Committees, Chairpersonships and memberships of the Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1) (b) of SEBI Listing Regulations.

Name of Director	Category	Attendance at Board Meetings		No of Directorships in listed entities including this listed entity	Number of memberships/ chairmanships in Audit/ Stakeholder Committee(s) including this listed entity		Whether present at the previous AGM
		Held	Attended		Chairman	Member	
Mr. J. Murali Krishna	Promoter, Managing Director	8	8	1	1	3	Yes
Dr. G. T. Murthy	Independent-Nonexecutive Director	8	6	1	1	4	No
Mr. Srinivas Pannala	Independent – Nonexecutive Director	8	7	1	2	4	No
Mrs. J. Sujatha	Non-independent – Nonexecutive Director	8	6	1	1	4	Yes
Mr. Ramesh Sinha	Independent-Nonexecutive Director	8	4	1	0	0	yes
Mr. N. Pradeep Kumar	Non-executive Director	8	7	1	0	0	yes

- vi. During FY 2020-21, one meeting of the Independent Directors was held on 13th February 2020. 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 reviews the compliance reports of all laws applicable to the Company.
- viii. Details of equity shares held : 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 31st March, 2021. The Company has not issued any convertible instruments during the FY 2020-2021.
- ix. The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding, of global business dynamics, across various markets and industry verticals .
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values

Committees of the Board

There are Four Statutory Committees as on 31st March 2021 details of which are as follows.

A) Audit Committee

The Audit Committee function in accordance with Section 177 of the Act, Regulation 18 of the Listing Regulations and the Charter adopted by the Board. The terms of reference of the audit Committee inter alia includes:

- a. Monitoring Company Financial Reporting process,

disclosure of its financial information and to ensure that the correctness and credibility of the financial statements.

- b. Recommending appointment, remuneration and terms of appointment of statutory auditor.
- c. Reviewing with the Management, the quarterly and annual Financial Statements and auditor report there on and submission to the Board for approval.
- d. Reviewing and monitoring with the auditor

independence, performance and effectiveness of audit processes.

- e. Reviewing and providing with recommendations to the Board with respect to the transactions of the

company with related parties.

- f. Evaluation of internal financial controls and risk management controls.

Meetings:

During the year ended 31st March 2021, the Audit Committee met Four times, these meeting were held on 30th June, 2020, 14th September, 2020, 29th October, 2020, 13th February 2021

Composition and Attendance

Name of the Member	Category	No of Meetings Held	Attendance
Dr. G.T. Murthy	ID	4	3
Mr. Srinivas Pannala Chairman	ID	4	4
Mrs. J. Sujatha	NINED	4	3

ID-Independent Director

NINED-Non-Independent, Non-Executive Director

Mr. Srinivas Pannala, Chairperson of Audit Committee.

B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee Functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations. The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence diversity and knowledge on the Board

The Role of the committee is to formulate Criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration of the Directors, Key managerial Personnel and other senior level employees of the company.

Meetings:

During the year ended March 31st, 2021, the Nomination and Remuneration committee met on 23rd August, 2020 and 20 March 2021.

Name of the member	Category	Meetings held	Attendance
Mr. Srinivas Pannala - Chairman	ID	2	2
Dr. G. T. Murthy	ID	2	2
Mrs. J. Sujatha	NINED	2	1

ID-Independent Director

NINED-Non-Independent, Non-Executive Director

Mr.Srinivas Pannala, Chairperson of Nomination Remuneration Committee.

Nomination and Remuneration Committee - other details

Performance Evaluation Criteria for Independent Directors: The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgment.

compensation of the Executive Directors comprises of fixed component, perquisites and performance based incentive and is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration of the Executive Directors is periodically reviewed, and suitable revision is recommended to the Board by the Nomination and Remuneration Committee. The Board shall recommend the same for the approval of the Shareholders.

Nomination/Remuneration Policy:

Remuneration policy of a company is designed to create high performance culture. It enables a company to attract, retain and motivate employees to attain results .The

The company pays sitting fees of Rs. 3000 per meeting to its Non-executive Directors for attending Meetings of the Board and committee.

i. Non-Executive Directors

Name of the Director	Sitting Fees (in ₹)
Mr. Srinivas Pannala	21000
Dr. G. T. Murthy	18000
Mrs. J. Sujatha	18000
Mr. Pradeep Kumar	21000
Mr. Ramesh Sinha	12000

ii. Executive Directors

The remuneration of Executive Director of Company is based on the Remuneration policy of the Company

SI no	Name	Position	Salary	Variable pay	Commission	P. F	Total
1	J. Murali Krishna	Managing Director	24,00,000	-	-	-	24,00,000

C) Stakeholders Relationship Committee - other details:

The Stakeholders Relationship committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) regulations 2015, and pursuant to Section 178 of the Companies Act.

The SRC looks after into various aspects of interest of the shareholders. The Committee ensures Cordial Investor Relations, oversees the mechanism for redressal of investors grievances and especially looks after various aspects of interest of Shareholders, such as readdressing of shareholders/ investors complaints/ grievances pertaining transmission /transfer, non-receipt of Annual Reports, Non-receipt of declared Dividends / dividend warrants.

Meetings

During the year ended March 31st 2021, the SRC met on 13th February 2021.

Name of the member	Category	Meetings held	Attendance
Dr.G. T. Murthy- Chairman	ID	1	1
Mr. Srinivas Pannala	ID	1	1
Mrs. J. Sujatha	NINED	1	1

ID-Independent Director

NINED-Non-Independent,Non-Executive Director

Mr.G.T.Murthy, Chairperson of Nomination Remuneration Committee.

- Name, designation of Compliance Officer:
Mr. T B. Krishna Mohan
CFO and Compliance Officer, Vedavaag Systems Limited
- Details of investor complaints received and redressed during FY 2020-2021 are **Nil**

D) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee has been formulated pursuant to section 135 of the Companies Act 2013.

- Formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in schedule VII of the Act.
- Recommend the amount to be spent on the CSR activities.
- Monitor the CSR policies periodically.
- Attend such matters and Functions as may be required from time to time.

Meetings

Name of the Director	Category	Meetings Held	Attendance
Mr. J. Murali Krishna-Chairman	ED	1	1
Mr. Srinivas Pannala	ID	1	1
Dr. G. T. Murthy	ID	1	1

The Committee met on 5th December 2020
 ID-Independent Director
 ED-Executive Director

E) Annual General Meeting (AGM)

Financial Year	Date	Time	Venue	Special Resolutions passed during last 3 FYs
2017-2018	29th September 2018	10:30 A.M	Royal Garden Function Hall, Hyderabad	To re-appoint Dr. G.T.Murthy as an Independent Director and in this regard pass the resolution as special resolution
2018-2019	30th September 2019	11:30 A.M	Royal Garden Function Hall, Hyderabad	No Special Resolution
2019-2020	31st December 2020	11.30 A.M	FTAPCCI Building, Red hills, Hyderabad	No Special resolution

There was no Extra Ordinary General Meeting
 There was no Postal Ballot Held during the Financial Year.

F) 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.

G) 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. No presentations have been made to institutional investors or to analysts.

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

H) General shareholder information

Day, Date, time and venue of the Annual General Meeting	25 th September 2021, Saturday, at 11:30 A.M at Surana Auditorium FTCCI, Red hills, Hyderabad
Financial year	April to March
Listing of shares on stock exchanges	BSE Limited (BSE)
Book Closure	18 th September 2021 to 25 th September 2021
Scrip Code	533056
Corporate Identification Number (CIN)	L72200TG1998PLC029240
International Securities Identification Number (ISIN) for equity shares of Rs. 10/- each under Depository System	INE359B01010

Market Price Data High, Low during each month in last financial year.	Please refer Annexure A
Performance of the Company's share price vis-à-vis-Sensex	Please refer Annexure A
Registrar and Share Transfer Agents (RTA)	For shares 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.
Share Transfer System	Venture Capital and Corporate Investments Private Limited. 12-10-167, Bharat Nagar, Hyderabad, 500018
Distribution of Shareholding and Shareholding Pattern as on March 31, 2021	Please refer Annexure B
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	No GDRs and ADRs
Address for Correspondence	103,West Block, Siri Sai Orchid, Madhapur, Hi Tec City, Hyderabad, Telangana 500081

Other Disclosures

- a. **Disclosure of related party transactions:** All transactions entered into with related parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and Regulation 23 of the Regulations.

