



Date: 06-09-2024

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

Scrip Code: 533056

ISIN: INE359B01010

Dear Sir/Madam,

Sub: Notice of 26th Annual General Meeting (AGM) along with Annual report 2023-24.

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

With reference to the subject cited and pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements), 2015, please find enclosed Notice convening 26th Annual General Meeting and Annual Report for the financial year 2023-24.

The Annual Report for the Financial Year ended March 31, 2024, is also available on the website of the Company i.e., <https://vedavaag.com/Disclosures>.

Kindly take the above information on record.

Thanking You.

Yours faithfully,

For Vedavaag Systems Limited

MURALI
KRISHNA
JONNAVITTULA
Digitally signed by
MURALI KRISHNA
JONNAVITTULA
Date: 2024.09.06
17:47:49 +05'30'

J Murali Krishna
Managing Director
DIN: 00016054

Enclosed: a/a

CIN: L72200TG1998PLC029240.

1-89/G/113 NR, 3rd Floor Park View, Gafoor Nagar, Madhapur, Hi-tech City, Hyderabad – 500081.
Telangana, India. Phone: +91 70324 95959. www.vedavaag.com



VEDAVAAG SYSTEMS LIMITED

endeavoring digital transformation



26th ANNUAL REPORT

FY 2023-24

VEDAVAAG SYSTEMS LIMITED

26th ANNUAL REPORT 2023-24



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BOARD OF DIRECTORS

<p>Mr. Jonnavittula Murali Krishna Managing Director</p>	<p>Mr. Pannala Srinivas Independent Director</p>	<p>Mr. Duggi Ramesh Sinha Independent Director</p>
<p>Mr. Narsupalli Pradeep Kumar Independent Director</p>	<p>Mr. Jonnavittula Ananth Non-Executive and Non-Independent Director</p>	<p>Mrs. Jonnavittula Sujata Non-Executive and Non-Independent Director (Woman)</p>

BOARD COMMITTEES

Audit Committee

Mr. Pannala Srinivas	- Chairman
Mr. D Ramesh Sinha	- Member
Mrs. Sujatha Jonnavittula	- Member

Stakeholders Relationship Committee

Mr. N Pradeep Kumar	- Chairman
Mr. Pannala Srinivas	- Member
Mrs. Sujatha Jonnavittula	- Member

Nomination and Remuneration Committee

Mr. Pannala Srinivas	- Chairman
Mr. N Pradeep Kumar	- Member
Mrs. Sujatha Jonnavittula	- Member

Corporate Social Responsibility Committee

Mr. Jonnavittula Murali Krishna	- Chairman
Mr. D Ramesh Sinha	- Member
Mrs. Sujatha Jonnavittula	- Member

KEY MANAGERIAL PERSONNEL (KMP)

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

STATUTORY AUDITORS

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
Bank of Baroda
Punjab National Bank

REGISTERED OFFICE

1-89/G/113 NR, 3rd Floor Park View, Gafoor Nagar,
Madhapur, Hi-tech City, Hyderabad – 500081
Tel +91 70324 95959
Email: info@vedavaag.com

STOCK EXCHANGE

The BSE Limited

REGISTRAR AND SHARE TRANSFER AGENT

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

| NOTICE TO THE ANNUAL GENERAL MEETING

To the Members of **Vedavaag Systems Limited**

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF VEDAVAAG SYSTEMS LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30, 2024, AT 11:15 A.M AT THE SURANA AUDITORIUM, THE FEDERATION OF TELANGANA CHAMBER OF COMMERCE AND INDUSTRY, RED HILLS (FTCCI), HYDERABAD - 500004 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. **ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2024 together with Reports of the Board of Directors and Statutory Auditors thereon, including Annexure thereto.

2. **DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

To Declare Final Dividend on Equity shares @ Rs. 0.75 per Equity Share of Face Value of Rs. 10.00 (Rupees Ten Only) for the Financial Year ended March 31, 2024.

3. **RE-APPOINTMENT OF MR. ANANTH JONNAVITTULA (DIN: 09300935), AS DIRECTOR OF THE COMPANY**

To appoint a director in place of Mr. Ananth Jonnavittula (DIN: 09300935), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **TO CONSIDER AND APPROVE APPOINTMENT OF MR. RAGHAVACHARYA VASUDEVAN (DIN: 01798811) AS INDEPENDENT DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161(1) of the Companies Act, 2013 (the Act), Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Articles of Association of the Company and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force); Mr. Raghavacharya Vasudevan (DIN: 01798811), who was appointed by the Board of Directors as an Additional Director (Category: Non-Executive, Independent Director) of the Company with effect from August 30, 2024 and who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of Five (05) years.”

