



Date: 07-09-2022

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

Scrip Code: 533056

ISIN: INE359B01010

Dear Sir/Madam,

Sub: Notice of 24th Annual General Meeting (AGM) along with Annual report 2021-22.

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

With reference to the subject cited and pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements), 2015, please find enclosed Notice convening 24th Annual General Meeting and Annual Report for the financial year 2021-22.

The Annual Report for the Financial Year ended 31st March, 2022, is also available on the website of the Company i.e., www.vedavaag.com

Kindly take the above information on records.

Thanking You.

Yours faithfully,

For Vedavaag Systems Limited


Saiteja Ivaturi
Company Secretary & Compliance Officer



Enclosed: a/a

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

**24th ANNUAL
REPORT 2021-22**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Gundu Trivikrama Murthy *Chairman & Independent Director	Mr. Jonnavittula Murali Krishna Managing Director	Mr. Pannala Srinivas Independent Director
Mr. Duggi Ramesh Sinha Independent Director	Mr. Narsupalli Pradeep Kumar Independent Director	Mr. Jonnavittula Ananth Non-Executive and Non-Independent Director
	Mrs. Jonnavittula Sujata Non-Executive and Non-Independent Director (Woman)	

*Mr. G T Murthy who was Independent Director on the Board of the Company was designated as Chairman of the Board w.e.f. 7th February, 2022

BOARD COMMITTEES

Audit Committee

Mr. Pannala Srinivas	- Chairman
Mr. Gundu Trivikrama Murthy	- Member
Mrs. Sujatha Jonnavittula	- Member

Stakeholders Relationship Committee

Mr. Gundu Trivikrama Murthy	- Chairman
Mr. Pannala Srinivas	- Member
Mrs. Sujatha Jonnavittula	- Member

Nomination and Remuneration Committee

Mr. Pannala Srinivas	- Chairman
Mr. Gundu Trivikrama Murthy	- Member
Mrs. Sujatha Jonnavittula	- Member

Corporate Social Responsibility Committee

Mr. Jonnavittula Murali Krishna	- Chairman
Mr. Gundu Trivikrama Murthy	- Member
Mrs. Sujatha Jonnavittula	- Member

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Jonnavittula Murali Krishna	- MD
Mr. T. B. Krishna Mohan	- CFO
Mr. Saiteja Ivaturi	- CS & CO

STATUTORY AUDITOR

M/s. Pary & Co.
Chartered Accountants
No.-6, 2nd Floor, 8-2-703/VJ/6, Vijay Villa,
Road No. 12, Banjara Hills-500034, Hyderabad,
Telangana

SECRETARIAL AUDITORS

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

BANKERS

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

REGISTERED OFFICE

1-90-8/13, B Block, 103 Sri Sai Orchid, HI Tec City,
Madhapur, Hyderabad 500081, Telangana, India

T +91 040-40188140
E info@vedavaag.com

STOCK EXCHANGE(S) WHERE COMPANY'S SECURITIES ARE LISTED

The BSE Limited

REGISTRAR AND SHARE TRANSFER AGENT

Venture Capital and Corporate Investments Private Limited,
12-10-167 Bharat Nagar, Hyderabad-500018, Telangana, India.

T + 040 23818475/ 23818476/ 23868023
F + 040 23868024
E info@vccipl.com

NOTICE TO THE ANNUAL GENERAL MEETING

To the Members of Vedavaag Systems Limited

NOTICE IS HEREBY GIVEN THAT THE 24TH ANNUAL GENERAL MEETING OF VEDAVAAG SYSTEMS LIMITED WILL BE HELD ON FRIDAY, 30TH DAY OF SEPTEMBER, 2022, AT THE SURANA AUDITORIUM, THE FEDERATION OF TELANGANA CHAMBER OF COMMERCE AND INDUSTRY, RED HILLS (FTCCI), HYDERABAD - 500004 AT 12.00 NOON TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements for the year ended 31st March 2022

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended 31st March 2022 together with Reports of the Board of Directors and Statutory Auditors thereon, including Annexure thereto.

2. Declaration of final dividend on Equity Shares for the financial year ended 31st March 2022

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 2022.

3. Re-Appointment of Mr. Ananth Jonnavittula, as Director of the Company

To appoint a director in place of Mr. Ananth Jonnavittula (DIN: 09300935), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.

4. To re-appoint M/S PARY & CO. as Statutory Auditors of the Company, to hold office from the conclusion of 24th Annual General Meeting till the conclusion of 25th Annual General Meeting and to authorize Board of Directors to fix their remuneration.

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

“RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/S. PARY & Co., Chartered Accountants, Hyderabad – 500 034 (Firm’s Registration No. 007288C), be and are hereby re-appointed as Statutory Auditors of the Company for a period of One year, from the conclusion of 24th Annual General Meeting till the conclusion of 25th Annual General Meeting of the Company to be held in the year 2023.”

“RESOLVED FURTHER THAT for the financial year 2022-2023 a remuneration of Rs. 3,00,000/- (Rupees Three lakhs only) (exclusive of applicable taxes and out of pocket expenses and fees for certification work) as fixed by the Board of Directors be paid to the Auditors for conducting statutory audit, and limited review of quarterly results.”

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

SPECIAL BUSINESS:

5. To consider and approve the re-appointment of Mr. J Murali Krishna (DIN: 00016054) as Managing Director of the Company and increase in remuneration

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and consent of the Board in line with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company and SEBI (Listing obligations and disclosure requirements) Regulation, 2015 (“Listing Regulations), the consent of the members be and is hereby accorded to re-appoint Mr. J Murali Krishna, (DIN: 00016054) as Managing Director of the Company for a period of five years with effect from 29th August, 2022 to 28th August, 2027.”

“RESOLVED FURTHER THAT Mr. J Murali Krishna (DIN: 00016054) is not liable to retire by rotation, the increase in remuneration and other terms and conditions as detailed in the explanatory statement pursuant to section 102 of the Act, annexed hereto forming part of this notice.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise the remuneration payable to Mr. J Murali Krishna (DIN: 00016054) as Managing Director of the Company, from time to time as per Section 197 and Schedule V of the Companies Act, 2013 and with such approval or permissions if any required for such revision in the remuneration from time to time.”

“RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to file requisite forms with the Registrar of Companies and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To re-appoint Mr. Srinivas Pannala, (DIN: 00018295) as Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Srinivas Pannala (DIN: 00010180), who holds office of Independent Director up to 30th September, 2022 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st October, 2022 upto 30th September, 2027.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. Approval for payment of commission on profits to Non-Executive Directors

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

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

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

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

**Place: Hyderabad
Date: 29-08-2022**

**For Vedavaag Systems Limited
Sd/-
J Murali Krishna
Managing Director
DIN: 00016054**

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 compliance with MCA Circular No. 20/2020 dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and 5 May 2022 and SEBI Circular No. SEBI/HO/CFD/CMD 1/ CIR/P/2020/79 dated 12 May 2020 and SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated 15 January 2021 and SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as the Annual Report), the Annual Report for Financial year ended 31st March 2022 and Notice of the AGM are being sent in electronic mode to the Members whose e-mail address is registered with the Company or the Depository Participant(s).

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 2021-2022 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's RTA with folio number attaching self - attested copy of Pan card and a photocopy of blank cancelled cheque of their bank account at investor@vccipl.com or to info@vedavaag.com.

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

5. Special attention is drawn on circulars issued by SEBI vide SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 as a clarification to the circular SEBI/HO/MIRSD/MIRSD-RTAMB/P/CLR/2021/655 dated 3rd November, 2021 issued by SEBI as an ongoing measure to enhance the ease of doing business for investors in the securities market.

Special attention:

- 1) Para 4 i.e., Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities
- 2) Para 5 i.e., Freezing of Folios without PAN, KYC details and Nomination.
- 3) Para 6 i.e., Compulsory linking of PAN and Aadhaar by all holders of physical securities

6. As an on-going measure to enhance ease of dealing in securities markets by investors, it has been decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADN-RO/GN/2022/66 dated January 24, 2022) while processing the following service request.

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal / Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division / Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission;
- viii. Transposition;

7. The Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a Certified Copy of the Board Resolution authorising their representative to attend and vote on their behalf at their meeting.

8. Members who hold shares in physical form can nominate a person in respect of all shares held by them singly or jointly. Members who hold shares in single name are advised in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant for recording nomination of shares.

9. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members Holding Shares in electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members, who hold the shares in Physical, should submit their PAN to the Company/ Registrar.

10. Subject to the receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of AGM.

11. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, as applicable provisions of the Companies Act, 2013 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

Book Closure and Dividend

1. The Register of members and Share Transfer Books of the Company will be closed from Monday, 26th September 2022 to Friday 30th September 2022, 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 24th September 2022 Saturday, as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in the case of shares held in dematerialized form.

3. Shareholders may note that the Income Tax Act 1961, as amended by Finance Act 2021, mandates that dividends paid or distributed by the Company after 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 or before 20.09.2022.

- 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 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, 2018-2019, 2019-20 and 2020-21 before the due dates as the unclaimed dividend will get transfer to IEPF Account in the years 2024, 2025, 2026, 2027 and 2028 respectively.

Voting Through Electronic Means:

1. In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called “the Rules” for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the notice through electronic voting

2. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility to the members to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting (“Remote e-voting”). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the authorized agency to provide e-voting facilities.

3. The Board of Directors has appointed Mrs. D. Renuka, Practicing Company Secretary, (Membership No. ACS 11963 and CP No. 3460) as a Scrutinizer to scrutinize the remote e-Voting process and poll at AGM in a fair and transparent manner.

4. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-Voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than two (2) working days from the conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by the Chairman for counter signature.

5. The Results shall be declared by the Chairman or by an authorized person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions.

6. After declaration of the results, the same shall be placed along with the Scrutinizer’s Report(s) on the website of the Company www.vedavaag.com and communicated to BSE Limited where the shares of the Company are listed for placing the same on their website.

7. The instructions of shareholders for remote e-voting:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on 27th September, 2022, Tuesday (09:00 A.M. IST) and ends on 29th September, 2022, Friday (05:00 P.M IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e., CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin the system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com.</p> <p>Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>
	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@vedavaag.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

8. Process for those shareholders whose email/mobile no. Are not registered with the company/depositories

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

Explanatory Statement to be annexed to the notice under section 102 of the Companies Act, 2013.

Item-5:

On the recommendation of Nomination and Remuneration Committee, the Board at its Board Meeting held on 29th August, 2022 recommends to the Shareholders the appointment of Mr. J Murali Krishna (DIN: 00016054), as Managing Director of the Company.

Mr. J Murali Krishna (DIN: 00016054) is associated with the Company from the date of its incorporation. His association has added an immense value for the growth of the Company. Based on his expertise and the contribution over the years of his association with the Company the Board pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board recommends the re-appointment of Mr. J Murali Krishna as Managing Director of the Company. The Committee also recommended for revision in remuneration of Mr. J Murali Krishna.

In terms of Section 196 of the Companies Act, 2013 the details of appointment, terms and conditions and remuneration during his tenure from 29th August, 2022 to 29th August, 2027.

- Salary, Perquisites and Allowances: Upto Rs. 5,00,000/- per month (Previously it was Rs. 4,50,000/- per month)
- Gratuity not exceeding half a month's salary for each completed year of service.
- Mr. J Murali Krishna shall be entitled to reimbursement of all or any expenditure actually and properly incurred for Company's business. He shall not be entitled to any sitting fee for attending meeting of the Board of Director's or Committees thereof.
- 1% commission on net profits of the Company

He is Brother-in-law of Mrs. J Sujatha and father of Mr. J Ananth. None of other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested either financially or otherwise in the Resolution set out at Item No. 5 of this notice.

Item-6:

On the recommendation of Nomination and Remuneration Committee, the Board at its Board Meeting held on 29th August, 2022 recommends to the Shareholders the re-appointment of Mr. Srinivas Pannala (DIN: 00018295) as Independent Director of the Company for further tenure of 5 years.

Mr. Srinivas Pannala, is Subject Matter Expert and Management Consultant with nearly 30 years of experience in Portfolio Project Management, EPMO, Corporate Planning, Change Management, and Leadership Choices and Decision Making. His current focus areas are on eliminating SILOs in Management Reporting in Firms, forging Goals Alignment across organizations and corporate governance in multi-contract scenarios, R&D, systems integration, multi lines of business. He brings rich experience in business analysis, management team setup and corporate performance management. He has rich technical expertise. His presence on the Board has added an immense value and considering his expertise the Board recommends his re-appointment as Independent Director of the Company.

None of the Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested either financially or otherwise in the Resolution set out at Item No. 6 of this notice.

Item 7:

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

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

ANNEXURES TO THE NOTICE

Appointment/Re-Appointment at the Annual General Meeting as Required Under Regulation 36 of the Sebi (Listing Regulations and Disclosure Requirement) Regulations 2015.

Item-5: Re-Appointment of Mr. J. Murali Krishna

DIN	00016054
Date of Birth and Age	10/08/1961 and Age: 61 years
Qualification	Management Degree Holder from Jamnalal Bajaj Institute of Management Studies
Experience	He has been associated with the Company since incorporation. He started his career from one of the leading Indian IT corporates, Mastek Limited. He headed IT department at Indian Express, ITW Signode India Limited and Bakelite Hylam Limited.
Relationship with other Directors and Key Managerial Personnel of the Company of the Company	1) Brother-in-law of Mrs. J Sujatha – Non-Executive and Non-Independent Director (Women Director) 2) Father of Mr. J Ananth – Non-Executive and Non-Independent Director
Nature of appointment (appointment / re-appointment)	Re-appointment as Managing Director
Terms and conditions of appointment / re-appointment	Tenure: 5 years and terms and conditions forms part of explanatory statement attached as per Section 102 of Companies Act, 2013.
Remuneration sought to be paid	Rs. 60,00,000/-
Date of first appointment on the Board	16-04-1998
Shareholding in the Company	45,98,712 equity shares
No. of meetings of the Board attended during the year	5 out of 5
Directorship details	1) Vedavag Common Service Centres Private Limited 2) Vedavaag Edutech Private Limited (Formerly Vagdevi Sark Edutech Private Limited) 3) Vedavaag Financial Services Private Limited 4) Vedavaag Kiya Ecommerce Private Limited 5) Vangmaya Foundation
*Chairman/Member in the Committees of the Board of Companies in which he is Director	Nil
*Committee membership/Chairmanships include only Audit Committee and Stakeholders Relationship Committee of other public and/or Listed Companies including the Company in which his re-appointment is proposed.	

Item 6: Re-Appointment of Mr. Srinivas Pannala

DIN	00018295											
Date of Birth and Age	25/05/1968 and Age: 54 years											
Qualification	Graduate from IIT and a post-graduate diploma holder from IIM Bangalore											
Experience	Subject Matter Expert and Management Consultant with nearly 30 years of experience in Portfolio Project Management, EPMO, Corporate Planning, Change Management, and Leadership Choices and Decision Making. His current focus areas are on eliminating SILOs in Management Reporting in Firms, forging Goals Alignment across organizations and corporate governance in multi-contract scenarios, R&D, systems integration, multi lines of business. He brings rich experience in business analysis, management team setup and corporate performance management.											
Relationship with other Directors and Key Managerial Personnel of the Company of the Company	NA											
Nature of appointment (appointment / re-appointment)	Re-appointment as Independent Director											
Terms and conditions of appointment / re-appointment	Tenure: 5 years											
Remuneration last drawn by such person, if any and remuneration sought to be paid	NA											
Date of first appointment on the Board	07-01-2017											
Shareholding in the Company	Nil											
No. of meetings of the Board attended during the year	5 out of 5											
Directorship details	<ol style="list-style-type: none"> Mitoken Solutions Private Limited VXO Digital Private Limited VSL Datasystems Private Limited VXO Analytics Private Limited 											
*Chairman/Member in the Committees of the Board of Companies in which he is Director	<table border="1"> <thead> <tr> <th>Name of the Committee</th> <th>Position</th> <th>Name of Company</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>Chairman</td> <td>Vedavaag Systems Limited</td> </tr> <tr> <td>Stakeholders Relationship Committee</td> <td>Member</td> <td>Vedavaag Systems Limited</td> </tr> </tbody> </table>			Name of the Committee	Position	Name of Company	Audit Committee	Chairman	Vedavaag Systems Limited	Stakeholders Relationship Committee	Member	Vedavaag Systems Limited
Name of the Committee	Position	Name of Company										
Audit Committee	Chairman	Vedavaag Systems Limited										
Stakeholders Relationship Committee	Member	Vedavaag Systems Limited										
*Committee membership/Chairmanships include only Audit Committee and Stakeholders Relationship Committee of other public and/or Listed Companies including the Company in which his re-appointment is proposed.												