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the related party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are disclosed in the note 44 of notes forming part of the financial statements.

- 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 avail of 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. With regard to the non-mandatory requirements the Company has complied with the extent stated below:

Shareholder rights

Quarterly financial results are published in leading newspapers, viz. Business Standard, Andhra Prabha. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.

- 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.

The Management Discussion and Analysis Report has been included separately forming part of the Annual Report.

- g. **Statutory Auditor Remuneration:**

M/S PARY AND CO., Chartered Accountants have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis are given below:

Particulars	Amount in Rs.
Statutory Audit fee	3,00,000
Tax Audit	25,000

ANNEXURE-A

Market price data

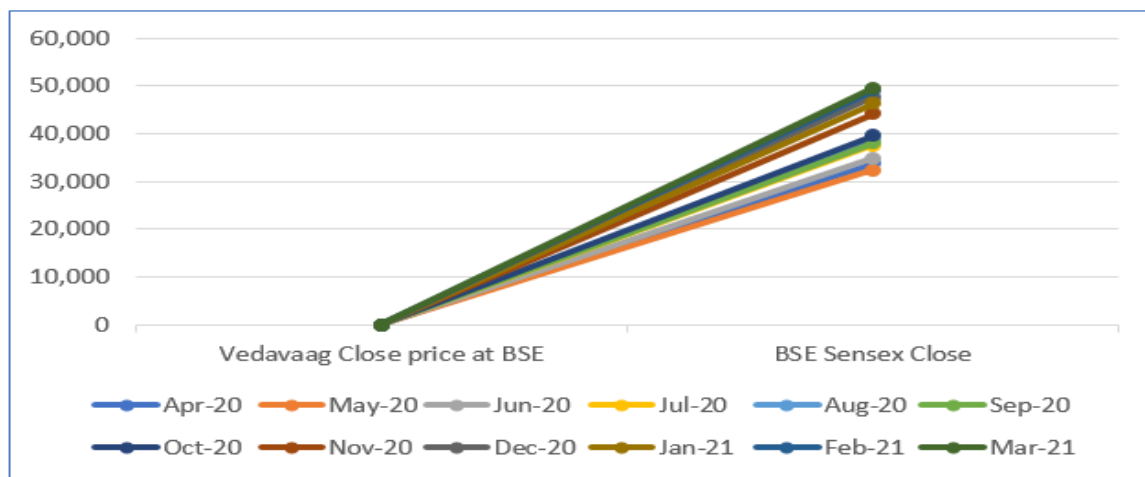
The monthly high and low-price quotations of the company's shares at the Bombay Stock Exchange Limited during the period from 01st April, 2020 to 31st March, 2021.

Month	High Price Rs.	Low Price Rs.	Close Price Rs.	Volume Rs.
Apr-20	22.50	15.05	20.75	1,58,039
May-20	21.95	16.70	20.50	1,03,299
Jun-20	28.00	16.55	20.40	1,36,770
Jul-20	22.90	18.15	19.10	2,05,665
Aug-20	31.15	18.00	28.60	7,33,782
Sep-20	29.95	22.60	27.85	1,59,598
Oct-20	36.50	26.00	31.70	3,84,866
Nov-20	36.40	22.55	30.15	2,98,854
Dec-20	38.85	27.25	36.80	7,31,046
Jan-21	38.00	30.00	33.00	5,98,840
Feb-21	36.00	29.05	31.05	2,27,501
Mar-21	32.90	25.00	27.30	2,97,838

The Performance of the Company's average monthly share price data in comparison to board-based indices like BSE Sensex is given below.

Month	Vedavaag Close price at BSE (Rs)	BSE Sensex Close
Apr-20	20.75	33,717.62
May-20	20.50	32,424.10
Jun-20	20.40	34,915.80
Jul-20	19.10	37,606.89

Month	Vedavaag Close price at BSE (Rs)	BSE Sensex Close
Aug-20	28.60	38,628.29
Sep-20	27.85	38,067.93
Oct-20	31.70	39,614.07
Nov-20	30.15	44,149.72
Dec-20	36.80	47,751.33
Jan-21	33.00	46,285.77
Feb-21	31.05	49,099.99
Mar-21	27.30	49,509.15



Source: BSE India

ANNEXURE-B

Distribution of shareholding as on 31st March 2021

Nominal Value	Shareholders		Amount	
	Numbers	% to total	Rs.	% to total
Up to - 5000	4,748	76.61	84,12,550	3.67
5001 - 10000	645	10.41	53,87,580	2.35
10001 - 20000	313	5.05	48,42,390	2.11
20001 - 30000	141	2.27	36,27,440	1.58
30001 - 40000	63	1.02	23,02,250	1.00
40001 - 50000	61	0.98	29,07,400	1.27
50001 - 100000	96	1.55	66,92,070	2.92

Nominal Value	Shareholders		Amount	
	Numbers	% to total	Rs.	% to total
100001 and above	131	2.11	19,50,78,320	85.09
Total	6,198	100.00	22,92,50,000	100.00

Details of Shareholding in physical mode and electronic mode as on 31st March 2021

Type	Records	Shares	Per centage
CDSL	2,583.00	1,34,53,752.00	58.69
NSDL	2,860.00	83,82,813.00	36.57
Physical	755.00	10,88,435.00	4.75
Total	6,198.00	2,29,25,000.00	100.00

DECLARATION ON CODE OF CODE OF CONDUCT

Pursuant to the schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I hereby confirm that the company has received affirmations on compliance with code of conduct for the financial year ended 31st March 2021 from all the Board members and senior Management Personnel.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 02/09/2021

Sd/-
J. Murali Krishna
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE



To
The Members of
Vedavaag Systems Limited.

We have examined the compliance of conditions of corporate governance of M/s. Vedavaag Systems Limited for the year ended on 31st March 2021, as stipulated in SEBI LODR Regulations of the Listing agreement of the company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of corporate governance as stipulated in the said clause. 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 based on the representations made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the abovementioned listing agreement. We state that no investor grievances are pending for a period exceeding one month against the company as per records maintained by the shareholders/ investor's grievances committee.

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

For PARY & CO
Chartered Accountants
(Firm's Registration No. 007288C)

Sd/-
P Vamsi Krishna Reddy
Partner
M. No. 224674

Place: Hyderabad
Date: 02/09/2021

CEO / CFO CERTIFICATION



We, J. Murali Krishna, Managing Director (CEO), and T B Krishna Mohan, CFO of the company have verified the following statements:

- a) We have reviewed the financial statements and the cash flow statement for the year under review and certify that:
 1. These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 2. 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) To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee that
 1. There are no significant changes in internal control over financial reporting during the year.
 2. There are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 3. There are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal control systems.

J. Murali Krishna
Managing Director

T.B. Krishna Mohan
CFO

INDEPENDENT AUDITORS' REPORT



To
The Members of Vedavaag Systems Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vedavaag Systems Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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, 2021, the profit and total comprehensive income, changes in equity and its cash flows 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 ("SA's") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 standalone financial statements 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 judgement and maintain professional scepticism 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 system 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 so far as it appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting 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 over financial reporting.
- 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Educational Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ('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 PARY & CO
Chartered Accountants
(Firm's Registration No. 007288C)

Sd/-
P Vamsi Krishna Reddy
Partner

M.No. 224674.