For **Vedavaag Systems Limited**

Sd/-

J Murali Krishna
Managing Director
DIN: 00016054

Place: Hyderabad
Date : 06-09-2024

| NOTES

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

In terms of the Ministry of Corporate Affairs (“MCA”) Circular the Notice calling the e-AGM and Annual Report has been uploaded on the website of the Company at www.vedavaag.com. The Notice can also be accessed from the website of the Stock Exchange i.e., BSE Limited at <https://www.bseindia.com>. The Notice and Annual Report is also available on the website of e-voting agency NSDL at the website address <https://www.evoting.nsdl.com>. The Annual Report for the Financial year ended March 31, 2024 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), owing to the difficulties involved in dispatching of physical copies of the financial statements including Board’s Report, Auditor’s Report or other documents required to be attached therewith (together referred to as Annual Report).

4. Members who are holding shares in physical mode and who have not registered/updated their email id address with the company are requested to register/update the same by writing to the Company’s RTA with folio number attaching self-attested copy of Pan card and a photocopy of blank cancelled cheque of their bank account at investor.relations@vccipl.com 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 Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_PoD-1/P/CIR/2023/37 dated March 16, 2023; the communication has been sent to all the physical shareholders on their latest available address.
6. The Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a Certified Copy of the Board Resolution authorising their representative to attend and vote on their behalf at their meeting.
7. Members who hold shares in physical form can nominate a person in respect of all 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.
8. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members Holding Shares in electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members, who hold the shares in Physical, should submit their PAN to the Company/ Registrar.
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 Director 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 Tuesday, September 24, 2024 to Monday, September 30, 2024, both days inclusive. The dividend of Rs. 0.75 per share on the Equity Shares of the Company if declared by Members at AGM will be paid after deduction of Income Tax at Source (TDS).
2. The final dividend, if declared, shall be paid on or before the specified date to those members whose names appear in the register of members as of the close of business hours on September 23, 2024, Monday, as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in the case of shares held in dematerialized form.

3. Shareholders may note that the Income Tax Act 1961, as amended by Finance Act 2021, mandates that dividends paid or distributed by the Company after 1st April 2021 for Rs 5000 or more shall be taxable in the hands of shareholders and the Company is required to deduct tax at source from dividends paid to the shareholders in accordance to the provisions of the Act.

i. Resident Shareholders

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

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

ii. Non-Resident Shareholders:

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

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

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

4. Members who hold shares in Dematerialized form and want to change/ correct/provide their Bank details should send the same immediately to their Depository Participant. Members are also requested to give the MICR code of their bank to Depository Participant.
5. Members who are holding shares in physical form are advised to submit their bank account details viz., name and address of the branch of the bank, MICR code of the branch, type of account, account number to the Registrar and Share Transfer Agent Venture Capital and Corporate Investments Private Limited, Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally TG 500032.
6. Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is to be transferred to Investor Education and Protection Fund.
7. Members who have not encashed the Dividend Warrants so far are requested to send their Claims. For the Financial Years 2017-2018, 2018-2019, 2019-20, 2020-21 and 2021-22 before the due dates as the unclaimed dividend will get transfer to IEPF Account in the years 2025, 2026, 2027, 2028 and 2029 respectively.
The unclaimed dividend for the FY 2016-17 shall be transferred to IEPF account as per the applicable provisions of the Companies Act, 2013.

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 National Securities Depository Limited (NSDL) as the authorized agency to provide e-voting facilities.
3. The Board of Directors has appointed Mrs. D. Renuka, Practicing Company Secretary, (Membership No. ACS 11963 and CP No. 3460) as a Scrutinizer to scrutinize the remote e voting process and poll at AGM in a fair and transparent manner.

4. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than two (2) working days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by the Chairman for counter signature.
5. The Results shall be declared by the Chairman or by an authorized person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions.
6. After declaration of the results, the same shall be placed along with the Scrutinizer's Report(s) on the website of the Company www.vedavaag.com and communicated to BSE Limited where the shares of the Company are listed for placing the same on their website.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on 27.09.2024 at 9:00 A.M. and ends on 29.09.2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 23.09.2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23.09.2024.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "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 i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1) Existing users who have opted for Easi / Easiest, they can login through their 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 www.cdslindia.com and click on New System Myeasi. 2) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. 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 provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

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

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

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

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to viveksurana24@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Swapneel Puppala at evoting@nsdl.co.in

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

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

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

ITEM 4:

On the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on August 30, 2024 recommends to the Shareholders the appointment of Mr. Raghavacharya Vasudevan (DIN: 01798811) as Independent Director of the Company for a term of 5 years.

Mr. Raghavacharya Vasudevan has forty years' experience in Project Finance of large and medium size projects in infrastructure, hotel, chemical and engineering industries. Specialization in preparation of project report for various sectors, debt funding, equity funding (seed and venture capital funding), revival of sick units etc.