ROUTE MAP FOR AGM VENUE



FROM MD'S DESK:

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

Total transactions in 2021-22:

Parameter	H1 21-22	H2 21-22	% Increase
No of Txns (lakhs)	122	131	7%

Gross Transaction Value in 2021-22

Parameter	H1 21-22	H2 21-22	% Increase
Value (crores)	5663	6842	21%

The company actively promoted the government sponsored insurance schemes and following are some of the achievements to its credit.

Scheme	H1 21-22 (nos.)	H2 21-22 (nos)	% Increase
APY	35172	57656	64%
PMJJBY	70855	123039	74%
PMSBY	142328	171118	20%

The company is expanding its financial services portfolio by adding digital gold, insurance and mutual fund investment options. The company tied up with MMTC PAMP Private limited for Digital Gold Services and Angel broking for other financial services.

The company did not take forward the Agri commodity services, as it perceived more operational risk than the opportunities on the table.

The company is working on to bid for smart city/transportation business opportunities with the top end solution providers of the industry and expecting some results in the current year. The company has a tie-up with Airbus partners – Arubaito India Private Limited.

DIRECTORS' REPORT

Dear Members

Your directors have pleasure in presenting the 24th Directors' Report of your company together with the audited Standalone and Consolidated Financial Statements for the year ended, 31st March 2022.

1. Financial Summary

Standalone :

Rs. in lakhs

Particulars	2021-22	2020-21
Revenue from Operations	6877.52	5589.94
Other Income	10.34	51.69
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1177.97	1035.61
Less: Depreciation	208.55	233.42
Profit before Finance Costs, Exceptional items and Tax Expense	969.42	802.19
Less: Finance Cost	10.97	5.96
Profit before Exceptional items and Tax Expense	958.45	796.23
Add/(less): Exceptional items	0	0
Profit before Tax Expense	958.45	796.23
Less: Tax Expense (Current & Deferred)	243.01	206.88
Profit for the year	715.44	589.35

Consolidated:

Particulars	2021-22	2020-21
Revenue from Operations	9545.98	7217.56
Other Income	10.34	54.59
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1717.39	1548.62
Less: Depreciation	592.90	576.41
Profit before Finance Costs, Exceptional items and Tax Expense	1124.49	972.21
Less: Finance Cost	10.97	5.96
Profit before Exceptional items and Tax Expense	1113.52	966.25
Add/(less): Exceptional items	0	0
Profit before Tax Expense	1113.52	966.25
Less: Tax Expense (Current & Deferred)	283.09	266.07
Profit for the year	830.43	700.18

2. Transfer to Reserves:

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

3. Dividend:

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

4. State of the Company's Affairs:

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

On Standalone basis the revenue from operations for FY 2021-22 was Rs. 6877.52/- lakhs higher by 23.03% as compared to previous year revenue of Rs. 5589.94/- lakhs and net profit was Rs. 715.44/- lakhs higher by 21.4% as compared to Rs. 589.35/- lakhs for the FY 2020-21.

The consolidated revenue from operations was Rs. 9545.98/- lakhs higher by 32.26% as compared to previous year revenue of Rs. 7217.56/- lakhs i.e., for FY 2020-21 and net profit was Rs. 830.43/- lakhs higher by 18.6% as compared to Rs. 700.18/- lakhs for the FY 2020-21.

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

5. 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.

6. Share Capital:

a) Equity:

The paid-up Share Capital of the Company as on 31st March 2022 stands as 2,29,25,000 Shares of ₹10/- Each. There was no further issue of shares during the Year.

b) Employee Stock Options:

The Shareholders of the Company at the 23rd Annual General Meeting held on 25th Day of September, 2021 has approved the issue of Employee Stock options to employees of the Company and its Subsidiaries (VSL ESOP 2021). There was no further development pertaining to the said issue.

7. Subsidiary Companies:

Your company has 4 wholly owned subsidiary Companies as on 31st March, 2022 viz., VSL Data Systems Private Limited, Vedavaag Edutech Private Limited (Formerly Vagdevi Sark Edutech Private Limited), Vedavag Common Service Centres Private Limited and Vedavaag Financial Services Private Limited and a subsidiary Vedavaag Kiya Ecommerce 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 -1 is annexed (Annexure-1) to this report.

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

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

During the Financial year 2021-22 two companies have become subsidiaries of the Company:

- 1) Vedavaag Financial Services Private Limited – Wholly Owned Subsidiary
- 2) Vedavaag Kiya Ecommerce Private Limited – Subsidiary Company

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

9. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, your Directors hereby confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed and there are no material departures.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year ended 31st March, 2022 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.

10. Management Discussion and Analysis

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

11. Key Managerial Personnel:

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

- | | |
|--|-----------|
| 1) Mr. Murali Jonnavittula Krishna | - MD |
| 2) Mr. Tirumalabukkapatnam Krishna Mohan | - CFO |
| 3) *Mrs. Hima Bindu Dulipala | - CS & CO |
| 4) *Mr. Saiteja Ivaturi | - CS & CO |

* Mr. Saiteja Ivaturi was appointed as Company Secretary and Compliance Officer w.e.f. 8th November, 2021 in place of Mrs. Hima Bindu (Membership No. 35703) who resigned as Company Secretary and Compliance Officer w.e.f. 26th July, 2021.

12. Director

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

*Mr. Gundu Trivikrama Murthy
Chairman & Independent Director

*Mr. Jonnavittula Murali Krishna
Managing Director

Mr. Srinivas Pannala
Independent Director

Mr. Pradeep Kumar Narsupalli
Independent Director

**Mr. Duggi Ramesh Sinha
Independent Director

Mrs. Jonnavittula Sujata
Non-Executive Non-Independent Woman Director

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

* Mr. Gundu Trivikrama Murthy who is an Independent Director on the Board of the Company was designated as Chairman of the Board w.e.f. 07.02.2022 in place of Mr. Jonnavittula Murali Krishna.

** Mr. Duggi Ramesh Sinha was appointed as Non-Executive Non-Independent Director by the Shareholders of the Company at the Annual General Meeting held on 31st December, 2020 and Board has accorded their consent for change in designation to Independent Director at the Board Meeting held on 2nd September, 2021 and subsequently Shareholders had approved the same at the Annual General Meeting held on 25th September, 2021

*** Mr. Jonnavittula Ananth was appointed as additional director by the Board of Director at the Board meeting held on 2nd September, 2021 and Shareholders has subsequently approved the said appointment at the Annual General Meeting held on 25th September, 2021.

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

13. Number of Board Meetings:

The Board met 5 (Five) times during the financial year and the details of Board Meetings were given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013.

14. Statement on declaration given by Independent Directors under Section 149

The Independent Directors have submitted declaration of independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149 (6)

15. Meeting of Independent Directors

A separate meeting of the Independent Directors was held on 7th February, 2022, to discuss and evaluate the performance of Non-Independent Directors and the Board as a whole. The evaluation of the performance of the Chairman is done by taking into account the views of Executive and Non-Executive Directors considering the quality and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

16. Board Evaluation and Assessment:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of the Directors individually and of the committees of the Board by seeking the inputs of Directors on various aspects of the Board functioning, its Committee Board culture, execution and performance of special duties. The evaluation was carried out based on the response received from the Directors.

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

The Board and Nomination and remuneration Committee reviewed the performance of Board, its committee's and individual directors. Performance evaluation of Independent Directors was done by the entire Board excluding the Independent Directors being evaluated.

17. Familiarization Programmes

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

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

The detail policy on the familiarisation programme is available on the website at www.vedavaag.com

18. 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.

19. 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.

20. Composition of Committee:

Audit Committee

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

Nomination and Remuneration Committee:

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

Stakeholders Relationship Committee

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

Corporate Social Responsibility (CSR) Committee

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

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

21. Auditors:

M/S PARY & Co. were appointed as Statutory Auditors of the company for a tenure of one year i.e., till conclusion of 24th AGM at 23rd AGM of the Company held on 25th September, 2021. The Board recommends the re-appointment of M/s Pary & Co. as statutory auditors of the Company for a further period of One year i.e., from conclusion of this Annual General Meeting till the conclusion of 25th Annual General Meeting.

Explanation to Auditors Observation:

Observation:

The unsecured loan of Rs. 4.54 crores with Axis Bank Limited is overdue and we understand that the process of Reschedulement for repayment programme is in progress.

Managements Reply:

The Company has availed the said loan for execution of Abhayam Project, which was delayed due to COVID Pandemic. Presently the project is in execution and the company sought the reschedulement of the said loan which is in progress.

22. Secretarial Auditors report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of SEBI (LODR) regulations, 2015 M/s VCSR & Associates, Practicing Company Secretaries has been appointed as Secretarial Auditors of the Company for the FY 2021-22. The Secretarial audit report in the prescribed form MR-3 is annexed to this report as Annexure-4

Auditors' qualifications:

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

Management Comments on the above qualification:

1) The management assures to comply with the said Regulation 3(1) and 3(2) of SEBI (SAST) Regulations, 2011 in near future.

23. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177 of the Companies Act, 2013 and the rules framed there under and pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has a Whistle Blower Policy framed to deal with instances of fraud and mismanagement, if any to report genuine grievances to the appropriate authority.

The brief details of the Policy may be accessed on the website of the Company www.vedavaag.com During the year under review the Company has not received any complaint(s) under the said policy

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

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

25. Corporate Social Responsibility (CSR):

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

26. 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 upgradation of product and service development.

3. Foreign Exchange:

Foreign Exchange earnings for the year ended 31st March, 2022: Nil

Foreign Exchange Outgo for the year ended 31st March, 2022: Rs. 48,46,458/-

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

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

28. Particulars of Contracts or Arrangements with Related Parties:

During the year under review, there were no Related Party Transaction or Material Related Party Transactions as per the latest audited financial statements.

Further the Board confirms that:

a) The Company didn't enter into any contracts or arrangements or transactions that are not at arms lengths with the related parties during the financial year 2021-22

b) The Company didn't enter into any contracts or arrangements or transactions that are at arms lengths with the related parties during the financial year 2021-22.

Therefore, as prescribed under Section 134(3) of the Companies Act 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 the disclosures under Form AOC-2 are not applicable for the Company for the year ended 31st March, 2022.

29. Extract of Annual Return:

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

30. Particulars of Employees:

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

31. 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

32. Corporate Governance:

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

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

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

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

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

34. Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended 31st March 2022 to which the Financial Statements relates and the date of signing of this report.

35. Compliance with Secretarial Standards

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

Place: Hyderabad

Date: 29.08.2022

36. MD and CFO certification:

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

37. 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 & on behalf of the Board of Directors

Sd/-

J Murali Krishna

Managing Director

DIN: 00016054

Sd/-

J Sujatha

Director

DIN: 07014640

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)	Invest-ments	Turnover	Profit before tax	Provision for tax	Profit after tax	% Of share holding
1	VSL Data Systems Private Limited	5 th January, 2001	700.00	4054.00	2463.96	-	1267.88	110.29	28.96	81.32	100%
2	Vedavaag Edutech Private Limited (Formerly Vagdevi Sark Edutech Private Limited)	16 th June, 2010	1.00	216.12	205.33	-	18.07	4.70	1.08	3.62	100%
3	Vedavag Common Service Centres Private Limited	26 th October, 2007	1.00	283.74	249.26	-	1380.98	39.70	9.94	29.76	100%
4	Vedavaag Financial Services Private Limited	19 th April, 2021	1.00	2.44	1.16	-	1.51	0.38	0.09	0.28	100%
5	Vedavaag Kiya Ecommerce Private Limited**	29 th October, 2021	10.00	2.23	2.23	-	-	-	-	-	51%

** The Company has not commenced any operations yet.

ANNEXURE - 2

PARTICULARS OF EMPLOYEES

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

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

Executive Director	Ratio to median remuneration
Mr. J. Murali Krishna, Executive Director	14.75

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

iii) The percentage increase in median remuneration of employees in the financial year: (14.57%)

iv) There are 218 employees on the rolls of the Company as on 31st March 2022.

v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile increase already made in the salaries of employees is: 34.53%. The increase is mainly on account of increase in the number of employees during the financial year.

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

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

ANNEXURE-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. Brief outline of CSR Policy of the company:

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1)	Mr. Jonnavittula Murali Krishna	Chairman/ Managing Director	28 th June, 2021	1
2)	Mr. G T Murthy	Member/ Independent Director		1
3)	Mrs. Jonnavittula Sujatha	Member/ Non- Independent Director		1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://vedavaag.com/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1)	2021-22	Nil	Nil
2)	2020-21	Nil	Nil
3)	2019-20	Nil	Nil

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

Financial Year	Amount in ₹
2018-19	11,38,23,748
2019-20	7,13,80,675
2020-21	7,96,23,380
Total	26,48,27,803
Average	8,82,75,934

7. (a) Two percent of the average net profit of the Company as per Section 135(5): Rs. 17,65,519/-

(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: Nil

(d) Total CSR obligation for the Financial Year (a+b+c): Rs. 17,65,519/-

8. a) CSR amount spent or unspent for the Financial Year

Total amount spent for the FY	Total Amount transferred to unspent CSR account as per 135(6)	Amount Transferred to any fund specified under schedule VII as per second provision of section 135(5)
₹ 23,56,043/-	Nil	Nil

b) Details of CSR amount spent on the ongoing project for the financial year : Nil

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

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation –Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR Reg no.
1)	Gomatha Seva	Animal Welfare	Yes	AP,	Krishna District	18,50,000	No	Sri Kamakshi Ekamreswar Gomatha Sevaka Satsang Trust	CSR00000547
2)	Sanitary pad	promoting health care including preventive health care	Yes	Telangana,	Hyderabad	3,15,043	No	Bharosa Society for Protection of Women & Children	CSR00010434
3)	Education	Promoting education	Yes	Telangana,	Hyderabad	1,91,000	Yes		

d) Amount spent in administrative overheads : Nil

e) Amount spent on Impact Assessment, if applicable : Nil

f) Total amount spent for the financial year : ₹ 23,56,043/-

g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (Rs.)
i)	Two percent of average net profit of the company as per section 135(5)	₹ 17,65,519/-
ii)	Total amount spent for the Financial Year	₹ 23,56,043/-
iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 5,90,524/-
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 5,90,524/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

For Vedavaag Systems Limited

Sd/-

J. Murali Krishna
Managing Director
DIN: 00016054

Place: Hyderabad
Date: 29.08.2022

ANNEXURE – 4

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 31/03/2022 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 31.03.2022 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.

UDIN: F006121D000864517

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

I. Secretarial Standards issued by The Institute of Company Secretaries of India

II. The Listing Agreements entered into by the Company with Bombay Stock Exchange(s) if applicable;

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

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

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of 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. During the Period under review the following changes took place in the Board:

- Mrs. Hima Bindu resigned as Company Secretary & Compliance Officer of the Company with effect from 26.07.2021 and Mr. Vamsi Sessa Sai Ivaturi was appointed as a Whole-Time Company Secretary & Compliance Officer of the Company with effect from 08.11.2021.
- Mr. Ananth Jonnavittula was appointed as an Additional Director of the Company in the Promoter Director Category with effect from 02.09.2021 and was regularized as the Director at the Annual General Meeting held on 25.09.2021.

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

c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- During the year under review, the Company has incorporated a Subsidiary Company under the name and style "Vedavaag Kiya Ecommerce Private Limited with a stake of 51%.

Place: Hyderabad

Date: 29.08.2022

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

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

UDIN: F006121D000864517

ANNEXURE - A

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

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on their secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

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

3. The correctness and appropriateness of the financial records and Books of accounts of the company have not been verified.

4. Wherever required, we have obtained the Management representation about the compliances of laws, Rules, Regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination is limited to verification of procedure on random test basis.

6. The Secretarial Audit is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad

Date: 29.08.2022

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

UDIN: F006121D000864517

**FORM MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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. VSL Datasystems Private Limited,
Hyderabad.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. VSL Datasystems Private Limited ('the Company') for the financial year ended on March 31, 2022 according to the provisions of:

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

Other Laws applicable to the Company

Other Laws applicable specifically to the Company namely:

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

UDIN: F006121D000879939

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Director. 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.