UDIN: 21224674AAAAJC7115

Place: Hyderabad
Date: 28-06-2021

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
I. ASSETS			
(1) Non-Current Assets			
(a) Property Plant & Equipment	1	15,33,29,430	16,66,18,633
(b) Other Intangible Assets	2	7,89,55,054	7,95,98,942
(c) Financial Assets			
i. Investments	3	7,03,00,000	7,02,00,000
ii. Trade Receivables	4	15,29,12,024	19,63,26,301
iii. Other Financial Assets	5	2,92,87,705	2,80,76,205
Total Non-Current Assets		48,47,84,213	54,08,20,081
(2) Current Assets			
(a) Inventories	6	99,22,814	1,04,82,691
(b) WIP			
(c) Financial Assets			
i. Investments			
ii. Trade Receivables	7	11,42,89,085	10,76,81,231
iii. Cash and Cash Equivalents	8	1,31,68,971	1,15,45,699
iv. Bank Balances Other than iii above	9	1,51,05,776	1,20,21,886
(d) Other Current Assets	10	56,28,97,927	50,24,84,196
Total Current Assets		71,53,84,573	64,42,15,703
TOTAL ASSETS		1,20,01,68,786	1,18,50,35,784
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	22,92,50,000	22,92,50,000
(b) Other Equity	12	84,14,30,086	79,91,26,088
Total Equity		1,07,06,80,086	1,02,83,76,088
(2) Non-Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	13	29,15,325	24,79,979
ii. Trade Payables			
iii. Other Financial Liabilities			
(b) Deferred Tax Liabilities (Net)	14	2,93,94,515	2,99,47,265

Particulars	Note	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
(c) Other Non-Current Liabilities	15	78,60,308	2,11,73,337
Total Non-Current Liabilities		4,01,70,148	5,36,00,581
(3) Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	16	4,15,49,341	5,03,65,205
ii. Trade Payables	17	1,09,44,995	86,41,899
iii. Other Financial Liabilities			
(b) Other Current Liabilities	18	3,21,48,184	4,48,36,487
(c) Current Tax Liabilities	19	46,76,032	-7,84,476
Total Current Liabilities		8,93,18,552	10,30,59,115
Total Liabilities (2+3)		12,94,88,700	15,66,59,696
TOTAL EQUITY AND LIABILITIES		1,20,01,68,786	1,18,50,35,784

Significant Accounting Policies

The accompanying notes 1 to 31 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

For & on behalf of the Board of Directors
Sd/-
J Murali Krishna

Managing Director

Sd/-
J Sujatha

Director

Date: 28-06-2021

Place: Hyderabad

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
1	INCOME			
	a) Revenue from Operations	20	55,89,93,564	62,33,39,926
	b) Other Income	21	51,69,295	28,11,238
	Total Income		56,41,62,859	62,61,51,163
2	EXPENSES			
	a) Project Expenses	22	30,44,64,422	23,87,12,428
	b) Cost of Material	23	12,17,70,078	25,17,68,828
	c) Employee Benefits Expense	24	2,22,29,931	2,16,49,433
	d) Finance Cost	25	5,95,960	14,69,811
	e) Depreciation and Amortisation Expense		2,33,41,964	2,62,35,904
	f) Other Expenses	26	1,21,37,124	1,49,34,085
	Total Expenses		48,45,39,479	55,47,70,489
3	Profit Before Exceptional Item and Tax (1-2)		7,96,23,380	7,13,80,674
4	Exceptional Item			
5	Profit Before Tax		7,96,23,380	7,13,80,674
	Tax Expenses			
	Current Tax		2,12,40,837	1,63,73,238
	Deferred Tax		-5,52,750	13,00,226
6	Profit After Tax		5,89,35,293	5,37,07,211
7	Other Comprehensive Income			
	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		-	-
	Total other comprehensive Income			
8	Total Comprehensive Income		5,89,35,293	5,37,07,211

	Particulars	Note	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
9	Earnings per Share			
	a) Basic		2.571	2.343
	b) Diluted		2.571	2.343

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner
M.No.224674

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

J Sujatha
Director

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

	Particulars	As at 31.03.2021 Amount Rs	As at 31.03.2020 Amount Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	7,96,23,380	7,13,80,674
	Adjustments for:		
	Depreciation	2,33,41,964	2,62,35,904
	Interest & Finance Charges	5,95,960	14,69,811
	Interest Income	-4,96,473	-7,19,518
	Operating Profit before Working Capital Changes	10,30,64,831	9,83,66,872
	Adjustments for:		
	(Increase)/Decrease in Inventories	5,59,877	-10,50,000
	(Increase)/Decrease in Current Trade Receivables	-66,07,854	-1,55,60,230
	(Increase)/Decrease in Non-current Trade Receivables	4,34,14,277	3,48,35,724
	(Increase)/Decrease in Other Non-Current Assets	-12,11,500	-2,77,97,205
	(Increase)/Decrease in Investments	-1,00,000	-
	(Increase)/Decrease in Other Current Assets	-6,04,13,731	-1,13,689
	Increase/(Decrease) in Trade Payables	23,03,096	-7,15,21,149
	Increase/(Decrease) in Other Current Liabilities & Provisions	-72,27,795	85,84,950
	Increase/(Decrease) in Non-Current Liabilities	-1,38,65,779	4,18,586
	Cash generated from operations	5,99,15,422	2,61,63,858
	Income Tax	2,06,88,087	1,76,73,464
	Net Cash flow from Operating activities	3,92,27,335	84,90,394
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets and Capital Work In progress	-94,08,874	-3,46,96,956
	Purchase of Investments	-	-
	Interest Received	4,96,473	7,19,518
	Net Cash used in Investing activities	-89,12,401	-3,39,77,438
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase in Share Capital	-	-

	Particulars	As at 31.03.2021 Amount (Rs)	As at 31.03.2020 Amount (Rs)
	Increase in Capital Reserve		-
	Increase in Securities Premium		-
	Change in Other Equity	-51,68,795	-
	Decrease in Equity Share Warrant Money		-
	Interest Charges	-5,95,960	-14,69,811
	Dividend Payment	-1,14,62,500	-2,29,25,000
	Long term Borrowings	-83,80,518	4,93,35,472
	Net Cash used in financing activities	-2,56,07,773	2,49,40,661
	Net Increase in Cash & Cash Equivalents	47,07,161	-5,46,382
	Cash and Cash Equivalent at the beginning of the period	2,35,67,586	2,41,13,968
	Cash and Cash Equivalent at the end of the period	2,82,74,747	2,35,67,586

For PARY & CO

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

Sd/-
(P VAMSI KRISHNA REDDY)

Partner
 M.No.224674

For & on behalf of the Board of Directors
Sd/-

J Murali Krishna
 Managing Director

Sd/-

J Sujatha
 Director

Statement of Change in Equity

A. Equity Share Capital	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Balance at the beginning	22,92,50,000	22,92,50,000
Add: Changes in Equity share capital during the year	-	-
Closing Balances	22,92,50,000	22,92,50,000
B. Other Equity	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Other Reserves		
Capital Reserve	1,06,67,080	1,06,67,080
Securities Premium	31,45,75,000	31,45,75,000
Equity Share warrant money	-	-
Equity Share warrant money Forfeited*	1,29,18,750	1,29,18,750
Surplus		
Opening Balances	46,09,65,258	43,01,83,047
Add: Profit during the Year	5,89,35,293	5,37,07,211
Less: Dividend for Financial Year	1,14,62,500	2,29,25,000
Less: Dividend Tax for Financial Year	-	-
Less: CSR expenditure	51,68,795	
<i>Closing Balances</i>	<i>50,32,69,256</i>	<i>46,09,65,258</i>
Total	84,14,30,086	79,91,26,088

For PARY & CO

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

Sd/-
(P VAMSI KRISHNA REDDY)

 Partner
 M.No.224674

For & on behalf of the Board of Directors
Sd/-
J Murali Krishna
 Managing Director

Sd/-
J Sujatha
 Director

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-81 Telangana. The Company is principally engaged in IT Sales and Services like eGovernance & Citizen Services, Banking, FI 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 the 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 is 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. 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.

q. 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.

NOTES TO STANDALONE BALANCE SHEET
Note 1: Property Plant & Equipment

Amount Rs.