Worked for twenty-four years, from November 1980 to June 2004, with IFCI Ltd., a financial institution in the public sector.

He began operating his own corporate finance consultancy in July 2004.

His presence on the Board will add immense value and considering his expertise the Board recommends his appointment as Independent Director of the Company.

None of the Director(s) and Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise in the Resolution set out at Item No. 4 of this notice.

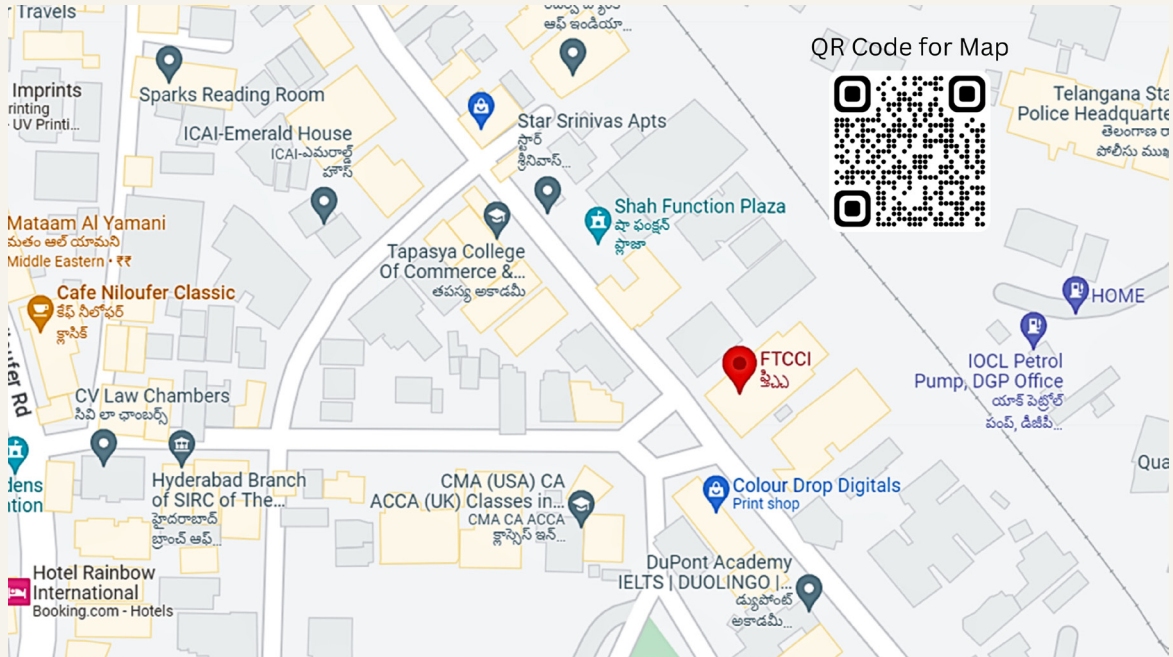
ANNEXURE TO THE NOTICE

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

DIN	01798811								
Date of Birth and Age	04.07.1957 and 67 years								
Qualification	B.A PGDMS								
Experience	<p>Forty years' experience in Project Finance of large and medium size projects in infrastructure, hotel, chemical and engineering industries.</p> <p>Specialization in preparation of project report for various sectors, debt funding, equity funding (seed and venture capital funding), revival of sick units etc.</p> <p>Worked for twenty-four years, from November 1980 to June 2004, with IFCI Ltd., a financial institution in the public sector.</p>								
Relationship with other Directors and Key Managerial Personnel of the Company of the Company	No relationship								
Nature of appointment (appointment / re-appointment)	Appointment								
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	30-08-2024								
Shareholding in the Company	Nil								
No. of meetings of the Board attended during the year	NA								
Directorship details	Sulakshana Circuits Limited Sukun Care Private Limited Fortune Biotech Limited SCL Electronics (INDIA) 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 the Company</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>Member</td> <td>Sulakshana Circuits Limited</td> </tr> </tbody> </table>			Name of the Committee	Position	Name of the Company	Audit Committee	Member	Sulakshana Circuits Limited
Name of the Committee	Position	Name of the Company							
Audit Committee	Member	Sulakshana Circuits 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

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



| FROM MD'S DESK

The Company made good progress in BC business in this financial year also with an increase in the volume of transactions and the quantum of money handled by it.