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

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

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

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

Place: Hyderabad

Date: 29.08.2022

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

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

UDIN: F006121D000879939

ANNEXURE - A

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

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

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

Place: Hyderabad
Date: 29.08.2022

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

ANNEXURE – 5

Management Discussion & Analysis

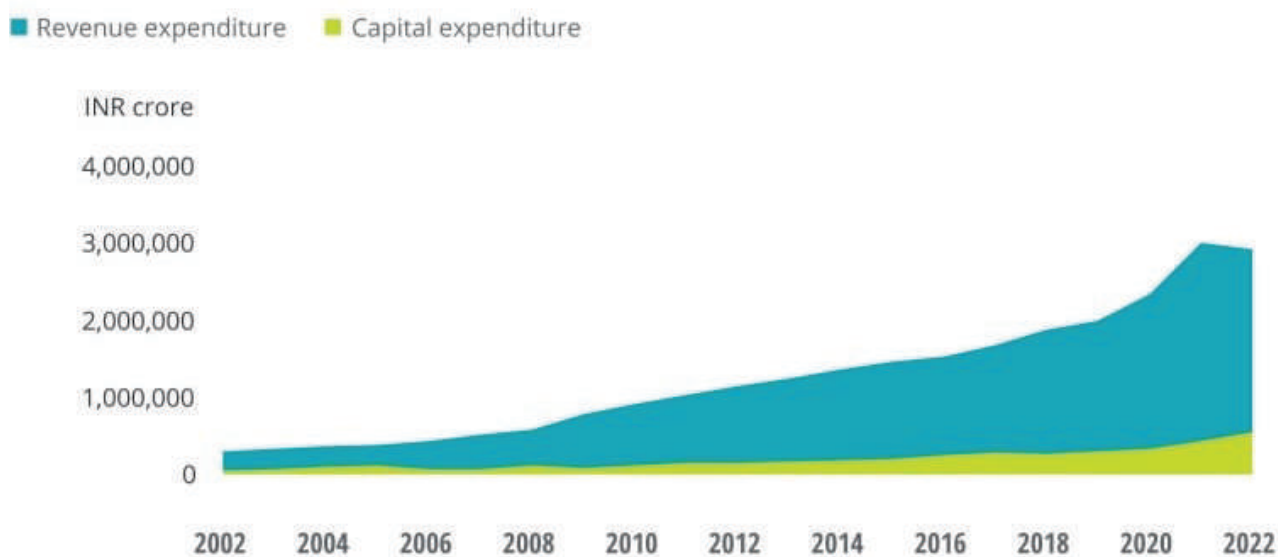
Economic Outlook:

India's economic rebound is certain given its domestic demand potential. Many predict India to grow around 7.2-to-7.3% in FY22-23 and 6% to 6.7% in FY23-24. This will mean, India still remains the world's fastest-growing economy over the next few years, driving world growth even as several major economies brace themselves for a slowdown or possibly a recession.

India's gross tax collection has beaten all expectations. The total tax collection reached INR 27.07 lakh crore (US\$356.82 billion) in FY21-22, surpassing the government's revised target by a substantial margin. Improved economic activity and better compliance efforts in taxation have aided in better revenues. Higher capital spending on infrastructure and asset-building projects is likely to boost growth multipliers.

The government's capital spending share is going up even as the government is cutting down revenue expenses

Components of expenditure: Center



Source: The Centre for Monitoring Indian Economy.

Deloitte Insights | deloitte.com/insights

Endeavouring Digital Transformation, Vedavaag is enhancing its portfolio of financial services by offering investment opportunities such as digital gold and mutual funds for its customers, largely who are based in Rural India.

Digital Gold:

During times of turbulence in the economy, it becomes essential to have a secure nest of money to rely on, preferably parked in a highly liquid, stable, and inflation-proof asset. The rally in the gold prices during the Covid lockdown is proof of this demand for financially secure assets.

Considering investments in digital gold to build long-term wealth is a smart and safe move for digital natives looking for a trusted instrument in the comfort of the familiar digital space.

Gold investment landscape in India is slowly turning from physical mode to digital.

Gold Exchange Traded Funds (ETFs) and Sovereign Gold Bonds (SGBs), collectively known as digital gold, are emerging as the preferred route of investment for retail investors. In last two years, there has been an eight-fold increase in gold ETF folios, while asset under management (AUM) of these ETFs grew by over 200%. As per Association of Mutual Fund Industry (AMFI), gold ETF folios have gone up from 4.23 lakh to 32.09 lakh between December 2019 and December 2021. Similarly, AUM of gold ETF schemes increased from ₹5,768 crore (equivalent to 14.8 metric tons) to ₹18,405 crore (equivalent to 37.6 metric tons) of gold holding.

Digital gold forms one of the secure ways of investment and is a good way to protect oneself from an unstable market. Here are some valid reasons to invest in digital gold:

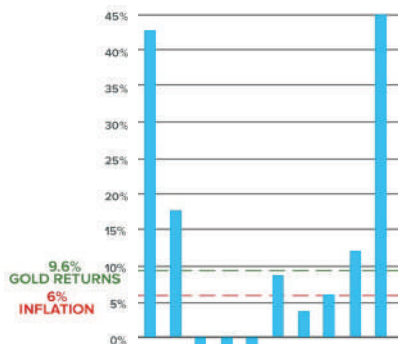
1. Purity Assurance – Customers get genuine 24K gold with a purity assurance certificate.
2. Small investment – Customers can make small investments, starting from as low as Re 1.
3. Redemption – Customers can sell digital gold at any time when needed. In addition, they can also choose to exchange their digital gold for physical gold coins, bars, etc.
4. Safe Keeping– While physical gold comes with the storage hassle and safety concerns, digital gold is stored in insured and secured vaults by the seller without any extra charge.
5. Security for online loans – If you own digital gold, you have the option of utilizing the owned assets as collateral for quick and hassle-free online loans,
6. Updates on gold prices – Customers get real-time market updates for which they can act in terms of buying/selling at the appropriate time.
7. Gold SIP - To average out gold prices, you can start a monthly SIP.

Safe Gold, a digital gold platform in India, recently released insights from a data survey that

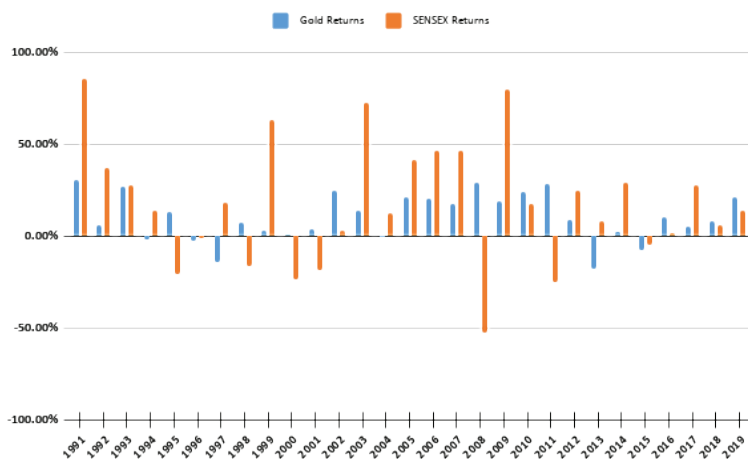
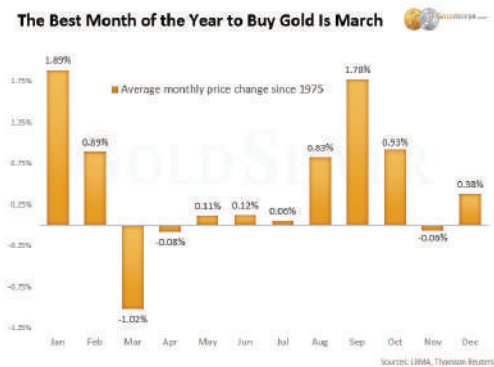
- 26 % respondents invest in gold on a monthly basis;
- 46% invest in gold only during festivities or during the marriage season
- 90% showed interest in digital gold as their preferred choice of investment

Over the multiple economic turbulences, gold has still managed to provide a Compound Annual Growth Rate (CAGR) of around 15 percent, which is three times more than one of the most trusted asset classes, a Fixed Deposit. The marriage of trust in gold with the convenience of technology will only make this asset even more valuable and popular for all individuals.

HISTORICAL ANNUAL RETURNS OF GOLD (2010-2020)



THE BEST MONTHS OF THE YEAR TO BUY GOLD



Mutual Fund:

Of the 43.34 crore individual PAN card holders, about 3.37 crore (8%) have invested in mutual fund schemes as of March-end 2022. 80% of the MF business is generated in the metros. The industry of Assets under Management (AUM) is ₹ 37.75 Lakh Crore as on July 31, 2022.

Monthly SIPs are designed for salaried class with a monthly income whereas 80% of the country's population is either self-employed or daily wagers. Customers in smaller cities are aspirational and have long-term goals but do not have access to right products and the industry has to create products for this section of the society, just like e-commerce did with Cash on Delivery.

Mutual funds have huge scope to get more people to invest and efforts to add more distributors in rural regions will help spread the reach. Mutual funds have more potential in the bottom 500 districts. Due to the deficit in infrastructure, out of 750 districts, AMC offices are present only in 180 districts.

Mutual funds have now become one of the primary areas for the nation's financial growth. However, the true potential of the sector is yet to be unleashed as the challenges which the industry is facing is hindering its growth. The role of mutual funds to promote savings continues to be insignificant with size of mutual funds industry being less than 10 per cent of the Indian GDP.

One major reason that MF penetration in rural areas is small is due to the perception that they are only meant for middle- and high-income groups. For the MF sector to grow rapidly, we have to devise appropriate schemes to attract rural investors and find ways for the financial inclusion of low-income households.

Thus, the rural market remains mostly untapped, which allows ample scope for growth.

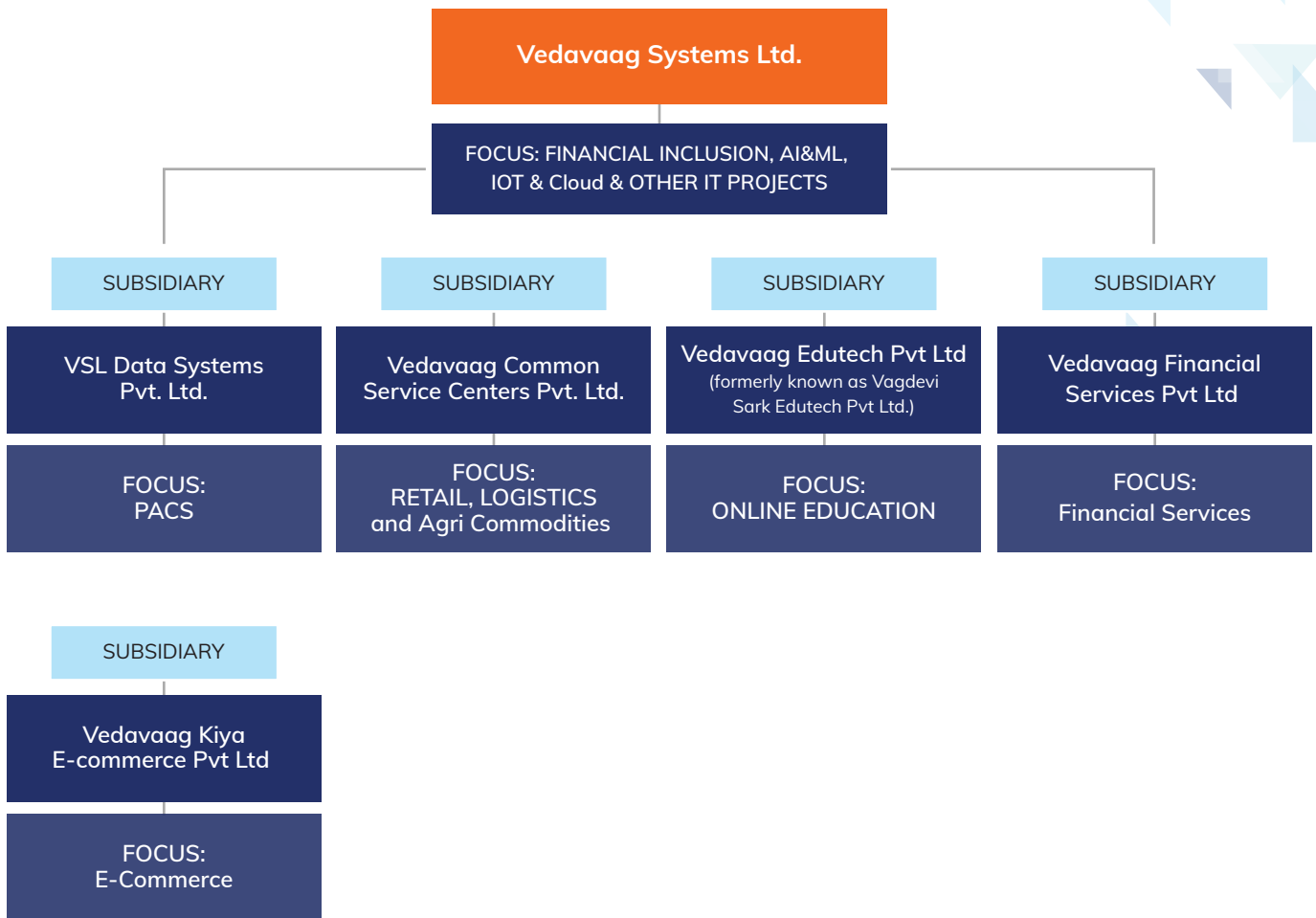
About the Company

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.

Rural Financial Services

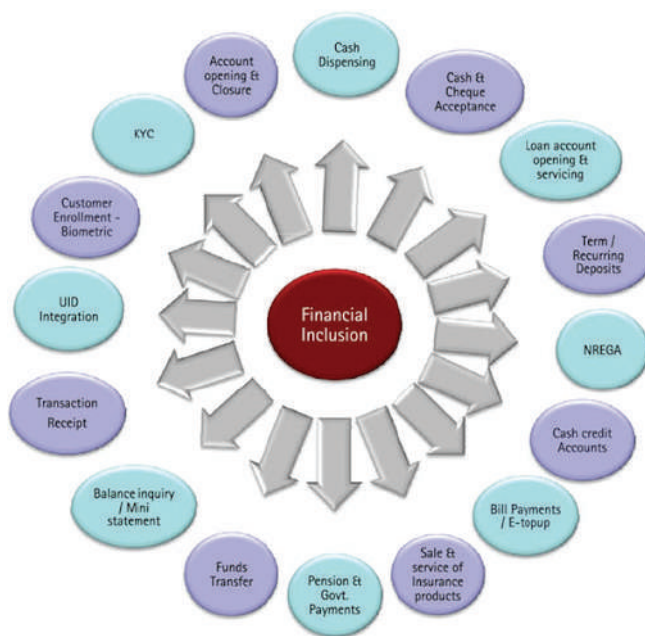
Vedavaag is a leading National Business Correspondent of State Bank of India. It has an entrenched network of 2,900 + CSPs in the rural parts of Bihar, Jharkhand, Uttar Pradesh, Punjab, Rajasthan, Andhra Pradesh, Telangana, Uttarakhand, Delhi, Haryana, Chandigarh, Odisha and Maharashtra - serving thousands 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	2900+	12,505	24+ Million	29 Lac
Presence in states	Customer service points	Gross transaction value, 2021-22 (Rs crore)	Number of transactions, 2021-22	Households' services

Our presence PAN India - Kiosks



Our services



Performance in FY22

The Company, on its part, continued to expand its CSP network, which also contributed to revenue growth.

	FY20	FY21	FY22
Gross Transaction value (Rs crore)	8,324	9,714	12,505
	FY20	FY21	FY22
Revenue (Rs crore)	31.25	41.08	40.13

Industry Scenario

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, 2021, there were about 6,64,000 villages in India, inhabited by about 905 million people, comprising about 64% of the country's population.