Particulars	Computer Hardware	Furniture & Fixtures	Vehicles	Office Equipment	Others	Total
Gross Block						
Balance as at 01.04.2019	44,72,89,614	1,15,51,266	1,02,39,585	30,12,804	1,08,71,526	48,29,64,795
Additions	1,41,972	36,105	-	1,30,019	-	3,08,096
Deletions	-	-	-	-	-	-
Balance as at 31.03.2020	44,74,31,586	1,15,87,371	1,02,39,585	31,42,823	1,08,71,526	48,32,72,891
Additions	3,31,547	2,88,000	22,64,782	15,500	1,09,045	30,08,874
Deletions						
Balance as at 31.03.2021	44,77,63,133	1,18,75,371	1,25,04,367	31,58,323	1,09,80,571	48,62,81,765
Accumulated Depreciation						
Balance as at 01.04.2019	27,79,82,124	91,27,032	31,20,110	9,58,198	75,99,535	29,87,86,999
Charge for the year	1,65,07,480	1,53,454	6,94,149	2,00,324	3,11,852	1,78,67,259
Deletion	-	-	-	-	-	-
Balance as at 31.03.2020	29,44,89,604	92,80,486	38,14,259	11,58,522	79,11,387	31,66,54,258
Charge for the year	1,49,31,544	1,52,928	7,29,315	1,94,525	2,89,764	1,62,98,076
Deletion	-	-	-	-	-	-
Balance as at 31.03.2021	30,94,21,148	94,33,414	45,43,574	13,53,047	82,01,151	33,29,52,334
Net Block						
Balance as at 01.04.2019	16,93,07,490	24,24,234	71,19,475	20,54,606	32,71,991	18,41,77,796
Balance as at 31.03.2020	15,29,41,982	23,06,885	64,25,326	19,84,301	29,60,139	16,66,18,633
Balance as at 31.03.2021	13,83,41,985	24,41,957	79,60,793	18,05,275	27,79,420	15,33,29,430

Note 2: Other Intangible Assets

Particulars	Computer Software Rs.	Project Development WIP Rs.	Total Rs.
Gross Block			
Balance as at 01.04.2019	7,64,06,055	7,13,000	7,71,19,055
Additions	-	3,43,88,860	3,43,88,860
Deletions	-	-	-
Balance as at 31.03.2020	7,64,06,055	3,51,01,860	11,15,07,915
Additions	-	64,00,000	64,00,000

Particulars	Computer Software Rs.	Project Development WIP Rs.	Total Rs.
Deletions	-	-	-
Balance as at 31.03.2021	7,64,06,055	4,15,01,860	11,79,07,915
Amortization			
Balance as at 01.04.2019	2,35,40,328	-	2,35,40,328
Charge for the year	83,68,645	-	83,68,645
Disposals	-	-	-
Balance as at 31.03.2020	3,19,08,973		3,19,08,973
Charge for the year	70,43,888		70,43,888
Disposals	-	-	-
Balance as at 31.03.2021	3,89,52,861		3,89,52,861
Net Block			
Balance as at 01.04.2019	5,28,65,727	7,13,000	5,35,78,727
Balance as at 31.03.2020	4,44,97,082	3,51,01,860	7,95,98,942
Balance as at 31.03.2021	3,74,53,194	4,15,01,860	7,89,55,054

Note 3: Non-Current Investments

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
A. Investment in Wholly Owned Subsidiaries (At Cost)		
1. Investment in Equity Instruments (Unquoted)		
VSL Data Systems Private Limited (Formerly Synaptic Systems Pvt. Ltd)	3,00,00,000	3,00,00,000
30,00,000 Equity shares of Rs.10 each		
Vagdevi Sark Edutech Private Limited	1,00,000	1,00,000
10000 equity shares of Rs.10 each		
Vedavaag common Service Centers Private Limited	1,00,000	1,00,000
10000 equity shares of Rs.10 each		
2. Investments in Preference Shares		
VSL Data Systems Private Limited		
40,00,000 5% Redeemable Cumulative Preference shares of Rs.10 each	4,00,00,000	4,00,00,000
Investment in Subsidiaries	7,02,00,000	7,02,00,000

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
B. Investment in other companies		
1. Investment in Business Correspondent Resource Council (BCRC)	1,00,000	-
(A company registered under Section 8 of the Companies Act, 2013)		
10,000 equity shares of Rs. 10/- each		
Aggregate value of Unquoted investments	7,03,00,000	7,02,00,000

During the previous financial years, the company made investments in the subsidiary company to the tune of Rs. 7.02 Crs. Preference dividend @ 5% on investment in Preference Share Capital in VSL Data Systems for 2019-20 and 2020-21. The management is of the opinion that all the above investments are good and realizable, no provision/impairment is made in the books of accounts.

Note: 4 Trade Receivables (Non-Current)

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Secured, Considered Good		
(Receivable from govt. parties and Others)		
Unsecured, Considered Good (more than six months)	15,29,12,024	19,63,26,301
(Receivable from govt. parties and Others)		
Total	15,29,12,024	19,63,26,301

Confirmation of balances / Reconciliation: The Company does not have the procedure of obtaining confirmations and reconciliation of balances from sundry debtors, sundry creditors, advances, deposits from/to suppliers / contractors / government authorities / consumers / employees, loans and other receivables from various parties. The effect of the adjustment arising from reconciliation and settlement of old dues and possible loss which may arise on account of non-recovery or partial recovery of such dues is not ascertained.

Note 5: Other Non-Current Assets

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Capital Advances	2,87,97,205	2,77,97,205
Deposits (Unsecured Considered good)	4,90,500	2,79,000
Total	2,92,87,705	2,80,76,205

Note: 6 Inventory

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Inventories and Project WIP (Valued at FIFO)	99,22,814	1,04,82,691
Total	99,22,814	1,04,82,691

Note: 7 Trade Receivables

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Secured, Considered Good (Receivable from govt. parties and Others)	11,42,89,085	10,76,81,231
Unsecured, Considered Good (Receivable from govt. parties and Others)	-	21,86,00,401
Total	11,42,89,085	10,76,81,231

Note: 8 Cash and Cash Equivalents

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Balance with Bank	33,95,784	68,33,253
Cash on Hand	97,73,187	47,12,446
Total	1,31,68,971	1,15,45,699

Note 9: Bank Balances Other than above

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Balance with Bank (Margin Money Deposits)	1,51,05,776	1,20,21,886
Total	1,51,05,776	1,20,21,886

Note: 10 Other Current Assets

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Advances other than Capital Advances		
Security Deposits	4,74,036	4,74,036
Advance to Subsidiaries	20,59,75,170	23,23,60,920
Project in progress	4,98,65,229	6,18,38,411
Misc. Expenditure	-4,98,65,229	-6,18,38,411
Other Advances	35,09,15,496	26,41,16,016
MAT Credit	55,33,225	55,33,225
Total	56,28,97,927	50,24,84,196

Note: 11 Notes to Equity

A. Equity Share Capital	As at 31.03.2021		As at 31.03.2020	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10 Each	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Total		30,00,00,000		30,00,00,000

Issued, Subscribed & Paid up				
Equity shares of Rs.10 Each	2,29,25,000	22,92,50,000	2,29,25,000	22,92,50,000
Total		22,92,50,000		22,92,50,000

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

Particulars	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	2,29,25,000	22,92,50,000	2,29,25,000	22,92,50,000
Shares issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	2,29,25,000	22,92,50,000	2,29,25,000	22,92,50,000

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 shareholder holding more than 5 percent shares specifying the number of shares

Name of Share Holder	As at 31st March 2021		As at 31st March 2020	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J. Murali Krishna	4598712	20.06%	4598712	20.06%
J.S.R. Durga Prasad	3584960	15.64%	3584960	15.64%
S Abheeshta	1500000	6.54%	1500000	6.54%

Note: 12 Other Equity

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Other Reserves		
Capital Reserve	1,06,67,080	1,06,67,080
Securities Premium	31,45,75,000	31,45,75,000
Equity Share warrant money	-	-
Equity Share warrant money Forfeited*	1,29,18,750	1,29,18,750
Surplus	-	-

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Opening Balances	46,09,65,258	43,01,83,047
Add: Profit during the Year	5,89,35,293	5,37,07,211
Less: Dividend for Financial Year 2018-19	1,14,62,500	2,29,25,000
Less: Dividend Tax for Financial Year 2018-19	-	-
Less: CSR expenditure	51,68,795	
Closing Balances	50,32,69,256	46,09,65,258
Total	84,14,30,086	79,91,26,088

Note: 13 Borrowings (Non-Current)

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Vehicle Loan*	29,15,325	24,79,979
(Secured by hypothecation of the Vehicles)		
Total	29,15,325	24,79,979

Note: 14 Deferred Tax Liabilities (Net)

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Opening Balance	2,99,47,265	2,86,47,039
Add or (Less): Charge during the Year	-5,52,750	13,00,226
Total	2,93,94,515	2,99,47,265