BC Activity Overview

Particulars	FY 2022-23	FY 2023-24	% increase
Number of transactions	253.91 lakhs	309.61 lakhs	22%
Gross Transaction Value	Rs. 15640 crores	Rs. 19881 crores	27%
Customer Service Points (CSPs) nos.	3781	4454	18%

The company received certificate of excellence for its Patna Circle for outstanding performance in enrolment of social security schemes & PMJDY in FY 2023-24 and Award of Appreciation for Chandigarh Circle for its performance in Financial Inclusion parameters during FY 2023-24 from State Bank of India.

| DIRECTORS' REPORT

Dear Members

Your directors have pleasure in presenting the 26th Directors' Report of your company together with the audited Standalone and Consolidated Financial Statements for the year ended, March 31, 2024.

1. Financial Summary

Standalone:

(Rs. In lacs)

Particulars	2023-24	2022-23
Revenue from Operations	6154.88	6542.91
Other Income	8.34	14.35
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	997.17	1114.29
Less: Depreciation	166.26	185.95
Profit before Finance Costs, Exceptional items and Tax Expense	830.91	928.34
Less: Finance Cost	19.78	3.40
Profit before Exceptional items and Tax Expense	811.13	924.94
Add/(less): Exceptional items	0	0
Profit before Tax Expense	811.13	924.94
Less: Tax Expense (Current & Deferred)	207.29	236.08
Profit for the year	603.84	688.86

Consolidated:

Particulars	2023-24	2022-23
Revenue from Operations	8670.42	8500.60
Other Income	8.73	15.45
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1677.97	1647.78
Less: Depreciation	668.49	630.03
Profit before Finance Costs, Exceptional items and Tax Expense	1009.48	1017.75
Less: Finance Cost	19.78	3.40
Profit before Exceptional items and Tax Expense	989.70	1014.35
Add/(less): Exceptional items	0	0
Profit before Tax Expense	989.70	1014.35
Less: Tax Expense (Current & Deferred)	200.71	256.51
Profit for the year	788.99	757.84

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. 0.75/- per equity share of the face value of Rs. 10 each (@ 7.5%), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record date.

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the declared dividends which remained unpaid or unclaimed for a period of seven years, and to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the said Act are disclosed in the notes to the ensuing Annual General Meeting notice of the Company.

5. State of the Company's Affairs:

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

On Standalone basis the revenue from operations for FY 2023-24 was Rs. 6154.88/- lakhs as compared to previous year revenue of Rs. 6542.91/- lakhs i.e., 2022-23 and net profit was Rs. 603.84/- lakhs as compared to Rs. 688.86/- lakhs for the FY 2022-23.

The consolidated revenue from operations was Rs. 8670.42/- lakhs as compared to previous year revenue of Rs. 8500.60/- lakhs i.e., for FY 2022-23 and net profit was Rs. 788.99/- lakhs as compared to Rs. 757.84/- lakhs for the FY 2022-23.

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

6. Public Deposits:

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

7. Share Capital:

a) Equity:

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

The Authorized share capital of the Company as on March 31, 2024 is Rs. 30,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs. 10/- each fully paid up. The paid-up share capital of the Company as on March 31, 2024 is Rs. 22,92,50,000/- divided into 2,29,25,000 Equity Shares of Rs. 10/- each fully paid-up.

8. Listing of Equity Shares

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

The Company has paid Annual Listing Fees to the Stock Exchange for the FY 2024-25.

9. Subsidiary, Associate and Joint Venture Companies:

Your company has 4 wholly owned subsidiary Companies as on March 31, 2024 viz., VSL Datasystems Private Limited, Vedavaag Edutech Private Limited, Vedavag Common Service Centres Private Limited and Vedavaag Financial Services Private Limited.

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

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

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

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

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

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

11. Consolidated Financial Statements

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies act, 2013. The Consolidated Financial Statements for the Financial Year ended March 31, 2024 forms part of the Annual Report.

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

12. Directors' Responsibility Statement

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

- in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2024 and the Profit of the Company for the year under review.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors had prepared the annual accounts on a 'going concern' basis.
- the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. Management Discussion and Analysis

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

14. Key Managerial Personnel:

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

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

15. Director

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

Mr. Jonnavittula Murali Krishna
Managing Director - DIN: 00016054

Mr. Pannala Srinivas
Independent Director - DIN: 00018295

Mr. Narsupalli Pradeep Kumar
Independent Director - DIN: 03498381

Mr. Duggi Ramesh Sinha
Independent Director - DIN: 08841202

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

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

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

16. Number of Board Meetings:

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

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

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

18. Meeting of Independent Directors

A separate meeting of the Independent Directors was held on February 14, 2024, to discuss and evaluate the performance of Non-Independent Directors of the Board as a whole.

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

19. Board Evaluation and Assessment:

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

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors. The criteria for evaluation are broadly based on the Guidance Note on Board Evaluation issued by Securities Exchange Board of India.