Rural areas in India contributed to 46% of India's GDP, however, the share in total credit outstanding as of Fiscal 2021 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 major step towards inclusive growth, which ensures overall economic development of marginalised sections of society, finance minister Nirmala Sitharaman said on Sunday. Sitharaman's remarks came on the heels of the Pradhan Mantri Jan Dhan Yojana (PMJDY) completing eight years. PMJDY is a flagship scheme of the government to bring more people into the banking system. In a statement she said the success of the scheme, launched on August 28, 2014, is reflected in the opening of over 460 million bank accounts with deposit balance of ₹1.74 lakh crores with expanded coverage of 67% in rural or semi-urban areas and 56% women. "The underlying pillars of PMJDY, namely, banking the unbanked, securing the unsecured, and funding the unfunded has made it possible to adopt multi-stakeholders' collaborative approach, while leveraging technology for serving the unserved and under-served areas as well," a finance ministry statement quoted Sitharaman as saying. As per the data shared by the government, PMJDY accounts grew three-fold from 147.2 million in March 2015 to 462.5 million as on August 10, 2022. The minister noted that continuation of PMJDY beyond 2018 saw a marked shift in approach to meet the challenges and requirements of the emerging FI (financial inclusion) landscape in the country. "There has been a shift in focus from 'every household' to 'every adult', with added emphasis on usage of accounts by enhancing direct benefit transfer (DBT) flows through these accounts, promoting digital payments through the use of RuPay cards," she said. The finance ministry statement noted that about 54 million PMJDY account holders received direct benefit transfer from the government under various schemes in June 2022, adding that 319.4 million RuPay cards were issued to PMJDY account holders.

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).

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 dispatch 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 under 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. The supply and installation is expected to be completed by fiscal 2022-23.

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 FY23 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 IT 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 consider 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

Vedavaag Edutech Pvt. Ltd. (formerly known as 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 Vedavaag Edutech has entered the online education space with a difference. It highly skilled faculty cherrypicked 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/>

Pandemic compulsions have forced us to catch on with online classes in a big way. As most of the schools, colleges, tuition points were closed during pandemic for long periods, online classes become a must. However, some of the basic issues associated with the online classes are lack of good connectivity, device from the infra angle and lack of self-discipline from the students/teacher's angle.

These obstacles led us to improvise and come up with the concept of a Hybrid class. Teachers would take online classes in a controlled, monitor-equipped coaching center even in remote areas of the country. Students shall walk to their nearest coaching facility which bolstered discipline among the students. The internet connection and the device aspects are taken care of by the Hybrid center itself.

We have setup over 15 Hybrid centers and planning to scale it to 100 centers by the financial year end.

Wholly owned Subsidiary

Vedavag 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 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

For Vedavaag people are its key assets. The company has people conscious policies and practices that enable it to attract and retain talent in an increasingly competitive market. The company strives to provide the best opportunities to employees to realise their potential. It is committed as an equal opportunity employer.

Our philosophy is of 'Do More Earn More' rewards people for their performance and contribution and employee's compensation structure is dovetailed into this philosophy.

This is to ensure commitment, ownership and empowerment of all our employees, including the frontline staff.

The company encourages employee learning and skills enhancement and are encouraged to pursue learning opportunities as per their role, level and specific focus area.

We provide our employees opportunities to learn, grow and take their career forward. The well-being of our employees has always been at the centre of our philosophy.

Financial Overview

Particulars	FY 22	FY 21	% Change	Explanation
Stability Ratios				
Debt equity ratio	0.01	0.01	33%	Decrease is on account of repayment of term loans
Debt Service Coverage ratio	37.82	25.76	47%	Decrease is on account of repayment of term loans
Interest Coverage Ratio	107.36	173.77	-38%	Interest paid during the year is slightly higher compared to previous year
Liquidity Ratios				
Current Ratio	8.003	8.009	0%	
Debtors Turnover Ratio	9.302	4.891	90%	Improvement in the ratio is on account of increase in turnover and lower receivables when compared to previous year
Inventory Turnover Ratio	54.16	56.33	-4%	
Profitability Ratios				
Operating Profit Margin (%)	17%	19%	-8%	
Net Profit Margin (%)	10.39%	10.45%	-1%	

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-6

CORPORATE GOVERNANCE REPORT

Company's philosophy on code of governance:

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

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

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

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

Board of Directors:

i) The Board of Directors along with its committees provide leadership and guidance to the Company's management and supervises the Company's performance. As at 31st March 2022, the Company has seven Directors of which One Managing Director, Two Directors are Non-Executive Non-Independent Directors (Promoter group) and four Directors are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii) The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

iii) The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board. The Board has complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

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

v) Five 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 28th June 2021, 9th August, 2021, 2nd September 2021, 8th November 2021, and 7th February 2022 and the necessary quorum was present for all the meetings.

vi) Attendance of each Director at the meeting of the Board of Directors, last Annual General Meeting and other Directorships:

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	5	5	1	0	0	Yes
Mr. G. T. Murthy	Independent Director	5	1	1	1	1	No
Mr. Srinivas Pannala	Independent Director	5	5	1	1	1	Yes
*Mrs. J. Sujatha	Non-independent Non-executive Director	5	5	2	0	4	No
**Mr. D. Ramesh Sinha	Independent Director	5	5	1	0	0	Yes
Mr. N. Pradeep Kumar	Independent Director	5	5	1	0	0	Yes
***Mr. J Ananth	Non-independent Non-executive Director	2	1	1	0	0	No

* Mrs. J Sujatha is also on the Board of One more Listed Company i.e., KLK Electrical Limited, Category: Independent Director and also member of Audit Committee and Stakeholders Committee of that Company.

** The Shareholders approved the change in designation of Mr. D Ramesh Sinha from Non-Executive Non-Independent Director to Non-Executive Independent Director of the Company at the Annual General Meeting held on 25th September, 2021.

***As Mr. J Ananth was appointed as additional director in the Board Meeting dated 2nd September 2021 he is eligible to attend meetings of the Board in the capacity as a director only for the Board meetings held on 8th November, 2021 and 7th February, 2022. Further Shareholders at the Annual General Meeting held on 25th September, 2021 has approved the appointment of Mr. J Ananth as Director (Category Non-Executive Non-Independent Director).

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

vii) During FY 2021-22, one meeting of the Independent Directors was held on 7th February 2022. 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.

viii) The Board periodically reviewed the compliance reports of all laws applicable to the Company.

ix) Details of equity shares of the Company held by 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, 2022.

x) The details of familiarisation programme is available on the website: <http://vedavaag.com/>

xi) Skills and its description

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

xii) All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

Committees of the Board

There are Four Statutory Committees as on 31st March 2022; details of which are as follows.

A) Audit Committee

Brief description of terms of reference:

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

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings

- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report

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

Composition:

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

Meetings:

The Audit Committee met Four (4) times for the financial year 2021-22 i.e., on 28th June 2021, 7th August 2021, 8th November 2021 and 7th February 2022 and not more than One Hundred and Twenty Days has elapsed between any two Audit Committee Meetings. The necessary quorum was present for all the Audit Committee Meetings.

Details of Attendance of the Audit Committee Meetings:

Name of the Director	Category	Number of Audit Committee Meetings	
		Held	Attended
Mr. Srinivas Pannala	Non-Executive Independent Director	4	4
Mr. G T Murthy	Non-Executive Independent Director	4	3
Mrs. J Sujatha	Non-Executive Non-Independent Director	4	4

B) Nomination and Remuneration Committee

Brief description of terms of reference:

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

Composition:

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

Meetings:

The Nomination and Remuneration Committee met Three (3) times for the financial year 2021-22 i.e., on 2nd September 2021, 8th November 2021 and 7th February 2022. The necessary quorum was present for all the Nomination and Remuneration Committee Meetings.

Details of Attendance of the Nomination and Remuneration Committee Meetings:

Name of the Director	Category	Number of Nomination and Remuneration Committee Meetings	
		Held	Attended
Mr. Srinivas Pannala	Non-Executive Independent Director	3	3
Mr. G T Murthy	Non-Executive Independent Director	3	1
Mrs. J Sujatha	Non-Executive Non-Independent Director	3	3

The Criteria for Evaluation of Independent Directors is given below:

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

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

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

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

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

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

C) Stakeholders Relationship Committee

Terms of Reference

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

Composition:

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

Meetings:

The Stakeholders Relationship Committee met Two (2) times for the financial year 2021-22 i.e., on 8th November 2021 and 7th February 2022. The necessary quorum was present for all the Stakeholders Relationship Committee Meetings.

Details of Attendance of the Stakeholders Relationship Committee Meetings:

Name of the Director	Category	Number of Stakeholders Relationship Committee Meetings	
		Held	Attended
Mr. G T Murthy	Non-Executive Independent Director	2	1
Mr. Srinivas Pannala	Non-Executive Independent Director	2	2
Mrs. J Sujatha	Non-Executive Non-Independent Director	2	2

- a. Name and designation of Compliance Officer: Mr. Saiteja Ivaturi Company Secretary and Compliance Officer
- b. Details of investor complaints received and redressed during FY 2021-2022 are Nil
- c. E-mail id for Investor Grievances: cs@vedavaag.com

D) Corporate Social Responsibility Committee:

CSR Policy along with its composition and meetings held during the FY 2021-22 is attached as Annexure-3

E) Remuneration of Directors:

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

Following are the details of sitting fees paid to the Non-Executive Directors during the Financial Year ended 31st March, 2022:

S. No	Name of Director	Sitting Fees
1)	Mr. Jonnavittula Murali Krishna	-
2)	Mr. Srinivas Pannala	25,000/-
3)	Mr. Gundu Trivikrama Murthy	5,000/-
4)	Mr. Narsupalli Pradeep Kumar	25,000/-
5)	Mr. Duggi Ramesh Sinha	25,000/-
6)	Mr. Jonnavittula Ananth	5,000/-
7)	Mrs. Jonnavittula Sujata	25,000/-

F) The Remuneration paid to Managing Director during the Financial Year 2021-22 is as follows:

Name of Director and designation	Salary	Benefits	Bonuses	Commission	Performance linked incentives	Total
Mr. Jonnavittula Murali Krishna, Managing Director	24,00,000/-	-	-	-	-	24,00,000/-

G) Annual General Meeting (AGM)

Financial Year	Date	Time	Venue	Special Resolutions passed during last 3 FYs
2020-2021	25 th September, 2021	11.30 A.M	Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red hills (FTCCI), Hyderabad - 500004	1. Approval of Vedavaag Systems Limited Employee Stock Option Scheme 2021 (VSL ESOP 2021) under SEBI (Share Based Employee Benefits) Regulations, 2014 2. 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)
2019-2020	31 st December, 2020	11.30 A.M	Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red hills (FTCCI), Hyderabad - 500004	No Special resolution
2018-2019	30 th September, 2019	11:30 A.M	Royal Garden Function Hall, Hyderabad	No Special resolution

No Extra-Ordinary General Meetings were held during the Financial Year 2021-22.

No Special Resolutions were passed through postal ballots during the Financial Year 2021-22.

H) A certificate has been received from VCSR and Associates, Practising Company Secretary, that none of the directors of the Board of the company has been debarred or disqualified from being appointed or continuing as directors of the company by Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

I) Means of Communication:

Quarterly results approved by the Board are usually published in Business Standard (English) and Andhra Prabha (Telugu) newspapers. In addition to this, the Company is communicating its results to Bombay Stock Exchange where the shares are listed. Further, the quarterly results are also placed on the company's website, www.vedavaag.com. Investor presentations have been made available on the Stock Exchange of the Company from time to time.

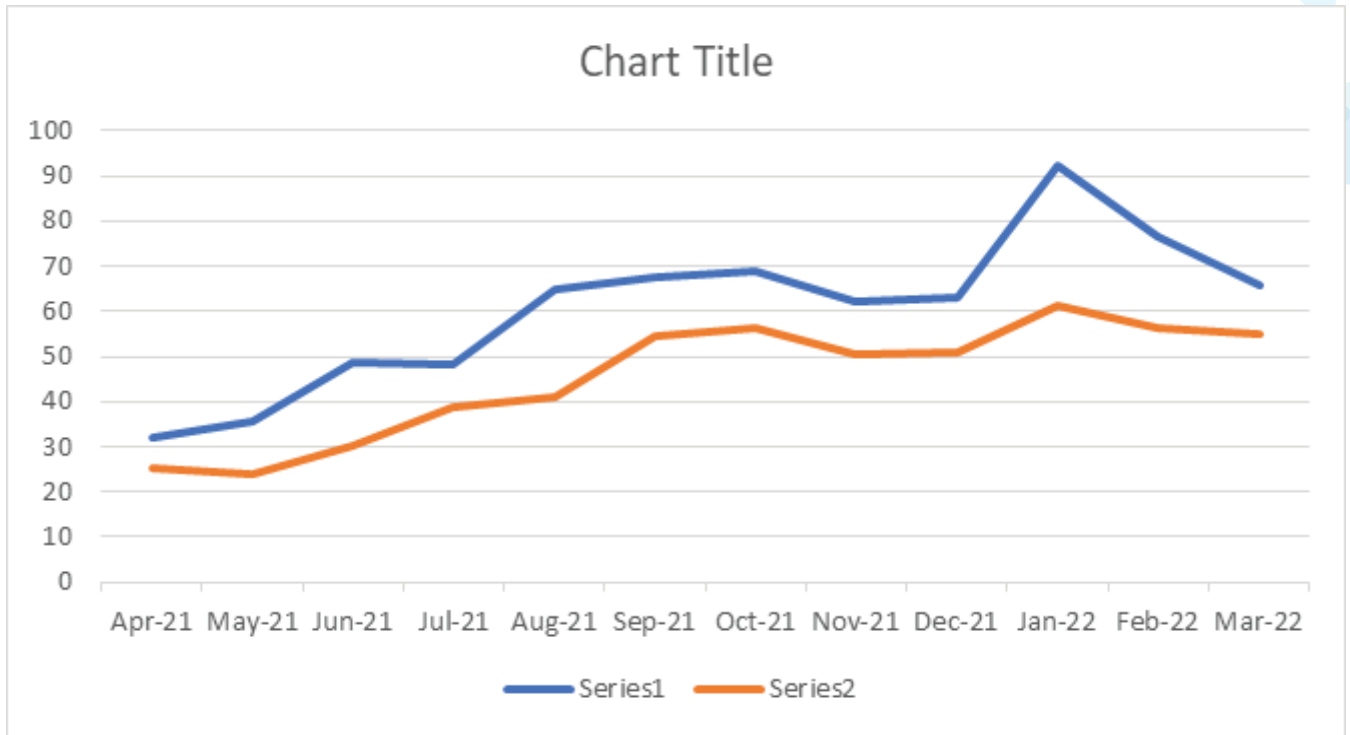
The Annual General Meeting is the principal forum for face-to-face communication with shareholders, where the Directors / Senior Management personnel / Auditors / KMP's respond to the specific queries of the shareholders.

J) General shareholder information

Day, Date, time and venue of the Annual General Meeting	30 th September 2022, Friday, at 12:00 Noon at FTCCI, Red hills, Hyderabad
Financial year	April to March
Listing of shares on stock exchanges	BSE Limited (BSE)
Scrip Code	533056
Book Closure	26 th September 2022 to 30 th September 2022
Corporate Identification Number (CIN)	L72200TG1998PLC029240
International Securities Identification Number (ISIN) for equity shares of Rs. 10/- each under Depository System	INE359B01010
Registrar and Share Transfer Agents (RTA)	For share related matters, the shareholders are requested to correspond with the RTA of the Company quoting their Folio Number or Client ID and DP ID at the following address. Venture Capital and Corporate Investments Private Limited. 12-10-167, Bharat Nagar, Hyderabad, 500018
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

K) Market Price data – high/low (each month) during the FY 2021-22:

Month	High Price	Low Price	Volume
Apr-21	31.95	25.20	112737
May-21	35.55	24.00	538017
Jun-21	48.75	30.00	3751372
Jul-21	48.00	38.70	1375018
Aug-21	64.80	41.10	5087452
Sep-21	67.75	54.60	3848505
Oct-21	69.00	56.50	2985293
Nov-21	62.00	50.55	1080576
Dec-21	62.90	50.90	1106743
Jan-22	92.45	61.25	6321857
Feb-22	76.75	56.35	1841269
Mar-22	65.70	55.05	1713508



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

M) Distribution of Shareholding:

Nominal Value	Holders		Amount	
	Number	% To Total	In Rs	% To Total
Upto - 5000	9533	79.26	15314100	6.68
5001 - 10000	1210	10.06	10183590	4.44
10001 - 20000	570	4.74	9019270	3.93
20001 - 30000	240	2.00	6265030	2.73
30001 - 40000	94	0.78	3460940	1.51
40001 - 50000	106	0.88	5075870	2.21
50001 - 100000	133	1.11	9531800	4.16
100001 and above	142	1.18	170399400	74.33
Total	12028	100	229250000	100

Shareholding Details as on 31st March, 2022

TYPE	RECORDS	SHARES	%
CDSL	6537	13358638	58.271049
NSDL	4742	9000527	39.2607502
PHYSICAL	749	565835	2.4682006
Total	12028	22925000	100

N) Other Disclosures

a) Disclosure of related party transactions:

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

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

During the financial year 2021-22 there were no materially significant related party transactions, which had potential conflict with the interest of the Company at large. The transactions with the related parties are disclosed in the notes to accounts.