Note: 15 Other Non-Current Liabilities

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
CSP and Other Deposits	78,60,308	2,11,73,337
Total	78,60,308	2,11,73,337

Note: 16 Current Liabilities

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Borrowing - Axis Bank	4,15,05,437	5,03,65,205
Borrowing - ICICI (OD)	43,904	
Total	4,15,49,341	5,03,65,205

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 JSR Durga Prasad and J Murali Krishna
Terms of Repayment	Subject to Covid 19 guidelines of RBI for MSMEs
Amount Overdue	Nil
Lender Name	ICICI Bank
Rate of Interest	2% over interest on Fixed Deposit (6.9% p.a.)
Security	Fixed Deposit of Rs. 1.00 lakh
Terms of Repayment	On demand
Amount Overdue	NIL

Note: 17 Trade Payables

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Trade Payables*	1,09,44,995	86,41,899
Total	1,09,44,995	86,41,899

Note: 18 Other Current Liabilities

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Expenses payable	1,43,39,135	62,05,447
Current maturities of long-term Debt (Vehicle loans)	19,84,759	12,98,622
Unpaid Dividend	21,29,450	18,89,718
Taxes and Duties	1,36,94,840	3,54,42,700
Total	3,21,48,184	4,48,36,487

Note: 19 Current Tax Liability

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Provision for the year	2,12,40,837	1,63,73,238
Less: TDS	1,65,64,805	1,71,57,714
Total	46,76,032	-7,84,476

NOTES TO CONSOLIDATED PROFIT & LOSS ACCOUNT
Note: 20 Revenue from Operations

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Sales	14,66,22,092	28,83,53,334
Services	41,23,71,472	33,49,86,592
Total	55,89,93,564	62,33,39,926

Note: 21 Other Income

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Interest Income	4,96,473	7,19,518
Other Non-Operating Income	6,72,822	20,91,720
Dividend from subsidiaries	40,00,000	-
Total	51,69,295	28,11,238

Note: 22 Project Expenses

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Project Expenses	30,44,64,422	23,87,12,428
Total	30,44,64,422	23,87,12,428

Note: 23 Cost of Material

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Opening Inventory	1,04,82,691	94,32,691
Add: Purchases (Net)	12,12,10,201	25,28,18,828
Total	13,16,92,892	26,22,51,519
Less: Closing Inventory	99,22,814	1,04,82,691
Less: WIP (Projects)	-	-
Total	12,17,70,078	25,17,68,828

Note: 24 Employee Benefit Expenses

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Salaries and Wages	2,22,29,931	2,16,49,433
Total	2,22,29,931	2,16,49,433

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	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Interest -Others	2,56,383	10,97,241
Interest on Vehicle Loan	3,39,577	3,72,570
Total	5,95,960	14,69,811

Note: 26 Administrative and Marketing Expenses

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Audit Fee	3,00,000	2,50,000
Business Development and Marketing	27,350	5,14,114
Bank charges	1,49,192	2,34,026
Consultancy & Professional charges	8,53,040	29,45,340
Telephone & Internet	7,95,595	4,96,497
Miscellaneous	7,53,321	4,28,923
Meeting Expenses	2,43,657	4,30,244
Printing and Stationery	2,62,283	2,65,155
Insurance	3,48,615	1,01,991
Rent	27,36,761	32,36,442
Repairs and maintenance	3,72,804	4,57,028
Share Services Charges	8,67,094	8,27,456
Travelling and Coveyance	6,11,750	28,56,391
Office Maintenance	36,12,712	18,08,025
Web Server Maintenance	2,02,950	82,453
Total	1,21,37,124	1,49,34,085

The company has not recognized the interest payable on delay in payment of statutory dues. There is no demand for interest from the statutory authorities

Note: 27 Earnings per Share (in Rs)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021
Note: 27 Earnings per Share

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Numerator for EPS		
Net Profit after tax (A)	5,89,35,293	5,37,07,211
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	2,29,25,000	2,29,25,000
Basic and diluted Earnings Per Share (A) / (B)	2.571	2.34

Note: 28 Related Party Disclosures
1. Related Parties Where Control Exits

Company	Type of Relation
VSL Data Systems Private Limited	Wholly owned subsidiary
Vagdevi Sark Edutech Private Limited	Wholly owned subsidiary
Vedavag Common Service Centers Private Limited	Wholly owned subsidiary

2. Key Management Personnel

- a. J. Murali Krishna : Managing Director
 b. T B Krishna Mohan : CFO (w.e.f. 20 March 2021)
 c. D. Hima Bindu : Company Secretary

3. Related Party transactions during the year

Nature of transactions	Name of Entity	2020-21	2019-20 Rs.
Advances to Subsidiaries	VSL Data Systems Private Limited	-2,77,83,500	1,80,01,500
	Vagdevi Sark Edutech Private Limited	10,41,000	2,81,500
	Vedavaag Common Service Centers Private Limited	3,65,250	2,75,000

4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2021	31 March 2020
Short term employee benefits	Rs. 28.08 lakhs	Rs. 32.65 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:

Amount Rs.

Description	Company	31 March 2021	31 March 2020
Equity Investment in Subsidiaries	VSL Data Systems Private Limited	3,00,00,000	3,00,00,000
	Vagdevi Sark Edutech Private Limited	1,00,000	1,00,000
	Vedavag Common Service Centres Private Limited	1,00,000	1,00,000
	Business Correspondent Resource Council (BCRC)	1,00,000	-
Preference Shares Investment in Subsidiaries	VSL Data Systems Private Limited	4,00,00,000	4,00,00,000
Advance to subsidiaries	VSL Data Systems Private Limited	16,76,65,205	19,54,48,705
	Vagdevi Sark Edutech Private Limited	1,57,44,715	1,47,03,715
	Vedavag Common Services Centers Private Limited	2,25,65,250	2,22,00,000

Note: 29 Contingent liabilities

The Company has submitted Performance Bank Guarantees worth Rs.4.21 Crore issued by union Bank of India (erstwhile Andhra Bank) for various projects under execution.

Certain Claims and Counter Claims regarding one of the Suppliers is sub judice and management is confident that there will not be any liability on company. Hence no provision has been made. Interest and Penalty on delay in filing of statutory returns is not provided for.

Note: 30 Corporate social responsibility

In accordance with section 135(5) of the Companies Act, 2013, the CSR expenditure to be spent is Rs. 16.28 Lakhs and the same shall be spent during the financial year 2021-22.

Note: 31

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

INDEPENDENT AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



To
The Members of Vedavaag Systems Limited

Opinion

We have audited the accompanying consolidated annual financial statements of Vedavaag System Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the year ended 31.03.2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

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 other auditors on separate audited financial statements /financial statements/ financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial statements:

- i. include the annual financial statements of the following entities
 - VSL Data Systems Private Limited
 - Vagdevi Sark Edutech Private Limited
 - Vedavag Common Service Centers Private Limited
- ii. are presented in accordance with requirements Regulation 33 of Listing Regulations in this regard, and
- iii. give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit/loss and other comprehensive income and other financial information of the Group for the year ended 31.03.2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibilities for the Consolidated Financial Statements

These Consolidated financial statements have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are

responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled 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 the Group 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 and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities 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 skepticism 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 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 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 Board of Directors.

- Conclude on the appropriateness of the Board of Directors 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 statements/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the

Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Statements include the unaudited Financial Statements of 3 subsidiaries, viz, VSL Data Systems Private Limited, Vegdevi Sark Edutech Private Limited and Vedavaag Common Service Centers Private Limited whose Financial Statements/Financial Statements/ financial information reflects Group's share of total assets of Rs. 1328.84 lakhs as at 31.03.2021, Group's share of total revenue of Rs. 1630.52 lakhs and Group's share of total net profit/(loss) after tax of Rs. 110.82 lakhs for the period from 01.04.2020 to 31.03.2021 respectively, as considered in the consolidated Financial Statements, which have been audited by their respective independent Auditors.

The independent auditors' reports on Financial Statements/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The audited interim Financial Statements/Financial Statements/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities is based solely on such audited Financial Statements/Financial Statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements/Financial Statements / financial information is not material to the Group.