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

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

20. Familiarization Programmes

The Members of the Board of the Company have been provided with all the documents to enable

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

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

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

21. Code of Conduct:

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

The detailed policy on the Code of Conduct is available on the website at www.vedavaag.com

22. Policy on Directors appointment and remuneration:

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

23. Internal Controls:

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

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

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

24. Composition of Committee:

Audit Committee

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

Nomination and Remuneration Committee:

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

Stakeholders Relationship Committee

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

Corporate Social Responsibility (CSR) Committee

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

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

25. Auditors:

M/S PARY & Co., Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company at the 25th Annual General Meeting of the Company held on September 29, 2023 for a term of Five (5) years.

Explanation to Auditors Observation:

Observation:

1. There were no undisputed amounts payable in respect of GST, Provident Fund, Employee State Insurance and Income tax dues in arrears as at 31.03.2024 for a period of more than six months from the date they became payable except Income tax of Rs. 123.86 lakhs on account of TDS mismatch and TDS of Rs. 15.02 lakhs pertaining to earlier years, TDS of Rs. 61.16 lakhs and GST of Rs. 214.52 lakhs for the current year aggregating to Rs. 414.57 lakhs are also payable as on date of Audit Report.

2. The unsecured loan of Rs. 0.51 crores with Axis Bank Limited is overdue.

Managements Reply:

1. The GST liability for the year is totally paid as of date of directors' report and TDS for the year is being paid.

As regards income tax of earlier years, the company is in the process of reconciliation of TDS receivables from customers year-wise. Based on the outcome, appropriate action will be taken.

2. The company availed the said loan for execution of Abhayam Project, which was delayed due to Covid Pandemic. During the year, the company has repaid Rs. 3.10 crores of the principal amount in total and Rs. 0.20 crores of the interest amount outstanding as per the company records, thereby reduced the liability from Rs. 3.81 crores to Rs. 0.51 crores. Further, the company has paid amount Rs. 0.10 crores in June 2024 and reduced the liability to Rs. 0.41 crores. Company has requested the bank to finalize balance amount payable to close the account which is pending till date.

3. 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 2023-24. The Secretarial audit report in the prescribed form MR-3 is annexed to this report as Annexure-4

Auditors' qualifications:

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

Management Comments on the above qualification:

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

27. Vigil Mechanism / Whistle Blower Policy

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

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

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

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

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

29. Corporate Social Responsibility (CSR):

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

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

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

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

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

3. Foreign Exchange:

Foreign Exchange earnings for the year ended March 31, 2024: Rs. 50,00,730/-

Foreign Exchange Outgo for the year ended March 31, 2024: Rs. 7,28,735/-

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

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

32. Particulars of Contracts or Arrangements with Related Parties:

During the year on review, the Board confirms that:

- a) The Company didn't enter into any contracts or arrangements or transactions that are not at arms lengths with the related parties during the financial year 2023-24.
- b) Details of material contracts or arrangement or transactions at arm's length basis: Annexure - 7

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 for the Company for the year ended March 31, 2024 is appended to this report as Annexure-7.

33. Extract of Annual Return:

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

34. Particulars of Employees:

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

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

Your company has always provided a safe,

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

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

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

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

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

During the year, part of Outstanding advances of Rs. 11,00,00,000/- in VSL Datasystems Private Limited has been converted as Equity. Upon Conversion the Investment of Vedavaag Systems Limited in VSL Datasystems Private Limited has been Rs. 14,00,00,000/- (i.e., 14,00,000 Equity Shares of Rs. 100/- each) and Rs. 4,00,00,000/- (i.e., 40,00,000 Preference shares of Rs. 10/- each).

37. Corporate Governance

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

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

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

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

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

39. Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended March 31, 2024 to which the Financial Statements relates and the date of signing of this report.

40. Compliance with Secretarial Standards

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

41. MD and CFO certification:

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

42. Acknowledgements:

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

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

For and on Behalf of the Board of Directors

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

Place: Hyderabad
Date : 30-08-2024

| ANNEXURES TO DIRECTORS' REPORT

ANNEXURE - 1

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

Sl. No.	Name of Subsidiary	Date of acquisition/ incorporation	Share capital	Total Assets	Total Liabilities (excluding share capital, reserves and surplus)	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	% Of share holding
1	VSL Data Systems Private Limited	22 nd January, 2017	1800.00	5280.29	2,399.91	-	3290.12	170.58	-8.64	179.22	100%
2	Vedavaag Edutech Private Limited (Formerly Vagdevi Sark Edutech Private Limited)	16 th June, 2010	1.00	348.01	334.68	-	18.66	1.53	0.46	1.07	100%
3	Vedavag Common Service Centres Private Limited	26 th October, 2007	1.00	340.27	269.78	-	141.71	6.42	1.60	4.82	100%
4	Vedavaag Financial Services Private Limited	19 th April, 2021	1.00	4.91	2.97	-	0.50	0.03	0.00	0.03	100%
**5	Vedavaag Kiya Ecommerce Private Limited	29 th October, 2021	10.00	2.47	2.47	-	-	-	-	-	51%