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

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

c) Whistle Blower Policy/Vigil Mechanism:

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

d) Code of conduct for prevention of insider trading

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

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

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

f) Risk Management

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

g) Statutory Auditor Remuneration:

M/s Pary and Co., Chartered Accountants (Firm Registration No. 007288C) have been appointed as the Statutory Auditors of the Company. The fees paid to Statutory Auditors of the Company on consolidated basis during the financial year ended 31st March, 2022 is:

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

h) Communication to Shareholders:

Documents required from Shareholders holding shares in Physical mode

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

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

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

Investors holding shares in physical mode are required to furnish all above details immediately, failing which all such physical folios shall stand frozen with effect from April 1, 2023, by the RTA of the Company. While furnishing the PAN please ensure that the same had already been linked to Aadhar and if not yet done please do so latest by 31 March 2022, or any other date as may be specified by the Central Board of Direct Taxes (CBDT) otherwise such Folios shall stand frozen with effect from April 1, 2023.

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

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

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

Venture Capital and Corporate Investments Private Limited
12-10-167, Bharatnagar, Hyderabad-500018
Ph: 040-23818475/476, Fax: 040-23868024
Email id: investor.relations@vccipl.com

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

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

DECLARATION ON CODE OF CODE OF CONDUCT

As the Managing Director of Vedavaag Systems Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2021-22.

Place: Hyderabad

Date: 29.08.2022

For Vedavaag Systems Limited
Sd/-

J. Murali Krishna
Managing Director

MD and CFO Certification

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

To

The Board of Directors

Vedavaag Systems Limited

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

- a. We have reviewed financial statements and cash flow statement for year ended March 31, 2022 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. During the year under reference we have indicated to the auditors and Audit committee-
 - (i) there were no significant changes in the internal controls or overall financial reporting;
 - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
 - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

For Vedavaag Systems Limited

Place: Hyderabad

Date: 29.08.2022

Sd/-

J. Murali Krishna
Managing Director

Sd/-

T.B. Krishna Mohan
CFO

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

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

We have examined the compliances of requirements of Corporate Governance by M/s. Vedavaag Systems Limited, for the year ended on 31st March, 2022 as stipulated under regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (LODR) Regulation, 2015.

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

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

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

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

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

Place: Hyderabad
Date: 29.08.2022

For VCSR & Associates
Company Secretaries
sd/-
(Ch. Veeranjanyulu)
Partner
CP NO. 6392, FCS No. 6121

UDIN: F006121D000879917

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 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	Mrs. Narsupalli Pradeep Kumar	03498381	Independent Director
6	Mr. Ramesh singh Duggi	08841202	Independent Director
7	*Mr. Ananth Jonnavittula	09300935	Director

*Appointed on 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: 29.08.2022

For VCSR & Associates
Company Secretaries
sd/-
(Ch. Veeranjanyulu)
Partner
CP NO. 6392, FCS No. 6121

UDIN: F006121D000864638

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 March 31, 2022, 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, 2022, 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 judgment 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.

Place: Hyderabad

Date: 26.05.2022

UDIN: 22224674AJRBOR1229

For P A R Y & Co
Chartered Accountants
(Firm's Registration No.007288C)

Sd/-

P. Vamshi Krishna Reddy
Partner

M.No.224674

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Vedavaag Systems Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 43 of the Companies Act, 2013 ('the Act').

We have audited the internal financial controls over financial reporting of Vedavaag Systems Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad

Date: 26.05.2022

UDIN: 22224674AJRBOR1229

For P A R Y & Co
Chartered Accountants
(Firm's Registration No.007288C)

Sd/-

P. Vamshi Krishna Reddy

Partner

M.No.224674

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report On Other Legal And Regulatory Requirements' section of our report to the members of Vedavaag Systems Limited of even date)

On the basis of the information and explanation given to us during the course of our audit, we report that:

(i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of all fixed assets.

(B) The company has maintained proper records showing full particulars, including quantitative details and situation of all intangible assets.

b) Pursuant to the company's programme of verifying fixed assets in a phased manner, physical verification of fixed assets was conducted during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us the company is not having any immovable properties, and hence the question of title deeds in the name of the company does not arise.

d) The company has not revalued its Property, Plant, and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

(ii) a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management are appropriate. No material discrepancies were noticed on such verification.

b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii)(b) of paragraph 3 of the order are not applicable to the company

(iii) In our opinion and based on the information and explanation given to us the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships, or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and(c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of representations of the management which we have relied upon, no loans have been given by the company during the financial year 2021-22. Accordingly, the provisions of Section 185 and Section 186 of the Companies Act, 2013 are not applicable to the company.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of sections 73 to 76 of the Companies Act, 2013 therefore reporting under this clause is not applicable.

(vi) According to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company therefore reporting under this clause is not required.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing statutory dues as applicable, with the appropriate authorities except there have been certain delays in payment of ESIC & Provident Fund due to website error maintenance. There are no statutory dues that are outstanding as of March 31, 2022, for a period of more than six months.

b) As of the year-end, according to the records of the Company and information and explanations given to us, there are no disputed statutory dues outstanding on the company.

(viii) In our opinion and according to the information and explanations given to us, there is no transaction not recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) (ix) a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any loans from the financial institution and debenture holders therefore reporting of repayments of such loans under this clause is not applicable.

b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender. However, one particular loan account with Axis bank having liability of Rs. 4.54 crores is overdue and we understand that the process of reschedulement of Repayment programme is in progress.

c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

d) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been utilised for long-term purposes.

e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) According to the information and explanations given to us, on an overall basis, the company has not raised any money by way of initial public offer or further public offer (including debt instruments)

(xi) a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As auditors, we did not receive any whistle-blower complaints during the year.

(xii) Since the company is not a Nidhi company, therefore this clause is not applicable.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 as applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) The company is covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. The company has appointed Mr. Naga Chaitanya, Practicing Chartered Accountant, as Internal auditor of the company.

(xv) According to the information and explanations given to us based on our examination of the record of the company, the company has not entered into any noncash transactions with directors or persons connected with him. Therefore the provisions of clause 3(xv) of the order are not applicable.

(xvi) a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As per the information and explanations received, the group does not have any CIC as part of the group.

(xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year

(xviii) There has been no resignation of the previous statutory auditors during the year.

(xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) There is liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility and the provisions of Clause (xx) of paragraph 3 of the order are applicable to the Company and company has provided for CSR Expenditure to the tune of Rs.17.65 lakhs during the year and incurred Rs. 23.56 lakhs resulting in surplus of Rs. 5.90 lakhs which can be adjusted against the CSR liability for the next three financial years.

(xxi) The company has made investments in the subsidiary company. Therefore, the company is required to prepare a consolidated financial statement in accordance with the provisions of Clause (xxi) of paragraph 3 of the order.

Place: Hyderabad

Date: 26.05.2022

UDIN: 22224674AJRBOR1229

For P A R Y & Co
Chartered Accountants
(Firm's Registration No.007288C)

Sd/-

P. Vamshi Krishna Reddy

Partner

M.No.224674

BALANCE SHEET (STANDALONE) AS AT 31ST MARCH, 2022

Particulars	Note	As at 31.03.2022	As at 31.03.2021
		Rs.	Rs.
I Assets			
(1) Non-Current Assets			
(a) Property Plant & Equipment	1	13,99,65,622	15,33,29,430
(b) Other Intangible Assets	2	7,75,26,213	7,89,55,054
(c) Financial Assets			
i Investments	3	7,04,00,000	7,03,00,000
ii Trade Receivables	4	15,43,35,657	15,29,12,024
iii Other Financial Assets			
(d) Other Non-Current Assets	5	2,92,97,705	2,92,87,705
Total Non Current Assets		47,15,25,198	48,47,84,213
2 Current Assets			
(a) Inventories	6	1,26,98,395	99,22,814
(b) WIP			
(b) Financial Assets			
i Investments			
ii Trade Receivables	7	7,39,34,243	11,42,89,085
iii Cash and Cash Equivalents	8	1,67,74,126	1,31,68,971
iv Bank Balances Other than iii above	9	1,24,00,000	1,51,05,776
(d) Other Current Assets	10	67,53,43,342	56,28,97,927
Total Current Assets		79,11,50,106	71,53,84,573
Total Assets		1,26,26,75,304	1,20,01,68,786
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	22,92,50,000	22,92,50,000
(b) Other Equity	12	89,16,24,199	84,14,30,085
Total Equity		1,12,08,74,199	1,07,06,80,085
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
i Borrowings	13	21,49,190	29,15,325
ii. Trade Payables			
iii. Other Financial Liabilities			
(b) Deferred Tax Liabilities (Net)	14	2,79,97,221	2,93,94,516
(c) Other Non-Current Liabilities	15	1,27,99,946	78,60,308
Total Non Current Liabilities		4,29,46,357	4,01,70,149

3 Current Liabilities			
(a) Financial Liabilities			
i Borrowings	16	4,53,90,871	4,15,49,341
ii Trade Payables	17	1,87,65,912	1,09,44,995
iii Other Financial Liabilities			
(b) Other Current Liabilities	18	2,95,11,239	3,21,48,184
(c) Current Tax Liabilities	19	51,86,725	46,76,032
Total Current Liabilities		9,88,54,748	8,93,18,552
Total Liabilities (2+3)		14,18,01,105	12,94,88,701
Total Equity and Liabilities		1,26,26,75,304	1,20,01,68,786

Significant Accounting Policies

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

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner

M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

T B Krishna Mohan
CFO

Sd/-

J Sujatha
Director

Sd/-

Saiteja Ivaturi
Company Secretary

PROFIT AND LOSS ACCOUNT (STANDALONE) FOR THE YEAR ENDED 31ST MARCH, 2022

	Particulars	Note	Year ended 31.03.2022	Year ended 31.03.2021
			Rs.	Rs.
1	INCOME			
	a) Revenue from Operations	20	68,77,51,670	55,89,93,564
	b) Other Income	21	10,34,206	51,69,295
	Total Income		68,87,85,876	56,41,62,859
2	EXPENSES			
	a) Project Expenses	22	38,96,77,129	30,44,64,422
	b) Cost of Material	23	13,33,67,576	12,17,70,078
	c) Employee Benefits Expense	24	2,68,70,066	2,22,29,931
	d) Finance Cost	25	10,97,201	5,95,960
	e) Depreciation and Amortisation Expense		2,08,55,295	2,33,41,964
	f) Other Expenses	26	2,10,73,760	1,21,37,125
	Total Expenses		59,29,41,027	48,45,39,480
3	Profit Before Exceptional Item and Tax (1-2)		9,58,44,849	7,96,23,379
4	Exceptional Item		-	-
5	Profit Before Tax		9,58,44,849	7,96,23,379
	Tax Expenses			
	Current Tax		2,56,98,530	2,12,40,837
	Deferred Tax		(13,97,295)	(5,52,750)
6	Profit After Tax		7,15,43,613	5,89,35,292
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		7,15,43,613	5,89,35,292
9	Earnings per Share			
	a) Basic		3.121	2.571
	b) Diluted		3.121	2.571

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner

M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

T B Krishna Mohan
CFO

Sd/-

J Sujatha
Director

Sd/-

Saiteja Ivaturi
Company Secretary

CASH FLOW STATEMENT (STANDALONE) FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
		Rs.	Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	9,58,44,849	7,96,23,379
	Adjustments for:		
	Depreciation	2,08,55,295	2,33,41,964
	Interest & Finance Charges	10,97,201	5,95,960
	Interest Income	(5,49,866)	(4,96,473)
	Operating Profit before Working Capital Changes	11,72,47,479	10,30,64,831
	Adjustments for:		
	(Increase)/Decrease in Inventories	(27,75,581)	5,59,877
	(Increase)/Decrease in Current Trade Recivables	4,03,54,842	(66,07,854)
	(Increase)/Decrease in Non current Trade Receivables	(14,23,633)	4,34,14,277
	(Increase)/Decrease in Other Non-Current Assets	(10,000)	(12,11,500)
	(Increase)/Decrease in Investments	(1,00,000)	(1,00,000)
	(Increase)/Decrease in Other Current Assets	(11,24,45,416)	(6,04,13,731)
	Increase/(Decrease) in Trade Payables	78,20,917	23,03,096
	Increase/(Decrease) in Other Current Liabilities & Provisions	(21,26,252)	(72,27,795)
	Increase/(Decrease) in Non Current Liabilities	49,39,638	(1,33,13,029)
	Cash generated from operations	5,14,81,995	6,04,68,171
	Income Tax	2,56,98,530	2,12,40,837
	Net Cash flow from Operating activities	2,57,83,465	3,92,27,334
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets and Capital Work In progress	(60,62,647)	(94,08,874)
	Purchase of Investments	-	-
	Interest Received	5,49,866	4,96,473
	Net Cash used in Investing activities	(55,12,781)	(89,12,401)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Change in Other Equity	(75,94,500)	(51,68,795)
	Interest Charges	(10,97,201)	(5,95,960)
	Dividend Payment	(1,37,55,000)	(1,14,62,500)
	Borrowings	30,75,396	(83,80,518)
	Net Cash used in financing activities	(1,93,71,305)	(2,56,07,773)
	Net Increase in Cash & Cash Equivalents	8,99,379	47,07,160
	Cash and Cash Equivalent at the beginning of the period	2,82,74,746	2,35,67,586
	Cash and Cash Equivalent at the end of the period	2,91,74,125	2,82,74,746

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner
M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

T B Krishna Mohan
CFO

Sd/-

J Sujatha
Director

Sd/-

Saiteja Ivaturi
Company Secretary

STATEMENT OF CHANGE IN EQUITY - STANDALONE

Particulars	As at 31.03.2022	As at 31.03.2021
A. Equity Share Capital	Rs.	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		
Particulars	31.03.2022	31.03.2021
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 Forfeited	1,29,18,750	1,29,18,750
Surplus		
Opening Balances	50,32,69,255	46,09,65,258
Add: Profit during the Year	7,15,43,613	5,89,35,292
Less: Dividend for Financial Year 2019-20	-	1,14,62,500
Less: Dividend for Financial Year 2020-21	1,37,55,000	-
Less: CSR expenditure	45,59,490	51,68,795
Less: Prior period item	30,35,010	
Closing Balances	55,34,63,369	50,32,69,255
Total	89,16,24,199	84,14,30,085

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner

M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna

Managing Director

Sd/-

T B Krishna Mohan

CFO

Sd/-

J Sujatha

Director

Sd/-

Saiteja Ivaturi

Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Company information:

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

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

Significant Accounting Policies:

a. Statement of Compliance:

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

b. Basis of Preparation:

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

c. Functional and Presentation Currency:

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

d. Use of Estimates and Judgment:

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

e. Current and Non-Current classification:

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

An asset is current when it is:

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

All the other assets are classified as non-current.

A liability is current when:

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

All the other liabilities are classified as non-current.

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

f. Property, Plant and Equipment: Recognition and measurement

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

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

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

Depreciation:

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

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

Subsequent Cost:

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

g. Intangible Assets:

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

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

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

h. Investments:

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

i. Inventory:

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

J. Revenue recognition:

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

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

K. Income Tax

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

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

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

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

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

I. Employee Benefits

Gratuity:

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

Provident Fund:

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

Leave Encashment:

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

m. Impairment of Non-financial Assets:

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

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

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

n. Earnings Per Share:

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

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

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

o. Provisions

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

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

p. Foreign Currencies

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

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

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

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

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

1. Useful life of property, plant and equipment:

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

2. Recoverable amount of property, plant and equipment:

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

3. Post-employment benefit plans:

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

4. Assets held for sale

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

5. Provisions and contingencies:

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

6. Impairment of Investments:

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

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

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

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

r. Financial Instruments:

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

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

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

Fair value of financial instrument:

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

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

s. Investments in subsidiaries and associates

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

t. Events after reporting date

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

u. Cash flow statement

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

NOTES TO BALANCE SHEET (STANDALONE)

Note 1 : Property Plant & Equipment

Amount Rs.