Our opinion on the consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements/financial information certified by the Board of Directors.

For PARY & CO
Chartered Accountants
FRN No: 007288C

Sd/-
P VAMSI Krishna Reddy
Partner
M. No. 224674
UDIN: 2122467AAAJF7136

Place: Hyderabad
Date: 28.06.2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
I. ASSETS			
(1) Non-Current Assets			
(a) Property Plant & Equipment	1	28,62,13,403	16,66,18,633
(b) Other Intangible Assets	2	7,89,55,054	19,99,58,479
(c) Financial Assets		-	
i Investments	3	1,00,000	-
ii Trade Receivables		26,38,31,194	19,63,26,301
iii Other Financial Assets		-	-
(d) Other Non-Current Assets	4	2,92,87,705	2,80,76,205
Total Non-Current Assets		65,83,87,356	59,09,79,617
(2) Current Assets			
(a) Inventories	5	99,22,814	1,04,82,691
(b) WIP			
(c) Financial Assets			
i Investments			
ii Trade Receivables	6	11,55,54,248	21,86,00,401
iii Cash and Cash Equivalents	7	1,33,96,594	1,22,36,507
iv Bank Balances Other than iii above	8	1,51,05,776	1,20,21,886
(d) Other Current Assets	9	57,11,20,008	48,50,65,724
Total Current Assets		72,50,99,440	73,84,07,209
TOTAL ASSETS		1,38,34,86,796	1,32,93,86,826
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	10	22,92,50,000	22,92,50,000
(b) Other Equity	11	92,32,90,509	86,71,84,970
Total Equity		1,15,25,40,509	1,09,64,34,970
(2) Liabilities			
Non-Current Liabilities			

(a) Financial Liabilities			
i Borrowings	12	29,15,325	24,79,979
ii. Trade Payables		-	-
iii. Other Financial Liabilities		-	-
(b) Deferred Tax Liabilities (Net)	13	4,72,45,609	4,50,34,195
(c) Other Non -Current Liabilities	14	78,60,308	2,11,73,337
Total Non-Current Liabilities		5,80,21,242	6,86,87,511
(3) Current Liabilities			
(a) Financial Liabilities			
i Borrowings	15	4,15,49,341	5,03,65,205
ii Trade Payables	16	5,67,56,024	1,21,00,592
iii Other Financial Liabilities		-	-
(b) Other Current Liabilities	17	6,67,88,498	10,25,83,023
(c) Current Tax Liabilities	18	78,31,181	-7,84,476
Total Current Liabilities		17,29,25,044	16,42,64,344
Total Liabilities (2+3)		23,09,46,286	23,29,51,856
TOTAL EQUITY AND LIABILITIES		1,38,34,86,795	1,32,93,86,826

Significant Accounting Policies

The accompanying notes 1 to 31 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

Date: 28-06-2021

Place: Hyderabad

For & on behalf of the Board of Directors
Sd/-
J Murali Krishna

Managing Director

Sd/-
J Sujatha

Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
1	INCOME			
	a) Revenue from Operations	20	72,17,56,459	77,16,52,640
	b) Other Income	21	54,59,295	28,11,238
	Total Income		72,72,15,754	77,44,63,878
2	EXPENSES			
	a) Project Expenses	22	30,44,64,422	23,87,12,428
	b) Cost of Material	23	12,29,23,843	25,17,68,828
	c) Employee Benefits Expense	24	8,66,14,843	8,56,51,660
	d) Finance Cost	25	5,95,960	14,69,811
	e) Depreciation and Amortisation Expense		5,76,41,129	5,70,65,790
	f) Other Expenses	26	5,83,50,144	5,63,26,899
	Total Expenses		63,05,90,341	69,09,95,416
3	Profit Before Exceptional Item and Tax (1-2)		9,66,25,413	8,34,68,461
4	Exceptional Item			
5	Profit Before Tax		9,66,25,413	8,34,68,461
	Tax Expenses			
	Current Tax		2,43,95,986	1,64,24,136
	Deferred Tax		22,11,414	45,74,993
6	Profit After Tax		7,00,18,013	6,24,69,332
7	Other Comprehensive Income			
	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		-	-
	Total other comprehensive Income			
8	Total Comprehensive Income		7,00,18,013	6,24,69,332

	Particulars	Note	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
9	Earnings per Share			
	a) Basic		3.054	2.725
	b) Diluted		3.054	2.725

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner
M.No.224674

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

J Sujatha
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

	Particulars	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	9,66,25,413	8,34,68,461
	Adjustments for:		
	Depreciation	5,76,41,129	5,70,65,790
	Dividend for the year	-1,54,62,500	-2,29,25,000
	Interest & Finance Charges	5,95,960	14,69,811
	Interest Income	-7,86,473	-7,19,518
	Operating Profit before Working Capital Changes	13,86,13,529	11,83,59,545
	Adjustments for:		
	(Increase)/Decrease in Inventories	5,59,877	-10,50,000
	(Increase)/Decrease in Trade Receivables (Non-Current)	-6,75,04,893	-19,63,26,301
	(Increase)/Decrease in Trade Receivables	10,30,46,153	19,65,18,225
	(Increase)/Decrease in Other Non-Current Assets	-12,11,500	-2,77,97,205
	Increase/(Decrease) in Other Current Assets	-8,60,54,284	-6,79,94,053
	Increase/(Decrease) in Trade Payables	4,46,55,432	-6,80,62,456
	Increase/(Decrease) in Other Current Liabilities & Provisions	-3,57,94,525	7,80,98,905
	Increase/(Decrease) in Non-Current Liabilities	-1,33,13,029	-85,82,608
	Increase/(Decrease) in Fixed Assets		-3,95,44,332
	Increase/(Decrease) in WIP		7,86,86,795
	Cash generated from operations	8,29,96,760	6,23,06,515
	Income Tax	2,66,07,400	2,09,99,129
	Net Cash flow from Operating activities	5,63,89,360	4,13,07,386
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets and Capital Work In progress	-5,62,32,474	-11,33,83,749
	Purchase of Investments	-1,00,000	-
	Interest Received	7,86,473	7,19,518
	Net Cash used in Investing activities	-5,55,46,001	-11,26,64,231

	Particulars	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Current tax liability	86,15,657	-2,98,11,266
	Deferred Tax	22,11,414	45,74,993
	Changes in other equity	15,50,026	3,95,44,332
	Decrease in Equity Share warrant Money		-
	Interest Charges	-5,95,960	-14,69,811
	Long term Borrowings	-83,80,519	4,93,35,472
	Net Cash used in financing activities	34,00,618	6,21,73,720
	Net Increase in Cash & Cash Equivalents	42,43,977	-91,83,126
	Cash and Cash Equivalent at the beginning of the period	2,42,58,393	3,34,41,519
	Cash and Cash Equivalent at the end of the period	2,85,02,370	2,42,58,393

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner
M.No.224674

Date: 28-06-2021
Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

J Sujatha
Director

Statement of Change in Equity

A. Equity Share Capital	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Balance at the beginning	22,92,50,000	22,92,50,000
Add: Changes in Equity share capital during the year	-	-
Closing Balances	22,92,50,000	22,92,50,000

B. Other Equity	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Other Reserves		
Capital Reserve	1,06,67,080	1,06,67,080
Securities Premium	31,45,75,000	31,45,75,000
Equity share warrant money	-	-
Equity share warrant money Forfeited*	1,29,18,750	1,29,18,750
Surplus		
Opening Balances	52,90,24,140	48,94,79,808
Add: Profit during the Year	7,00,18,013	6,24,69,332
Less: Dividend for Financial Year	1,54,62,500	2,29,25,000
Less: Dividend Tax for Financial Year	-	-
Less: CSR expenditure	51,68,795	
Closing Balances	57,84,10,858	52,90,24,140
Total	91,65,71,688	86,71,84,970

For PARY & CO

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

Sd/-
(P VAMSI KRISHNA REDDY)

 Partner
 M.No.224674

For & on behalf of the Board of Directors
Sd/-
J Murali Krishna
 Managing Director

Sd/-
J Sujatha
 Director

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 e-Governance & Citizen Services, Banking, FI 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 the 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 is 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. 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.

q. 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.