** The Company has made an application for its closure.

| ANNEXURE - 2

PARTICULARS OF EMPLOYEES

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

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

Executive Director	Ratio to median remuneration
Mr. J. Murali Krishna, Executive Director	11.63

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

MD: NIL

CFO & CS: NIL

- iii) The percentage increase in median remuneration of employees in the financial year: 39.22%
- iv) There are 223 employees on the rolls of the Company as on 31st March 2024.
- v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- The average percentile increases already made in the salaries of employees is: 10.30%. 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.

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

2. Composition of CSR Committee:

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	One (1) meeting i.e., on 29-05-2023	1
2)	Mr. Ramesh Sinha Duggi	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)	2023-24	9,04,865/-	9,04,865/-
2)	2022-23	5,90,524/-	5,90,524/-
3)	2021-22	Nil	Nil

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

Financial Year	Amount in ₹
2020-21	7,96,23,380
2021-22	9,58,44,849
2022-23	9,24,94,434
Total	26,79,62,663
Average	8,93,20,888

7. (a) Two percent of the average net profit of the Company as per Section 135(5): Rs. 17,86,418/-
(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: Rs. 9,04,865/-
(d) Previous year's unspent amount: Nil
(d) Total CSR obligation for the Financial Year (a + b - c): Rs. 8,81,553/-

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)
₹ 21,20,000/-	Nil	Nil

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

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

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct Yes/No	Mode of implementation – through implementing agency	
				State	District			Name	CSR Reg no.
1)	Gomatha Seva	Animal Welfare	Yes	Andhra Pradesh,	Krishna District	18,00,000	No	Sri Kamakshi Ekamreswar Gomatha Sevaka Satsang Trust	CSR00000547
2)	Education	Promoting education	Yes	Telangana,	Hyderabad	1,20,000	Yes		
3)	Education	Promoting education	Yes	Telangana,	Hyderabad	2,00,000	No		

- d) Amount spent in administrative overheads : Nil
e) Amount spent on Impact Assessment, if applicable : Nil
f) Total amount spent for the financial year : ₹ 21,20,000/-
g) Excess amount for set off, if any:

Sl.No.	Particulars	Amount (Rs.)
i)	Two percent of average net profit of the company as per section 135(5)	₹ 17,86,418/-
ii)	Total amount spent for the Financial Year	₹ 21,20,000/-
iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 3,33,582/-
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)]	₹ 3,33,582/-

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: 30-08-2024

| ANNEXURE - 4

MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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 31/03/2024 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 31.03.2024 according to the provisions of:

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

Other Laws applicable specifically to the Company namely:

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

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

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

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

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

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There is no changes in the composition of the Board of Directors during the period under review.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

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

We further report that during the audit period 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: 30.08.2024

UDIN: F006121F001095462

For VCSR & Associates
Company Secretaries

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

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

ANNEXURE - A

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

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

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

For VCSR & Associates
Company Secretaries

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

Place: Hyderabad
Date: 30.08.2024

UDIN: F006121F001095462

MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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, 2024 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, 2024 according to the provisions of:

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

➤ Other Laws applicable to the Company

Other Laws applicable specifically to the Company namely:

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

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

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

We further report that:

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

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

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

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

We further report that during the period under audit, there were specific events/actions, having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

- a) The Company has converted holding Company (Vedavaag Systems Limited) outstanding advance amount of Rs. 11,00,00,000 into 11,00,000 Equity Shares of Rs.100/- each on 31.03.2024.

For VCSR & Associates
Company Secretaries

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

Place: Hyderabad
Date: 30.08.2024

UDIN: F006121F001095871

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

Annexure

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

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

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

For VCSR & Associates
Company Secretaries

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

Place: Hyderabad
Date: 30.08.2024

UDIN: F006121F001095871

| ANNEXURE - 5

MANAGEMENT DISCUSSION & ANALYSIS

The economic survey 2024 highlighted the top sectors for startups in 2023 as Edtech (16%), Enterprise Technology (12%) and BFSI (10%) followed by others.

Vedavaag has presence in all the 3 top growth sectors, as its foundation for the future.

FINANCIAL INCLUSION:

Financial Inclusion strategy is now shifting from “every household” to “every Adult”.

Now over 77% of adult’s population of India, own bank accounts. Financial inclusion has also narrowed gender divide by both male and female account ownership reaching 78%.