Particulars	Computer Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Others	Total
Gross Block						
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
Additions	11,67,836	68,150	-	38,280	2,88,381	15,62,647
Deletions	-	-	-	-	-	-
Balance as at 31.03.2022	44,89,30,969	1,19,43,521	1,25,04,367	31,96,602	1,12,68,952	48,78,44,411
Accumulated Depreciation						
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
Charge for the year	1,35,30,939	1,56,042	7,76,177	1,77,579	2,85,718	1,49,26,455
Deletion	-	-	-	-	-	-
Balance as at 31.03.2022	32,29,52,087	95,89,455	53,19,752	15,30,626	84,86,869	34,78,78,789
Net Block						
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
Balance as at 31.03.2022	12,59,78,881	23,54,066	71,84,616	16,65,976	27,82,083	13,99,65,622

Note 2 : Other Intangible Assets

Particulars	Computer Software	Project Development WIP	Total
Gross Block			
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
Deletions	-	-	-
Balance as at 31.03.2021	7,64,06,055	4,15,01,860	11,79,07,915
Additions	-	45,00,000	45,00,000
Deletions	-	-	-
Balance as at 31.03.2022	7,64,06,055	4,60,01,860	12,24,07,915
Amortization			
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
Charge for the year	59,28,841	-	59,28,841
Disposals	-	-	-
Balance as at 31.03.2022	4,48,81,702	-	4,48,81,702
Net Block			
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
Balance as at 31.03.2022	3,15,24,353	4,60,01,860	7,75,26,213

Project development WIP

Reconciliation of carrying amount:	As at 31.03.2022	As at 31.03.2021
Opening balances	4,15,01,860	3,51,01,860
Additions during the year	45,00,000	64,00,000
Deletions during the year	-	-
Closing balances	4,60,01,860	4,15,01,860

Ageing Schedule

As at 31st March 2022

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 -2 years	2-3 years	> 3 years	
Project in progress	45,00,000	64,00,000	3,43,88,860	7,13,000	4,60,01,860
Projects suspended	-	-	-	-	-

As at 31st March 2021

Particulars	Amount in WIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Project in progress	64,00,000	3,43,88,860	7,13,000	-	4,15,01,860
Projects suspended	-	-	-	-	-

Note 3 : Non-Current Investments

Particulars	31.03.2022	31.03.2021
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	3,00,00,000	3,00,00,000
Vagdevi Sark Edutech Private Limited 10000 equity shares of Rs.10 each	1,00,000	1,00,000
Vedavaag common Service Centers Private Limited 10000 equity shares of Rs.10 each	1,00,000	1,00,000
Vedavaag Financial Services Private Limited 10000 equity shares of Rs.10 each	1,00,000	-
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
<i>Investment in subsidiaries</i>	7,03,00,000	7,02,00,000
B. Investment in other companies		
1. Investment in Business Correspondent Resource Council (BCRC) (A company registered under Section 8 of the Companies Act, 2013) 10,000 equity shares of Rs. 10/- each	1,00,000	1,00,000
Aggregate value of Unquoted investments	7,04,00,000	7,03,00,000

During the previous financial year, the company held investments in the subsidiary companies to the tune of Rs. 7.03 Crs. 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	31.03.2022	31.03.2021
Secured, Considered Good (Receivable from govt. parties and Others)	-	-
Unsecured, Considered Good (more than six months) (Receivable from govt. parties and Others)	15,43,35,657	15,29,12,024
Total	15,43,35,657	15,29,12,024

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.

Outstanding for the following periods

As at 31st March 2022

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed trade receivables	-	-		3,41,21,242	6,63,74,008	10,04,95,249
Disputed trade receivables				-	5,38,40,408	5,38,40,408
Total	-	-	-	3,41,21,242	12,02,14,416	15,43,35,657

As at 31st March 2021

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed trade receivables	-	-		9,90,71,616	-	9,90,71,616
Disputed trade receivables				5,38,40,408	-	5,38,40,408
Total	-	-	-	15,29,12,024	-	15,29,12,024

Note 5 : Other Non-Current Assets

Particulars	31.03.2022	31.03.2021
Capital Advances	2,87,97,205	2,87,97,205
Deposits (Unsecured Considered good)	5,00,500	4,90,500
Total	2,92,97,705	2,92,87,705

Note : 6 Inventory

Particulars	31.03.2022	31.03.2021
Inventories and Project WIP (valued at FIFO)	1,26,98,395	99,22,814
Total	1,26,98,395	99,22,814

Note : 7 Trade Receivables

Particulars	31.03.2022	31.03.2021
Secured, Considered Good (Receivable from govt. parties and Others)	7,39,34,243	11,42,89,085
Unsecured, Considered Good (Receivable from govt. parties and Others)	-	-
Total	7,39,34,243	11,42,89,085

Outstanding for the following periods

As at 31st March 2022

Particulars	< 6months	6 months - 1 year	1 - 2 years	2 -3 years	>3 years	Total
Undisputed trade receivables	3,52,91,871	-	-	-	-	3,52,91,871
Disputed trade receivables			-	-	-	
Unbilled dues	3,86,42,372					3,86,42,372
Total	7,39,34,243					7,39,34,243

As at 31st March 2021

Particulars	< 6months	6 months - 1 year	1 - 2 years	2 -3 years	>3 years	Total
Undisputed trade receivables	4,35,17,233	2,99,516	7,04,72,335	-	-	11,42,89,084
Disputed trade receivables				-	-	-
Unbilled dues				-	-	-
Total	4,35,17,233	2,99,516	7,04,72,335	-	-	11,42,89,084

Note : 8 Cash and Cash Equivalents

Particulars	31.03.2022	31.03.2021
Balance with Bank	40,48,226	33,95,784
Cash on Hand	1,27,25,900	97,73,187
Total	1,67,74,126	1,31,68,971

Note 9 : Bank Balances Other than above

Particulars	31.03.2022	31.03.2021
Balance with Bank (Margin Money Deposits)	1,24,00,000	1,51,05,776
Total	1,24,00,000	1,51,05,776

Note : 10 Other Current Assets

Particulars	31.03.2022	31.03.2021
Advances other than Capital Advances		
Security Deposits	-	4,74,036
Advance to Subsidiaries	21,19,25,887	20,59,75,170
BC Bank Accounts	4,12,16,732	4,98,65,229
Less: CSP Deposits	(4,12,16,732)	(4,98,65,229)
Other Advances	45,78,84,230	35,09,15,496
MAT Credit	55,33,225	55,33,225
Total	67,53,43,342	56,28,97,927

Note : 11 Notes to Equity

A . Equity Share Capital	As at 31.03.2022		As at 31.03.2021	
	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
8% Preference Shares of Rs.10/-each	-	-	-	-
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 2022		As at 31st March 2021	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J. Murali Krishna	45,98,712	20.06%	45,98,712	20.06%
J. S.R. Durga Prasad	35,84,960	15.64%	35,84,960	15.64%
S. Abheeshta	15,00,000	6.54%	15,00,000	6.54%

E . Equity shares held by promoters at the end of the year

Name of Share Holder	As at 31st March 2022		As at 31st March 2021	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J. Murali Krishna	45,98,712	20.06%	45,98,712	20.06%
J. S.R. Durga prasad	35,84,960	15.64%	35,84,960	15.64%
J. Sujatha	65,607	0.29%	65,607	0.29%

Note : 12 Other Equity

Particulars	31.03.2022	31.03.2021
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 Forfeited	1,29,18,750	1,29,18,750
Surplus		-
Opening Balances	50,32,69,255	46,09,65,258
Add: Profit during the Year	7,15,43,613	5,89,35,292
Less: Dividend for Financial Year 2019-20		1,14,62,500
Less: Dividend for Financial Year 2020-21	1,37,55,000	
Less: CSR expenditure	45,59,490	51,68,795
Less: Prior period item	30,35,010	
Closing Balances	55,34,63,369	50,32,69,255
Total	89,16,24,199	84,14,30,085

Note : 13 Borrowings (Non-Current)

Particulars	31.03.2022	31.03.2021
Vehicle Loan (Secured by Hypothecation of the Vehicles)	21,49,190	29,15,325
Total	21,49,190	29,15,325

Note : 14 Deferred Tax Liabilities (Net)

Particulars	31.03.2022	31.03.2021
Opening Balance	2,93,94,516	2,99,47,266
Add or (Less): Charge during the Year	(13,97,295)	(5,52,750)
Total	2,79,97,221	2,93,94,516

Note : 15 Other Non-Current Liabilities

Particulars	31.03.2022	31.03.2021
CSP and Other Deposits	1,27,99,946	78,60,308
Total	1,27,99,946	78,60,308

Note : 16 Current Liabilities - Borrowings

Particulars	31.03.2022	31.03.2021
Borrowing - Axis Bank	4,53,90,871	4,15,05,437
Borrowing - ICICI (OD)	-	43,904
Total	4,53,90,871	4,15,49,341

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 Rs.	4,53,90,871

Note : 17 Trade Payables

Particulars	31.03.2022	31.03.2021
Trade Payables	1,87,65,912	1,09,44,995
Total	1,87,65,912	1,09,44,995

Outstanding for the following periods

As at 31st March 2022

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade payables	1,87,65,912	-	-	-	1,87,65,912
Disputed trade payables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	1,87,65,912	-	-	-	1,87,65,912

As at 31st March 2021

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	1,09,44,995	-	-	-	1,09,44,995
Disputed trade receivables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	1,09,44,995	-	-	-	1,09,44,995

Note : 18 Other Current Liabilities

Particulars	31.03.2022	31.03.2021
Expenses payable	1,47,37,344	1,43,39,135
Current maturities of Long-Term Debt (Vehicle loans)	14,20,526	19,84,759
Unpaid Dividend	27,61,857	21,29,450
Taxes and Duties	1,05,91,512	1,36,94,840
Total	2,95,11,239	3,21,48,184

Note : 19 Current Tax Liability

Particulars	31.03.2022	31.03.2021
Provision for the year	2,56,98,530	2,12,40,837
Less: TDS	2,05,11,805	1,65,64,805
Total	51,86,725	46,76,032

NOTES TO PROFIT & LOSS ACCOUNT (STANDALONE)

Note : 20 Revenue From Operations

Particulars	31.03.2022	31.03.2021
Sales	20,33,77,834	14,66,22,092
Services	48,43,73,836	41,23,71,472
Total	68,77,51,670	55,89,93,564

Note : 21 Other Income

Particulars	31.03.2022	31.03.2021
Interest Income	5,49,866	4,96,473
Other Non-Operating Income	4,84,340	6,72,822
Dividend from subsidiaries	-	40,00,000
Total	10,34,206	51,69,295

Note : 22 Project Expenses

Particulars	31.03.2022	31.03.2021
Project Expenses	38,96,77,129	30,44,64,422
Total	38,96,77,129	30,44,64,422

Note : 23 Cost of Material

Particulars	31.03.2022	31.03.2021
Opening Inventory	99,22,814	1,04,82,691
Add: Purchases (Net)	13,61,43,157	12,12,10,201
Total	14,60,65,971	13,16,92,892
Less: Closing Inventory	1,26,98,395	99,22,814
Total	13,33,67,576	12,17,70,078

Note : 24 Employee Benefit Expenses

Particulars	31.03.2022	31.03.2021
Salaries and Wages	2,68,70,066	2,22,29,931
Total	2,68,70,066	2,22,29,931

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	31.03.2022	31.03.2021
Interest -Others	7,86,375	2,56,383
Interest on Vehicle Loan	3,10,826	3,39,577
Total	10,97,201	5,95,960

Note : 26 Administrative and Marketing Expenses

Particulars	31.03.2022	31.03.2021
Audit Fee	3,00,000	3,00,000
Business Development and Marketing	13,28,117	27,350
Bank charges	1,48,747	1,49,192
Consultancy & Professional charges	29,66,699	8,53,040
Telephone & Internet, web server maintenance etc.,	11,47,469	9,98,545
Miscellaneous	3,10,361	7,53,322
Meeting Expenses	1,55,219	2,43,657
Printing and Stationery	3,64,569	2,62,283
Insurance	19,68,470	3,48,615
Rent	37,03,587	27,36,761
Repairs and maintenance	7,93,073	3,72,804
Share Services Charges	7,86,569	8,67,094
Travelling and Conveyance	20,66,139	6,11,750
Office Maintenance	50,34,741	36,12,712
Total	2,10,73,760	1,21,37,125

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note: 27 Earnings per Share (in Rs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Numerator for EPS		
Net Profit after tax (A)	7,15,43,613	5,89,35,292
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)	3.121	2.571

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
Vedavag Financial Services Private Limited	Wholly owned subsidiary
Vedavag Kiya E Commerce Private Limited	Subsidiary

2. Key Management Personnel

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

3. Related Party transactions during the year

Nature of transactions	Name of Entity	2021-22 Rs.	2020-21 Rs.
Advances to Subsidiaries	VSL Data Systems Private Limited	14,04,200	(2,77,83,500)
	Vagdevi Sark Edutech Private Limited	39,66,052	10,41,000
	Vedavaag Common Service Centers Private Limited	3,18,054	3,65,250
	Vedavaag Financial Services Private Limited	12,060	-
	Vedavaag Kiya E Commerce Private Limited	2,23,351	-

4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2022	31 March 2021
Short term employee benefits	Rs. 41.75 lakhs	Rs. 28.08 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:

Description	Company	Amount Rs.	
		31 March 2022	31 March 2021
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
	Vedavaag Financial Services Private Limited	1,00,000	-
Preference Share Investment in Subsidiaries	VSL Data Systems Private Limited	4,00,00,000	4,00,00,000
Advance to subsidiaries	VSL Data Systems Private Limited	16,90,69,405	16,76,65,205
	Vagdevi Sark Edutech Private Limited	1,97,10,767	1,57,44,715
	Vedavag Common Services Centers Private Limited	2,29,10,304	2,25,65,250
	Vedavaag Financial Services Private Limited	12,060	-
	Vedavaag Kiya E Commerce Private Limited	2,23,351	-

Note: 29 Contingent liabilities

The Company has submitted Performance Bank Guarantees worth of Rs.84.00 lakhs for various project. The BGs were obtained against 100% margin money from various banks for Financial Inclusion projects and other projects.

Note: 30 Corporate social responsibility

In accordance with section 135(5) of the Companies Act, 2013, the CSR liability for the year was Rs. 17.65 lakhs and the CSR expenditure incurred was Rs. 23.56 lakhs resulting in surplus of Rs. 5.90 lakhs which can be adjusted against the CSR liability for the next three financial years.

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

Outstanding position of the Investment:

Entity	As at 31-03-2021	Allotment/purchases during the year	Sold during the year	As at 31-03-2022
Business Correspondent Resource Council (BCRC), a company registered under Section 8 of the Companies Act, 2013	1,00,000	-	-	1,00,000

Note: 32 Analytical Ratios

Ratio	Numerator	Denominator	Current Period	Previous period	% Variance	Reasons for variance #
Current ratio	Current assets	Current liabilities	8.003	8.009	0%	
Debt – equity ratio	Total Debt	Shareholders' equity	0.013	0.010	33%	Decrease is on account of repayment of term loans
Debt Service Coverage ratio	Earnings available for debt service	Debt service	37.82	25.76	47%	Decrease is on account of repayment of term loans
Return on Equity (ROE)	Net profit after taxes	Shareholders' equity	6.38%	5.50%	16%	
Inventory Turnover ratio	Sales	Closing Inventory	54.16	56.33	-4%	
Trade Receivable Turnover ratio	Sales	Closing trade receivables	9.302	4.891	90%	Improvement in the ratio is on account of increase in turnover and lower receivables when compared to previous year
Trade Payables Turnover ratio	Credit purchases	Closing trade payables	10.72	12.22	-12%	
Net Capital turnover ratio	Sales	Working capital	0.993	0.893	11%	
Net profit ratio	Profit after tax	Total income	10.39%	10.45%	-1%	
Return on Capital employed	Earnings before interest and taxes	Capital employed	0.083	0.072	15%	
Return on investment	Realised gain on investment	Investment value	-	-	-	

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

Note: 33 Benami Property

There are no proceedings initiated or pending against the company as at 31st March 2022, under Prohibition of Benami Property Transaction Act, 1988 (as amended in 2016).