NOTES TO CONSOLIDATED BALANCE SHEET
Note 1: Property Plant & Equipment

Particulars	Computer Hardware	Furniture & Fixtures	Vehicles	Office Equipment	Others	Total
Gross Block						
Balance as at 01.04.2019	44,72,89,614	1,15,51,266	1,02,39,585	30,12,804	1,08,71,526	48,29,64,795
Additions	1,41,972	36,105	-	1,30,019	-	3,08,096
Deletions	-	-	-	-	-	-
Balance as at 31.03.2020	44,74,31,586	1,15,87,371	1,02,39,585	31,42,823	1,08,71,526	48,32,72,891
Additions	4,05,147	2,88,000	22,64,782	15,500	1,09,045	30,82,474
Deletions	-	-	-	-	-	-
Balance as at 31.03.2021	44,78,36,733	1,18,75,371	1,25,04,367	31,58,323	1,09,80,571	48,63,55,365
Accumulated Depreciation						
Balance as at 01.04.2019	27,79,82,124	91,27,032	31,20,110	9,58,198	75,99,535	29,87,86,999
Charge for the year	1,65,07,480	1,53,454	6,94,149	2,00,324	3,11,852	1,78,67,259
Deletion	-	-	-	-	-	-
Balance as at 31.03.2020	29,44,89,604	92,80,486	38,14,259	11,58,522	79,11,387	31,66,54,258
Charge for the year	1,49,43,229	1,52,928	7,29,315	1,94,525	2,89,764	1,63,09,761
Deletion	-	-	-	-	-	-
Balance as at 31.03.2021	30,94,32,833	94,33,414	45,43,574	13,53,047	82,01,151	33,29,64,019
Net Block						
Balance as at 01.04.2019	16,93,07,490	24,24,234	71,19,475	20,54,606	32,71,991	18,41,77,796
Balance as at 31.03.2020	15,29,41,982	23,06,885	64,25,326	19,84,301	29,60,139	16,66,18,633
Balance as at 31.03.2021	13,84,03,900	24,41,957	79,60,793	18,05,275	27,79,420	15,33,91,345

Note 2: Other Intangible Assets

Particulars	Computer Software Rs.	Project Development WIP Rs.	Total Rs.
Gross Block			
Balance as at 01.04.2019	18,79,09,800	7,13,000	18,86,22,800
Additions	7,86,86,793	3,43,88,860	11,30,75,653
Deletions	-	-	-
Balance as at 31.03.2020	26,65,96,593	3,51,01,860	30,16,98,453
Additions	4,67,50,000	64,00,000	5,31,50,000
Deletions	-	-	-
Balance as at 31.03.2021	31,33,46,593	4,15,01,860	35,48,48,453
Amortization			
Balance as at 01.04.2019	6,25,41,443	-	6,25,41,443
Charge for the year	3,91,98,531	-	3,91,98,531
Disposals	-	-	-
Balance as at 31.03.2020	10,17,39,974	-	10,17,39,974
Charge for the year	4,13,31,367	-	4,13,31,367
Disposals	-	-	-
Balance as at 31.03.2021	14,30,71,341	-	14,30,71,341
Net Block			
Balance as at 01.04.2019	12,53,68,357	7,13,000	12,60,81,357
Balance as at 31.03.2020	16,48,56,619	3,51,01,860	19,99,58,479
Balance as at 31.03.2021	17,02,75,252	4,15,01,860	21,17,77,112

Note 3: Non-Current Investments

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
A. Investment in Wholly Owned Subsidiaries (At Cost)		
1. Investment in Equity Instruments (Unquoted)		
VSL Data Systems Private Limited (Formerly Synaptic Systems Pvt. Ltd)	-	-
30,00,000 Equity shares of Rs.10 each		

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Vagdevi Sark Edutech Private Limited	-	-
10000 equity shares of Rs.10 each		
Vedavaag common Service Centers Private Limited	-	-
10000 equity shares of Rs.10 each		
2. Investments in Preference Shares		
VSL Data Systems Private Limited		
40,00,000 5% Redeemable Cumulative Preference shares of Rs.10 each	-	-
Investment in Subsidiaries	-	-
B. Investment in other companies		
1. Investment in Business Correspondent Resource Council (BCRC)	1,00,000	-
(A company registered under Section 8 of the Companies Act, 2013)		
10,000 equity shares of Rs. 10/- each		
Aggregate value of Unquoted investments	1,00,000	-

Note: 4 Trade Receivables (Non-Current)

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Secured, Considered Good		
(Receivable from govt. parties and Others)		
Unsecured, Considered Good (more than six months)	26,38,31,194	19,63,26,301
(Receivable from govt. parties and Others)		
Total	26,38,31,194	19,63,26,301

Note 5: Other Non-Current Assets

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Capital Advances	2,87,97,205	2,77,97,205
Deposits (Unsecured Considered good)	4,90,500	2,79,000
Total	2,92,87,705	2,80,76,205

Note: 6 Inventory

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Inventories and Project WIP (Valued at FIFO)	99,22,814	1,04,82,691
Total	99,22,814	1,04,82,691

Note: 7 Trade Receivables

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Secured, Considered Good (Receivable from govt. parties and Others)	11,55,54,248	-
Unsecured, Considered Good (Receivable from govt. parties and Others)	-	21,86,00,401
Total	11,55,54,248	21,86,00,401

Note: 8 Cash and Cash Equivalents

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Balance with Bank	35,41,443	74,79,881
Cash on Hand	98,55,150	47,56,626
Total	1,33,96,594	1,22,36,507

Note 9: Bank Balances Other than above

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Balance with Bank (Margin Money Deposits)	1,51,05,776	1,20,21,886
Total	1,51,05,776	1,20,21,886

Note: 10 Other Current Assets

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Advances other than Capital Advances		
Security Deposits	14,82,036	4,82,036
Advance to Subsidiaries	20,59,75,170	23,23,60,921

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Project in progress	5,09,51,672	-
Misc. Expenditure	-4,97,14,229	1,76,000
Other Advances	56,28,67,304	24,65,13,542
MAT Credit	55,33,225	55,33,225
Total	77,70,95,178	48,50,65,724

Note: 11 Notes to Equity

A. Equity Share Capital	As at 31.03.2021		As at 31.03.2020	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10 Each	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Total		30,00,00,000		30,00,00,000

Issued, Subscribed & Paid up

Equity shares of Rs.10 Each	2,29,25,000	22,92,50,000	2,29,25,000	22,92,50,000
Total		22,92,50,000		22,92,50,000

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

Particulars	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	2,29,25,000	22,92,50,000	2,29,25,000	22,92,50,000
Shares issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	2,29,25,000	22,92,50,000	2,29,25,000	22,92,50,000

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 shareholder holding more than 5 percent shares specifying the number of shares

Name of Share Holder	As at 31st March 2021		As at 31st March 2020	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J. Murali Krishna	4598712	20.06%	4598712	20.06%
J.S.R. Durga Prasad	3584960	15.64%	3584960	15.64%
S Abheeshta	1500000	6.54%	1500000	6.54%

Note: 12 Other Equity

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Other Reserves		
Capital Reserve	1,06,67,080	1,06,67,080
Securities Premium	31,45,75,000	31,45,75,000
Equity Share warrant money	-	-
Equity Share warrant money Forfeited*	1,29,18,750	1,29,18,750
Surplus	-	-
Opening Balances	53,57,42,961	48,94,79,808
Add: Profit during the Year	7,00,18,013	6,24,69,332
Less: Dividend for Financial Year 2018-19	1,54,62,500	2,29,25,000
Less: Dividend Tax for Financial Year 2018-19	-	-
Less: CSR expenditure	51,68,795	
Closing Balances	58,51,29,679	52,90,24,140
Total	92,32,90,509	86,71,84,970

Note: 13 Borrowings (Non-Current)

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Vehicle Loan* (Secured by hypothecation of the Vehicles)	29,15,325	24,79,979
Total	29,15,325	24,79,979

Note: 14 Deferred Tax Liabilities (Net)

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Opening Balance	4,50,34,195	4,04,59,202
Add or (Less): Charge during the Year	22,11,414	45,74,996
Total	4,72,45,609	4,50,34,195