Table 11.2: India’s performance across indicators of financial inclusion and financial education

S. No	Indicators of Financial Inclusion	2011	2021
1.	Adults with an account at a formal financial institution (% age 15+)	35	77
2.	Made or received a digital payment (% age 15+)	22*	35
3.	Borrowed from a formal financial institution, older (% age 15+)	8	12
4.	Account, poorest 40% (% age 15+)	27	78
5.	Account, richest 60% (% age 15+)	41	77
6.	Account, female (% age 15+)	26	78
7.	Account, male (% age 15+)	44	78
8.	Youth (age 15-24 years) made or received digital payment	19*	30

“Digital Financial Inclusion (DFI) involves arranging cost-effective digital means to reach currently financially excluded and underserved citizens with a range of formal financial services suited to their needs,” noted the 2024 survey.

The essential components of DFI include the availability of digital transactional platforms to enable customers to make or receive payments and devices to enable such transactions. Retail agents have digital devices and additional financial services via a digital transactional platform to enable the spectrum of services to citizens.

The Government of India is focusing on the development of Digital Public Infrastructure (DPI) applications in areas such as credit, e-commerce, education, health, and urban governance. This is set to drive productivity gains and create new business opportunities. These scalable applications are expected to spur innovation and contribute to a vibrant services sector, reflecting a forward-looking approach to leveraging technology for sectoral advancements.

Vedavaag is working on Varishta centers spreading across enabling platform driven services.

Edutech:

India’s EdTech industry is poised to reach \$30 billion in the next 10 years. Learning models are going to go hybrid with smartphone and internet penetration increasing.

EdTech has the power to bridge the learning gap given technology’s ability to obliterate geographical barriers. As much as educators understand that digital adoption is the need of the hour, they also want to retain a few unparalleled benefits of a traditional classroom setup such as peer discussion, one-on-one support from educators and creating opportunities to work on group collaborative assignments.

A few of the newer provisions of EdTech include video-assisted remote learning, immersive learning, AI and VR, on-demand learning, etc.

Online education is far more affordable in comparison to traditional education (school, college). As per industry reports, education from grade 1 to 12 has increased 6.3 times in 2022 from the base of 2019.

Students belonging to different income categories and social classes have been able to access quality education through these platforms because of their affordability, accessibility, and flexibility.

Moreover, as online class sizes are smaller than conventional classroom sizes, there is greater time for interactions and feedback between the tutor and the student.

Adopting artificial intelligence (AI) also offers major educational benefits, such as learning that is customized to each student's needs, allowing them to adjust the speed and control iterations to enhance the subject's expertise.

The Learning Management Systems (LMS) platform of vedavaag is gearing itself to encompass and encapsulate these new developments.

Rural prosperity through small investments in equity markets:

The entry of small-town investors in the equity markets is more pivotal for driving growth and wealth creation for Rural households.

The increasing demand for accessibility to multiple investment avenues, like trading member networks, mutual funds and exchange traded funds (ETFs), demonstrates just that. Undeniably, the availability of disruptive tech-driven investment tools has fueled this growth.

Eastern India accounts for a relatively smaller piece of the pie, whereas north India and south India are quickly catching up with the leading west zone, home to the key trading hubs of Maharashtra and Gujarat.

In absolute numbers, the top five states that lead the new registrations are – UP, Bihar, Punjab, Kerala and Madhya Pradesh.

The rise in stock markets has seen an unprecedented surge in retail investors from small towns and semi-urban areas. If the rich and upwardly mobile in these areas were already investing in stocks and mutual funds, they have been joined by more and more investors from the lower income brackets. SEBI data show that individuals with income up to Rs 5 lakh account for 1.3 crore investor accounts, or 70.01% of individual investors across the country, and 28.54% of the total assets under management (AUM) of the mutual fund industry. Those earning up to Rs 10 lakh accounted for 1.65 crore investor accounts (89.29%) and 47.2% of the industry Assets Under Management (AUM).

Vedavaag is now enabling equity investment services for rural households through its varishta centers

Agri related services and AI & IoT:

The drone market in India is projected to grow significantly. By 2030, it is estimated to reach nearly 2.5 trillion Indian rupees. The defense sector is the biggest contributor to this market. The Indian government is promoting drone manufacturing through policies and schemes to make India a global drone hub by 2030.

According to a report by Markets and Markets, the agricultural drone service market in India is sized at \$1.2 billion in 2020 and is expected to grow up to \$5.7 billion by 2025 at a CAGR of 35.9 percent from 2020 to 2025.