Note: 34 Wilful defaulter

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

Note: 35 Undisclosed incomes

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

Note: 36

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

Note: 37 Struck off companies

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

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

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner
M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

T B Krishna Mohan
CFO

Sd/-

J Sujatha
Director

Sd/-

Saiteja Ivaturi
Company Secretary

INDEPENDENT AUDITORS' REPORT

To The Members of Vedavaag Systems Limited Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated annual financial results 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 31.03.2022, 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 results/ financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial results:

- I. include the annual financial results of the following entities
 - VSL Data Systems Private Limited
 - Vagdevi Sark Edutech Private Limited
 - Vedavaag Common Service Centers Private Limited
 - Vedavag Financial Services Private Limited
 - Vedavag Kiya E Commerce 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 31.03.2022.

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 Results 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 Results

These Consolidated financial results 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 results 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 results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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 Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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 results 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, 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 results 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 Results include the audited Financial Results of 4 subsidiaries, viz, VSL Data Systems Private Limited, Vagdevi Sark Edutech Private Limited, Vedavaag Common Service Centers Private Limited and Vedavaag Financial Services Private Limited whose Financial Statements/Financial Results/ financial information reflects Group's share of total assets of Rs. 945.60/- in lakhs as at 31.03.2022, Group's share of total revenue of Rs. 2668.45/-in lakhs and Group's share of total net profit/(loss) after tax of Rs.114.99/- in lakhs for the period from 01.04.2021 to 31.03.2022 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent Auditors.

The independent auditors' reports on financial statements/ Financial Results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, 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 consolidated Financial Results include the audited Financial Results of 4 subsidiaries, whose Financial Statements/Financial Results financial information reflect Group's share of total assets of Rs. 945.60/- in lakhs as at 31.03.2022, Group's share of total revenue of Rs. 2668.45/-in lakhs and Group's share of total net profit/(loss) after tax of Rs.114.99/- in lakhs for the period from 01.04.2021 to 31.03.2022 respectively, as considered in the consolidated Financial Results. These unaudited interim Financial Statements/Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, 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 unaudited Financial Statements/Financial Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements/Financial Results / financial information are not material to the Group.

Our opinion on the consolidated Financial Results 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 Results/financial information certified by the Board of Directors.

The Consolidated Annual financial results include the results for the quarter ended 31.03 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.

Place: Hyderabad

Date: 26.05.2022

UDIN: 22224674AJQWLI3087

For P A R Y & Co
Chartered Accountants
(Firm's Registration No.007288C)

Sd/-

P. Vamshi Krishna Reddy
Partner
M.No.224674

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Vedavaag Systems Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

We have audited the internal financial controls over financial reporting of Vedavaag Systems Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad

Date: 26.05.2022

UDIN: 22224674AJQWLI3087

For P A R Y & Co
Chartered Accountants
(Firm's Registration No.007288C)

Sd/-

P. Vamshi Krishna Reddy
Partner
M.No.224674

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report On Other Legal And Regulatory Requirements' section of our report to the members of Vedavaag Systems Limited of even date)

On the basis of the information and explanation given to us during the course of our audit, we report that:

(i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of all fixed assets.

(B) The company has maintained proper records showing full particulars, including quantitative details and situation of all intangible assets.

b) Pursuant to the company's programme of verifying fixed assets in a phased manner, physical verification of fixed assets was conducted during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us the company is not having any immovable properties, and hence the question of title deeds in the name of the company does not arise.

d) The company has not revalued its Property, Plant, and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

(ii) a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management are appropriate. No material discrepancies were noticed on such verification.

b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii)(b) of paragraph 3 of the order are not applicable to the company

(iii) In our opinion and based on the information and explanation given to us the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships, or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and(c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of representations of the management which we have relied upon, no loans have been given by the company during the financial year 2021-22. Accordingly, the provisions of Section 185 and Section 186 of the Companies Act, 2013 are not applicable to the company.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of sections 73 to 76 of the Companies Act, 2013 therefore reporting under this clause is not applicable.

(vi) According to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company therefore reporting under this clause is not required.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing statutory dues as applicable, with the appropriate authorities except there have been certain delays in payment of ESIC & Provident Fund due to website error maintenance. There are no statutory dues that are outstanding as of March 31, 2022, for a period of more than six months.

b) As of the year-end, according to the records of the Company and information and explanations given to us, there are no disputed statutory dues outstanding on the company.

(viii) In our opinion and according to the information and explanations given to us, there is no transaction not recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) (ix) a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any loans from the financial institution and debenture holders therefore reporting of repayments of such loans under this clause is not applicable.

b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender. However one particular loan account with Axis bank having liability of Rs. 4.54 crores is overdue and we understand that the process of reschedulement of Repayment programme is in progress.

c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

d) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been utilised for long-term purposes.

e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) According to the information and explanations given to us, on an overall basis, the company has not raised any money by way of initial public offer or further public offer (including debt instruments)

(xi) a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As auditors, we did not receive any whistle-blower complaints during the year.

(xii) Since the company is not a Nidhi company, therefore this clause is not applicable.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 as applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) The company is covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. The company has appointed Mr. Naga Chaitanya, Practicing Chartered Accountant, as Internal auditor of the company.

(xv) According to the information and explanations given to us based on our examination of the record of the company, the company has not entered into any noncash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the order are not applicable.

(xvi) a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As per the information and explanations received, the group does not have any CIC as part of the group.

(xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year

(xviii) There has been no resignation of the previous statutory auditors during the year.

(xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) There is liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility and the provisions of Clause (xx) of paragraph 3 of the order are applicable to the Company and company has provided for CSR Expenditure to the tune of Rs.17.65 lakhs during the year and incurred Rs. 23.56 lakhs resulting in surplus of Rs. 5.90 lakhs which can be adjusted against the CSR liability for the next three financial years.

(xxi) According to the provisions of Clause (xxi) of paragraph 3 of the order there are no Qualification/ Adverse remarks in the audit reports issued by the respective auditors of Group companies which are included in the consolidated Financial Statements.

For P A R Y & Co
Chartered Accountants
(Firm's Registration No.007288C)

Sd/-

P. Vamshi Krishna Reddy
Partner
M.No.224674

Place: Hyderabad

Date: 26.05.2022

UDIN: 22224674AJQWLI3087

BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2022

Particulars	Note	As at 31.03.2022	As at 31.03.2021
		Rs.	Rs.
I Assets			
(1) Non - Current Assets			
(a) Property Plant & Equipment	1	14,01,11,508	15,33,91,345
(b) Other Intangible Assets	2	17,19,40,210	21,17,77,112
(c) Financial Assets			
i Investments	3	1,00,000	1,00,000
ii Trade Receivables	4	15,43,35,657	26,38,31,194
iii Other Financial Assets			
(d) Other Non Current Assets	5	2,92,97,705	2,92,87,705
Total Non Current Assets		49,57,85,081	65,83,87,356
2 Current Assets			
(a) Inventories	6	1,26,98,395	99,22,814
(b) WIP			
(c) Financial Assets			
i Investments			
ii Trade Receivables	7	20,91,56,524	11,55,54,248
iii Cash and Cash Equivalents	8	1,73,53,544	1,33,96,594
iv Bank Balances Other than iii above	9	1,24,00,000	1,51,05,776
(d) Other Current Assets	10	71,60,61,752	57,11,20,007
Total Current Assets		96,76,70,215	72,50,99,439
Total Assets		1,46,34,55,296	1,38,34,86,795
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	22,92,50,000	22,92,50,000
(b) Other Equity	12	98,49,84,053	92,32,90,509
Total Equity		1,21,42,34,053	1,15,25,40,509
(2) Liabilities			
Non - Current Liabilities			
(a) Financial Liabilities			
i Borrowings	13	21,49,190	29,15,325
ii. Trade Payables			
iii. Other Financial Liabilities			
(b) Deferred Tax Liabilities (Net)	14	4,25,90,245	4,72,45,609
(c) Other Non Current Liabilities	15	1,27,99,946	78,60,308
Total Non Current Liabilities		5,75,39,381	5,80,21,242

3 Current Liabilities			
(a) Financial Liabilities			
i Borrowings	16	4,53,90,871	4,15,49,341
ii Trade Payables	17	6,68,47,941	5,67,56,024
iii Other Financial Liabilities			
(b) Other Current Liabilities	18	6,69,97,392	6,67,88,498
(c) Current Tax Liabilities	19	1,24,45,658	78,31,181
Total Current Liabilities		19,16,81,862	17,29,25,044
Total Liabilities (2+3)		24,92,21,243	23,09,46,286
Total Equity and Liabilities		1,46,34,55,296	1,38,34,86,795

Significant Accounting Policies

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

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner

M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

T B Krishna Mohan
CFO

Sd/-

J Sujatha
Director

Sd/-

Saiteja Ivaturi
Company Secretary

PROFIT AND LOSS ACCOUNT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH, 2022

	Particulars	Note	Year ended 31.03.2022	Year ended 31.03.2021
			Rs.	Rs.
1	INCOME			
	a) Revenue from Operations	20	95,45,96,947	72,17,56,459
	b) Other Income	21	10,34,206	54,59,295
	Total Income		95,56,31,153	72,72,15,754
2	EXPENSES			
	a) Project Expenses	22	38,96,77,129	30,44,64,422
	b) Cost of Material	23	26,64,63,235	12,29,23,843
	c) Employee Benefits Expense	24	8,73,54,833	8,66,14,843
	d) Finance Cost	25	10,97,201	5,95,960
	e) Depreciation and Amortisation Expense		5,92,90,210	5,76,41,129
	f) Other Expenses	26	4,03,95,826	5,83,50,144
	Total Expenses		84,42,78,434	63,05,90,341
3	Profit Before Exceptional Item and Tax (1-2)		11,13,52,719	9,66,25,413
4	Exceptional Item		-	-
5	Profit Before Tax		11,13,52,719	9,66,25,413
	Tax Expenses			
	Current Tax		3,29,65,039	2,43,95,986
	Deferred Tax		(46,55,363)	22,11,414
6	Profit After Tax		8,30,43,043	7,00,18,013
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		8,30,43,043	7,00,18,013
9	Earnings per Share			
	a) Basic		3.622	3.054
	b) Diluted		3.622	3.054

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner
M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

T B Krishna Mohan
CFO

Sd/-

J Sujatha
Director

Sd/-

Saiteja Ivaturi
Company Secretary

CASH FLOW STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
		Rs.	Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	11,13,52,719	9,66,25,413
	Adjustments for:		
	Depreciation	5,92,90,210	5,76,41,129
	Interest & Finance Charges	10,97,201	5,95,960
	Interest Income	(5,49,866)	(7,86,473)
	Operating Profit before Working Capital Changes	17,11,90,264	15,40,76,029
	Adjustments for:		
	(Increase)/Decrease in Inventories	(27,75,581)	5,59,877
	(Increase)/Decrease in Current Trade Recivables	(9,36,02,276)	(6,75,04,893)
	(Increase)/Decrease in Non current Trade Receivables	10,94,95,537	10,30,46,153
	(Increase)/Decrease in Other Non-Current Assets	(10,000)	(12,11,500)
	(Increase)/Decrease in Investments	-	-
	(Increase)/Decrease in Other Current Assets	(14,49,41,744)	(8,60,54,284)
	Increase/(Decrease) in Trade Payables	1,00,91,917	4,46,55,432
	Increase/(Decrease) in Other Current Liabilities & Provisions	48,23,370	(2,71,78,868)
	Increase/(Decrease) in Non Current Liabilities	49,39,638	(1,33,13,029)
	Cash generated from operations	5,92,11,123	10,70,74,917
	Income Tax	3,29,65,039	2,43,95,986
	Net Cash flow from Operating activities	2,62,46,084	8,26,78,930
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets and Capital Work In progress	(61,73,471)	(5,62,32,474)
	Purchase of Investments		(1,00,000)
	Interest Received	5,49,866	7,86,473
	Net Cash used in Investing activities	(56,23,605)	(5,55,46,001)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Change in Other Equity	(75,94,500)	(24,49,975)
	Interest Charges	(10,97,201)	(5,95,960)
	Dividend Payment	(1,37,55,000)	(1,14,62,500)
	Borrowings	30,75,396	(83,80,518)
	Net Cash used in financing activities	(1,93,71,305)	(2,28,88,953)
	Net Increase in Cash & Cash Equivalents	12,51,175	42,43,976
	Cash and Cash Equivalent at the beginning of the period	2,85,02,370	2,42,58,393
	Cash and Cash Equivalent at the end of the period	2,97,53,544	2,85,02,369

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner
M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna
Managing Director

Sd/-

T B Krishna Mohan
CFO

Sd/-

J Sujatha
Director

Sd/-

Saiteja Ivaturi
Company Secretary

STATEMENT OF CHANGE IN EQUITY - CONSOLIDATED

Particulars	31.03.2022	31.03.2021
A. Equity Share Capital		
	Rs.	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		
Particulars	31.03.2022	31.03.2021
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 Forfeited	1,29,18,750	1,29,18,750
Surplus		
Opening Balances	58,51,29,679	53,57,42,961
Add: Profit during the Year	8,30,43,043	7,00,18,013
Less: Dividend for Financial Year 2019-20	-	1,54,62,500
Less: Dividend for Financial Year 2020-21	1,37,55,000	-
Less: CSR expenditure	45,59,490	51,68,795
Less: Prior period item	30,35,010	
Closing Balances	64,68,23,223	58,51,29,679
Total	98,49,84,053	92,32,90,509

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner

M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna

Managing Director

Sd/-

T B Krishna Mohan

CFO

Sd/-

J Sujatha

Director

Sd/-

Saiteja Ivaturi

Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Company information:

Vedavaag Systems Limited ("The Company" or "the Holding Company") is a public limited company is incorporated under the provisions of the Companies Act applicable in India, Its shares are listed on BSE stock exchange in India. These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the 'Group').

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

Significant Accounting Policies:

a. Statement of Compliance:

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

b. Basis of Preparation:

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

c. Functional and Presentation Currency:

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

d. Use of Estimates and Judgment:

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

e. Current and Non-Current classification:

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

An asset is current when it is:

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

All the other assets are classified as non-current.

A liability is current when:

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

All the other liabilities are classified as non-current.

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

f. Basis of consolidation

These consolidated financial statements have been prepared by consolidation of the financial statements of the company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

Subsidiaries considered in the consolidated financial statements

Name of the Company	Ownership interest	
VSL Data Systems Private Limited	Wholly owned subsidiary	100%
Vagdevi Sark Edutech Private Limited	Wholly owned subsidiary	100%
Vedavag Common Service Centers Private Limited	Wholly owned subsidiary	100%
Vedavag Financial Services Private Limited	Wholly owned subsidiary	100%
Vedavag Kiya E Commerce Private Limited	Subsidiary	51%

g. 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.

h. 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.

i. 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.

j. Inventory:

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

k. 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.

l. 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.

m. Employee Benefits

Gratuity:

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

Provident Fund:

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

Leave Encashment:

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

n. Impairment of Non-financial Assets:

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

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

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

o. 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

p. 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.

q. Foreign Currencies

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

r. 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.

s. 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.

t. Investments in subsidiaries and associates

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

u. Events after reporting date

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

v. Cash flow statement

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

NOTES TO BALANCE SHEET (CONSOLIDATED)

Note 1 : Property Plant & Equipment

Amount Rs.

Particulars	Computer Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Others	Total
Gross Block						
Balance as at 01.04.2020	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
Additions	12,78,660	68,150	-	38,280	2,88,381	16,73,471
Deletions	-	-	-	-	-	-
Balance as at 31.03.2022	44,91,15,393	1,19,43,521	1,25,04,367	31,96,602	1,12,68,952	48,80,28,835
Accumulated Depreciation						
Balance as at 01.04.2020	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
Charge for the year	1,35,57,792	1,56,042	7,76,177	1,77,579	2,85,718	1,49,53,308
Deletion	-	-	-	-	-	-
Balance as at 31.03.2022	32,29,90,625	95,89,455	53,19,752	15,30,626	84,86,869	34,79,17,327
Net Block						
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
Balance as at 31.03.2022	12,61,24,767	23,54,066	71,84,616	16,65,976	27,82,083	14,01,11,508

Note 2 : Other Intangible Assets

Particulars	Computer Software	Project Development WIP	Total
Gross Block			
Balance as at 01.04.2020	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
Additions	-	45,00,000	45,00,000
Deletions	-	-	-
Balance as at 31.03.2022	31,33,46,593	4,60,01,860	35,93,48,453
Amortization			
Balance as at 01.04.2020	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
Charge for the year	4,43,36,902	-	4,43,36,902
Disposals	-	-	-
Balance as at 31.03.2022	18,74,08,243		18,74,08,243
Net Block			
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
Balance as at 31.03.2022	12,59,38,350	4,60,01,860	17,19,40,210

Ageing Schedule

As at 31st March 2022

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 -2 years	2-3 years	> 3 years	
Project in progress	45,00,000	64,00,000	3,43,88,860	7,13,000	4,60,01,860
Projects suspended	-	-	-	-	-

As at 31st March 2021

Particulars	Amount in WIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Project in progress	64,00,000	3,43,88,860	7,13,000	-	4,15,01,860
Projects suspended	-	-	-	-	-

Note 3 : Non Current Investments

Particulars	31.03.2022	31.03.2021
A. Investment in other companies		
1. Investment in Business Correspondent Resource Council (BCRC) (A company registered under Section 8 of the Companies Act, 2013) 10,000 equity shares of Rs. 10/- each	1,00,000	1,00,000
Aggregate value of Unquoted investments	1,00,000	1,00,000

Note : 4 Trade Receivables (Non-Current)

Particulars	31.03.2022	31.03.2021
Secured, Considered Good (Receivable from govt. parties and Others)	-	-
Unsecured, Considered Good (more than six months) (Receivable from govt. parties and Others)	15,43,35,657	26,38,31,194
Total	15,43,35,657	26,38,31,194

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.