Note: 16 Current Liabilities

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Borrowing - Axis Bank	4,15,05,437	5,03,65,205
Borrowing - ICICI (OD)	43,904	
Total	4,15,49,341	5,03,65,205

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 JSR Durga Prasad and J Murali Krishna
Terms of Repayment	Subject to Covid 19 guidelines of RBI for MSMEs
Amount Overdue	Nil
Lender Name	ICICI Bank
Rate of Interest	2% over interest on Fixed Deposit (6.9% p.a.)
Security	Fixed Deposit of Rs. 1.00 lakh
Terms of Repayment	On demand
Amount Overdue	NIL

Note: 17 Trade Payables

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Trade Payables*	5,67,56,024	121,00,592
Total	5,67,56,024	121,00,592

Note: 18 Other Current Liabilities

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Expenses payable	3,10,94,235	64,52,447
Current maturities of long-term Debt (Vehicle loans)	19,84,759	12,98,622
Other provisions & Payables	-	4,00,14,323
Unpaid Dividend	21,29,450	18,89,718
Taxes and Duties	3,15,80,054	5,29,27,914
Total	6,67,88,498	10,25,83,023

Note: 19 Current Tax Liability

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Provision for the year	2,43,95,986	1,63,73,238
Less: TDS	1,65,64,805	1,71,57,714
Total	78,31,181	-7,84,476

NOTES TO CONSOLIDATED PROFIT & LOSS ACCOUNT
Note: 20 Revenue from Operations

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Sales	30,75,97,836	28,83,53,334
Services	41,41,58,623	48,32,99,306
Total	72,17,56,459	77,16,52,640

Note: 21 Other Income

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Interest Income	7,86,473	7,19,518
Other Non-Operating Income	6,72,822	20,91,720
Dividend from subsidiaries	40,00,000	---
Total	54,59,295	28,11,238

Note: 22 Cost of Material

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Opening Inventory	1,04,82,691	94,32,691
Add: Purchases (Net)	12,23,63,966	25,28,18,828
Total	13,28,46,657	26,22,51,519
Less: Closing Inventory	99,22,814	1,04,82,691
Less: WIP (Projects)	-	-
Total	12,29,23,843	25,17,68,828

Note: 23 Project Expenses

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Project Expenses	30,44,64,422	23,87,12,428
Total	30,44,64,422	23,87,12,428

Note: 24 Employee Benefit Expenses

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Salaries and Wages	8,66,14,843	8,56,51,660
Total	8,66,14,843	8,56,51,660

Note: 25 Finance Cost

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Interest -Others	2,56,383	10,97,241
Interest on Vehicle Loan	3,39,577	3,72,570
Total	5,95,960	14,69,811

Note: 26 Administrative and Marketing Expenses

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Audit Fee	3,57,500	3,07,500
Business Development and Marketing	27,350	5,14,114
Bank charges	1,74,619	2,41,009
Consultancy & Legal	12,49,320	31,03,808
Telephone & Internet	9,45,388	4,96,497

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Miscellaneous	9,55,321	4,28,923
Meeting Expenses	2,43,657	4,30,244
GST Paid	1,59,50,022	97,46,684
Printing and Stationery	2,90,178	2,65,155
Insurance	3,48,615	1,01,991
Rent	30,13,442	34,92,392
Repairs and maintenance	4,85,304	5,09,343
Share Services Charges	8,67,094	8,27,456
Travelling and Coveyance	19,32,756	39,90,726
Office Maintenance	3,13,06,628	3,17,88,604
Web Server Maintenance	2,02,950	82,453
Total	5,83,50,144	5,63,26,899

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

Note: 27 Earnings per Share (in Rs)

Particulars	AS AT 31.03.2021 Rs.	AS AT 31.03.2020 Rs.
Numerator for EPS		
Net Profit after tax (A)	7,00,18,013	6,24,69,332
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	2,29,25,000	2,29,25,000
Basic and diluted Earnings Per Share (A) / (B)	3.054	2.72

Note: 28 Related Party Disclosures

1. Related Parties Where Control Exits

Company	Type of Relation
VSL Data Systems Private Limited	Wholly owned subsidiary
Vagdevi Sark Edutech Private Limited	Wholly owned subsidiary
Vedavag Common Service Centers Private Limited	Wholly owned subsidiary

2. Key Management Personnel

- a. J. Murali Krishna : Managing Director
 b. T B Krishna Mohan : CFO (w.e.f. 20 March 2021)
 c. D. Hima Bindu : Company Secretary

3. Related Party transactions during the year

Nature of transactions	Name of Entity	2020-21 Rs.	2019-20 Rs.
Advances to Subsidiaries	VSL Data Systems Private Limited	-2,77,83,500	1,80,01,500
	Vagdevi Sark Edutech Private Limited	10,41,000	2,81,500
	Vedavaag Common Service Centers Private Limited	3,65,250	2,75,000

4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2021	31 March 2020
Short term employee benefits	Rs. 28.08 lakhs	Rs. 32.65 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:

Amount Rs.

Description	Company	31 March 2021	31 March 2020
Equity Investment in Subsidiaries	VSL Data Systems Private Limited	3,00,00,000	3,00,00,000
	Vagdevi Sark Edutech Private Limited	1,00,000	1,00,000
	Vedavag Common Service Centres Private Limited	1,00,000	1,00,000
	Business Correspondent Resource Council (BCRC)	1,00,000	-
Preference Shares Investment in Subsidiaries	VSL Data Systems Private Limited	4,00,00,000	4,00,00,000
Advance to subsidiaries	VSL Data Systems Private Limited	16,76,65,205	19,54,48,705
	Vagdevi Sark Edutech Private Limited	1,57,44,715	1,47,03,715
	Vedavag Common Services Centers Private Limited	2,25,65,250	2,22,00,000

Note: 29 Contingent liabilities

The Company has submitted Performance Bank Guarantees worth Rs.4.21 Crore issued by union Bank of India (erstwhile Andhra Bank) for various projects under execution.

Certain Claims and Counter Claims regarding one of the Suppliers is sub judice and management is confident that there will not be any liability on company. Hence no provision has been made. Interest and Penalty on delay in filing of statutory returns is not provided for.

Note: 30 Corporate social responsibility

In accordance with section 135(5) of the Companies Act, 2013, The CSR expenditure to be spent is Rs. 16.28 Lakhs and the same shall be spent during the financial year 2021-22.

Note: 31

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

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 : 103, West Block, Sirisai Orchid, Hitech city, Madhapur, Hyderabad – 500081

Name of the members	
Registered Address	

I/ We are being the member of Vedavaag Systems Limited, holding _____ shares, hereby appoint

Name _____

Address _____

E-mail Id: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of members of the Company, to be held on Saturday, 25th September 2021 at 11.30 A.M. at “The Federation of Telangana Chambers of Commerce and Industry” (Formerly known as FAPCCI), Red hills, Hyderabad-500004, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 together with the reports of the Board of Directors and Auditors there on.
- To declare dividend on the Equity shares of the Company for the financial year 2020-21.
- To appoint a director in place of Mrs. Sujatha Jonnavittula who retires by rotation and being eligible offers herself for reappointment.
- To re-appoint M/s. PARY & Co as statutory auditors of the company, to hold office from conclusion of 23rd Annual General Meeting till the conclusion of 24th Annual General Meeting and to authorize Board of Directors to fix their remuneration.
- Re-Designation of Mr. Ramesh Sinha D (DIN 08841202) as Independent of Director.
- To Approve appointment of Mr. Ananth Jonnavittula (DIN No 0009300935) as additional director of the Company in the category of promoter director.
- Approval of Vedavaag Systems Limited Employee Stock Option Scheme 2021 (VSL ESOP 2021) under SEBI (Share Based Employee Benefits) Regulations, 2014 To consider and, if thought fit, with or without modifications
- 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):

Signed this _____ day of _____ 2021.

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, before the commencement of the Meeting.

Format of Attendance Slip of Annual General Meeting

ATTENDANCE SLIP

23rd Annual General Meeting, Saturday 25th September 2021, at 11.30 am

Regd. Folio No: _____ /DP ID/ _____ Client ID/Ben A/C _____

No. of shares held _____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and here by record my presence at the 23rd Annual General Meeting of the Company on Saturday 25th September 2021, at 11.30 am 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
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