Outstanding for the following periods

As at 31st March 2022

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed trade receivables	-	-	-	3,41,21,242	6,63,74,008	10,04,95,249
Disputed trade receivables	-	-	-	-	5,38,40,408	5,38,40,408
Total	-	-	-	3,41,21,242	12,02,14,416	15,43,35,657

As at 31st March 2021

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed trade receivables	-	-	11,09,19,170	9,90,71,616	-	20,99,90,786
Disputed trade receivables	-	-	-	5,38,40,408	-	5,38,40,408
Total	-	-	11,09,19,170	15,29,12,024	-	26,38,31,194

Note 5 : Other Non-Current Assets

Particulars	31.03.2022	31.03.2021
Capital Advances	2,87,97,205	2,87,97,205
Deposits (Unsecured Considered good)	5,00,500	4,90,500
Total	2,92,97,705	2,92,87,705

Note : 6 Inventory

Particulars	31.03.2022	31.03.2021
Inventories and Project WIP (valued at FIFO)	1,26,98,395	99,22,814
Total	1,26,98,395	99,22,814

Note : 7 Trade Receivables

Particulars	31.03.2022	31.03.2021
Secured, Considered Good (Receivable from govt. parties and Others)	20,91,56,524	11,55,54,248
Unsecured, Considered Good (Receivable from govt. parties and Others)		
Total	20,91,56,524	11,55,54,248

Outstanding for the following periods

As at 31st March 2022

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed trade receivables	5,95,94,982	-	11,09,19,170	-	-	17,05,14,152
Disputed trade receivables		-	-	-	-	-
Unbilled dues	3,86,42,372	-	-	-	-	3,86,42,372
Total	9,82,37,354	-	11,09,19,170	-	-	20,91,56,524

As at 31st March 2021

Particulars	< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed trade receivables	4,35,17,233	2,99,516	7,17,37,499	-	-	11,55,54,248
Disputed trade receivables	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
Total	4,35,17,233	2,99,516	7,17,37,499	-	-	11,55,54,248

Note : 8 Cash and Cash Equivalents

Particulars	31.03.2022	31.03.2021
Balance with Bank	42,68,331	35,41,443
Cash on Hand	1,30,85,213	98,55,150
Total	1,73,53,544	1,33,96,594

Note 9 : Bank Balances Other than above

Particulars	31.03.2022	31.03.2021
Balance with Bank (Margin Money Deposits)	1,24,00,000	1,51,05,776
Total	1,24,00,000	1,51,05,776

Note : 10 Other Current Assets

Particulars	31.03.2022	31.03.2021
Advances other than Capital Advances		
Security Deposits	10,08,000	14,82,036
Advance to Subsidiaries *	-	20,59,75,170
BC Bank Accounts	4,12,16,732	5,09,51,672
Less: CSP Deposits	(4,12,16,732)	(4,97,14,229)
Other Advances	70,95,20,527	35,68,92,133
MAT Credit	55,33,225	55,33,225
Total	71,60,61,752	57,11,20,007

Note : 11 Notes to Equity

A . Equity Share Capital	As at 31.03.2022		As at 31.03.2021	
	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
8% Preference Shares of Rs.10/-each	-	-	-	-
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 2022		As at 31st March 2021	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J. Murali Krishna	45,98,712	20.06%	45,98,712	20.06%
J. S.R. Durga Prasad	35,84,960	15.64%	35,84,960	15.64%
S. Abheeshta	15,00,000	6.54%	15,00,000	6.54%

E . Equity shares held by promoters at the end of the year

Name of Share Holder	As at 31st March 2022		As at 31st March 2021	
	No of Shares Held	% of holding	No of Shares Held	% of holding
J. Murali Krishna	45,98,712	20.06%	45,98,712	20.06%
J. S.R. Durga prasad	35,84,960	15.64%	35,84,960	15.64%
J. Sujatha	65,607	0.29%	65,607	0.29%

Note : 12 Other Equity

Particulars	31.03.2022	31.03.2021
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 Forfeited	1,29,18,750	1,29,18,750
Surplus		-
Opening Balances	58,51,29,679	53,57,42,961
Add: Profit during the Year	8,30,43,043	7,00,18,013
Less: Dividend for Financial Year 2019-20		1,54,62,500
Less: Dividend for Financial Year 2020-21	1,37,55,000	
Less: CSR expenditure	45,59,490	51,68,795
Less: Prior period item	30,35,010	
Closing Balances	64,68,23,223	58,51,29,679
Total	98,49,84,053	92,32,90,509

Note : 13 Borrowings (Non-Current)

Particulars	31.03.2022	31.03.2021
Vehicle Loan (Secured by Hypothecation of the Vehicles)	21,49,190	29,15,325
Total	21,49,190	29,15,325

Note : 14 Deferred Tax Liabilities (Net)

Particulars	31.03.2022	31.03.2021
Opening Balance	4,72,45,609	4,50,34,195
Add or (Less): Charge during the Year	(46,55,363)	22,11,414
Total	4,25,90,245	4,72,45,609

Note : 15 Other Non-Current Liabilities

Particulars	31.03.2022	31.03.2021
CSP and Other Deposits	1,27,99,946	78,60,308
Total	1,27,99,946	78,60,308

Note : 16 Current Liabilities - Borrowings

Particulars	31.03.2022	31.03.2021
Borrowing - Axis Bank	4,53,90,871	4,15,05,437
Borrowing - ICICI (OD)	-	43,904
Total	4,53,90,871	4,15,49,341

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 Rs.	4,53,90,871

Note : 17 Trade Payables

Particulars	31.03.2022	31.03.2021
Trade Payables	6,68,47,941	5,67,56,024
Total	6,68,47,941	5,67,56,024

Outstanding for the following periods

As at 31st March 2022

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade payables	6,68,47,941	-	-	-	6,68,47,941
Disputed trade payables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	6,68,47,941	-	-	-	6,68,47,941

As at 31st March 2021

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	5,67,56,024	-	-	-	5,67,56,024
Disputed trade receivables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	5,67,56,024	-	-	-	5,67,56,024

Note : 18 Other Current Liabilities

Particulars	31.03.2022	31.03.2021
Expenses payable	1,66,92,840	3,10,94,235
Current maturities of Long-Term Debt (Vehicle loans)	14,20,526	19,84,759
Unpaid Dividend	27,61,857	21,29,450
Taxes and Duties	4,61,22,169	3,15,80,054
Total	6,69,97,392	6,67,88,498

Note : 19 Current Tax Liability

Particulars	31.03.2022	31.03.2021
Provision for the year	3,29,65,040	2,43,95,986
Less: TDS	2,05,19,382	1,65,64,805
Total	1,24,45,658	78,31,181

NOTES TO PROFIT & LOSS ACCOUNT (CONSOLIDATED)

Note : 20 Revenue From Operations

Particulars	31.03.2022	31.03.2021
Sales	46,84,15,342	30,75,97,836
Services	48,61,81,605	41,41,58,623
Total	95,45,96,947	72,17,56,459

Note : 21 Other Income

Particulars	31.03.2022	31.03.2021
Interest Income	5,49,866	7,86,473
Other Non-Operating Income	4,84,340	6,72,822
Dividend from subsidiaries	-	40,00,000
Total	10,34,206	54,59,295

Note : 22 Project Expenses

Particulars	31.03.2022	31.03.2021
Project Expenses	38,96,77,129	30,44,64,422
Total	38,96,77,129	30,44,64,422

Note : 23 Cost of Material

Particulars	31.03.2022	31.03.2021
Opening Inventory	99,22,814	1,04,82,691
Add: Purchases (Net)	26,92,38,816	12,23,63,966
Total	27,91,61,630	13,28,46,657
Less: Closing Inventory	1,26,98,395	99,22,814
Total	26,64,63,235	12,29,23,843

Note : 24 Employee Benefit Expenses

Particulars	31.03.2022	31.03.2021
Salaries and Wages	8,73,54,833	8,66,14,843
Total	8,73,54,833	8,66,14,843

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	31.03.2022	31.03.2021
Interest -Others	7,86,375	2,56,383
Interest on Vehicle Loan	3,10,826	3,39,577
Total	10,97,201	5,95,960

Note : 26 Administrative and Marketing Expenses

Particulars	31.03.2022	31.03.2021
Audit Fee	3,92,500	3,57,500
Business Development and Marketing	13,35,492	27,350
Bank charges	2,01,001	1,74,619
Consultancy & Professional charges	33,66,319	12,49,320
Telephone & Internet, web server maintenance etc.,	12,59,934	11,48,338
Miscellaneous	3,82,468	9,55,321
Meeting Expenses	1,55,219	2,43,657
Printing and Stationery	3,64,569	2,90,178
Insurance	19,68,470	3,48,615
Rent	39,79,587	30,13,442
Repairs and maintenance	8,07,763	4,85,304
Share Services Charges	7,98,569	8,67,094
Travelling and Conveyance	31,71,262	19,32,756
Office Maintenance	1,56,80,276	3,13,06,628
GST paid	65,32,397	1,59,50,022
Total	4,03,95,826	5,83,50,144

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note: 27 Earnings per Share (in Rs)

Particulars	31.03.2022	31.03.2021
Numerator for EPS		
Net Profit after tax (A)	8,30,43,043	7,00,18,013
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)	3.622	3.054

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
Vedavag Financial Services Private Limited	Wholly owned subsidiary
Vedavag Kiya E Commerce Private Limited	Subsidiary

2. Key Management Personnel

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

3. Related Party transactions during the year

Nature of transactions	Name of Entity	2021-22 Rs.	2020-21 Rs.
Advances to Subsidiaries	VSL Data Systems Private Limited	14,04,200	(2,77,83,500)
	Vagdevi Sark Edutech Private Limited	39,66,052	10,41,000
	Vedavaag Common Service Centers Private Limited	3,18,054	3,65,250
	Vedavaag Financial Services Private Limited	12,060	-
	Vedavaag Kiya E Commerce Private Limited	2,23,351	-

4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2022	31 March 2021
Short term employee benefits	Rs. 41.75 lakhs	Rs. 28.08 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:

Description	Company	31.03.2022	31.03.2021
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
	Vedavaag Financial Services Private Limited	1,00,000	-
Preference Share Investment in Subsidiaries	VSL Data Systems Private Limited	4,00,00,000	4,00,00,000
Advance to subsidiaries	VSL Data Systems Private Limited	16,90,69,405	16,76,65,205
	Vagdevi Sark Edutech Private Limited	1,97,10,767	1,57,44,715
	Vedavag Common Services Centers Private Limited	2,29,10,304	2,25,65,250
	Vedavaag Financial Services Private Limited	12,060	-
	Vedavaag Kiya E Commerce Private Limited	2,23,351	-

Note: 29 Contingent liabilities

The Company has submitted Performance Bank Guarantees worth of Rs.84.00 lakhs for various projects. The BGs were obtained against 100% margin money from various banks for Financial Inclusion and other projects.

Note: 30 Corporate social responsibility

In accordance with section 135(5) of the Companies Act, 2013, the CSR liability for the year was Rs. 17.65 lakhs and the CSR expenditure incurred was Rs. 23.56 lakhs resulting in surplus of Rs. 5.90 lakhs which can be adjusted against the CSR liability for the next three financial years.

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

Outstanding position of the Investment:

Entity	As at 31-03-2021	Allotment/purchases during the year	Sold during the year	As at 31-03-2022
Business Correspondent Resource Council (BCRC), a company registered under Section 8 of the Companies Act, 2013	1,00,000			1,00,000

Note: 32 Analytical Ratios

Ratio	Numerator	Denominator	Current Period	Previous period	% Variance	Reasons for variance #
Current ratio	Current assets	Current liabilities	3.883	3.140	-24%	Increased turnover resulted in increase in current assets
Debt – equity ratio	Total Debt	Shareholders' equity	0.012	0.009	32%	Decrease is on account of repayment of term loans
Debt Service Coverage ratio	Earnings available for debt service	Debt service	59.589	41.395	44%	Decrease is on account of repayment of term loans
Return on Equity (ROE)	Net profit after taxes	Shareholders' equity	6.84%	6.08%	13%	
Inventory Turnover ratio	Sales	Closing Inventory	75.17	72.74	3%	
Trade Receivable Turnover ratio	Sales	Closing trade receivables	4.564	6.246	-27%	Improvement in the ratio is on account of increase in turnover and lower receivables when compared to previous year
Trade Payables Turnover ratio	Credit purchases	Closing trade payables	2.42	2.16	12%	
Net Capital turnover ratio	Sales	Working capital	1.230	1.307	-6%	
Net profit ratio	Profit after tax	Total income	8.69%	9.63%	-10%	
Return on Capital employed	Earnings before interest and taxes	Capital employed	0.09	0.08	10%	
Return on investment	Realised gain on investment	Investment value	-	-	-	

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

Note: 33 Benami Property

There are no proceedings initiated or pending against the company as at 31st March 2022, under Prohibition of Benami Property Transaction Act, 1988 (as amended in 2016).

Note: 34 Wilful defaulter

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

Note: 35 Undisclosed incomes

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

Note: 36

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

Note: 37 Struck off companies

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

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

For PARY & CO

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

Sd/-

(P VAMSI KRISHNA REDDY)

Partner

M.No.224674

Date: 26-05-2022

Place: Hyderabad

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna

Managing Director

Sd/-

T B Krishna Mohan

CFO

Sd/-

J Sujatha

Director

Sd/-

Saiteja Ivaturi

Company Secretary

FORM NO. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L72200TG1998PLC029240

Name of the company: VEDAVAAG SYSTEMS LIMITED

Registered office: 1-90-8/13, B BLOCK, 103 SRI SAI ORCHID, HI TEC CITY, Madhapur, Hyderabad - 500081

<p>Name of the member (s):</p> <p>Registered address:</p> <p>E-mail Id:</p> <p>Folio No/ Client Id:</p> <p>DP ID:</p>
--

I/We, being the member (s) of shares of the above-named company, hereby appoint:

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:, or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on the Friday of 30th Day of September, 2022 at 12:00 Noon at Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red Hills (FTCCI), Hyderabad - 500004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of audited financial statements for the year ended 31st March 2022.
2. Declaration of final dividend on equity shares for the financial year ended 31st March 2022
3. Re-appointment of Mr. Ananth Jonnavittula, as 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 24th Annual General Meeting till the conclusion of 25th Annual General Meeting and to authorize board of directors to fix their remuneration
5. To consider and approve the re-appointment of Mr. J Murali Krishna (DIN: 00016054) as Managing Director of the Company
6. To consider and approve re-appointment Mr. Srinivas Pannala (DIN: 00018295) as Independent Director of the Company
7. Approval for payment of commission on profits to Non-Executive Directors

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

24TH ANNUAL GENERAL MEETING, FRIDAY 30TH SEPTEMBER 2022, AT 12.00 NOON

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

No. of shares held _____

I hereby confirm/certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and here by record my presence at the 24th Annual General Meeting of the Company on Friday 30th September 2022, at 12.00 Noon at Federation of Telangana Chambers of Commerce and Industry (Formerly Known as FAPCCI), Red Hills, Hyderabad – 500004.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: No Additional / Duplicate Attendance Slip will be issued at the Meeting Hall.

VEDAVAAG SYSTEMS LIMITED

103, WEST BLOCK, SIRISAI ORCHID,
MADHAPUR, HITECH CITY,
HYDERABAD - 500081
TS. INDIA.

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