Sources:

1. Indian Express
2. Economic Times
3. Grant Thornton

Ratios in MDA

Particulars	FY 24	FY 23	% Change	Explanation
Stability Ratios				
Debt equity ratio	0.06	0.02	159%	Increase in the ratio is on account of increase in the long-term liabilities.
Debt Service Coverage ratio	1.88	6.07	69%	Decrease is on account of repayment of term loans
Interest Coverage Ratio	50.41	328.10	85%	Financial charges for current year more when compared to Previous year's, hence, variation.
Liquidity Ratios				
Current Ratio	6.483	7.319	11%	
Debtors Turnover Ratio	3.765	6.331	41%	Increase in receivables and marginal decrease in turnover resulted in reduction in the ratio.
Inventory Turnover Ratio	32.09	67.51	-52%	
Profitability Ratios				
Operating Profit Margin (%)	16.2%	17.0%	-5%	
Net Profit Margin (%)	9.80%	10.51%	-7%	

| ANNEXURE - 6

CORPORATE GOVERNANCE REPORT

Company's philosophy on code of governance:

Vedavaag Systems Limited ("VSL"/ "the Company") implemented sound corporate governance practices with a view to ensure transparency and efficiency in its day-to-day operations, it's a stakeholder driven organization and ensuring maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Transparent business practices.
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution of the Board Committees, as required under applicable laws.

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.

The Company is conscious of the fact that the success of an organization is reflection of its professionalism to its code of conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

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

Board of Directors:

- i) The Board of Directors along with its committees provide leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2024, the Company has Six Directors of which One is Managing Director, Two Directors are Non-Executive Non-Independent Directors (Promoter group) and Three Directors are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii) The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.
- iii) The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board. The Board has complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

iv) a) **The Composition and category of the Board of Directors is as follows;**

The Board of the Company comprises of Six Directors as on March 31, 2024.

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

Regulation 26 of the Listing Regulations), across all the Indian public limited Companies in which he/she is a director.

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

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

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

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

The details of the attendance of the Directors at the Board Meetings held during the Financial Year ended March 31, 2024 and at the last Annual General Meeting (AGM) are given below:

Name of Director	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
Mr. J. Murali Krishna	6	6	Yes
Mr. Srinivas Pannala	6	6	Yes
Mrs. J. Sujatha	6	6	No
Mr. D. Ramesh Sinha	6	6	No
Mr. N. Pradeep Kumar	6	5	Yes
Mr. J Ananth	6	2	No

c) **Other Directorships:**

The number of Directorships and memberships in the Committees of other Companies held by the Directors as on March 31, 2024:

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

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

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

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

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

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

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

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

- v) Six Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on May 29, 2023, August 14, 2023, August 28, 2023, November 10, 2023, February 14, 2024 and March 31, 2024 and the necessary quorum was present for all the meetings.
- vi) During FY 2023-24, one meeting of the Independent Directors was held on February 14, 2024. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, board as a whole, taking into account the views of executive directors and non-executive directors.
- vii) The Board periodically reviewed the compliance reports of all laws applicable to the Company.
- viii) Details of equity shares of the Company held by Director on the Board of Company - Mr. J. Murali Krishna, Managing Director holds 45,98,712 equity shares and Mrs. J. Sujatha, Non-Executive, Non-Independent Director of the Company holds 65,607 Equity shares as on March 31, 2024.
- ix) The details of familiarisation programme are available on the website: <http://vedavaag.com/>
- x) Skills and its description

	Mr. J Murali Krishna	Mr. Srinivas Pannala	Mr. N Pradeep Kumar	Mr. Ramesh Sinha	Mr. J Ananth	Mrs. J Sujatha
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	✓	✓	✓	✓	✓	✓

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

Committees of the Board

There are Four Statutory Committees as on March 31, 2024; 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. D Ramesh Sinha	Non-Executive Independent Director	Member
Mrs. J Sujatha	Non-Executive Non-Independent Director	Member

Meetings:

The Audit Committee met Six (6) times for the financial year 2023-24 i.e., on May 29, 2023, August 14, 2023, August 28, 2023, November 10, 2023, February 14, 2024 and March 31, 2024 The maximum time gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the Audit Committee Meetings.

Details of Attendance of the Audit Committee Meetings:

Name of Director	Category	Number of Audit Committee Meetings	
		Held	Attended
Mr. Srinivas Pannala	Non-Executive Independent Director	6	6
Mr. D Ramesh Sinha	Non-Executive Independent Director	6	6
Mrs. J Sujatha	Non-Executive Non-Independent Director	6	6

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. N Pradeep Kumar	Non-Executive Independent Director	Member
Mrs. J Sujatha	Non-Executive Non-Independent Director	Member

Meetings:

The Nomination and Remuneration Committee met Two (2) times for the financial year 2023-24 i.e., on May 29, 2023 and August 28, 2023. The necessary quorum was present for all the Nomination and Remuneration Committee Meetings.

Details of Attendance of the Nomination and Remuneration Committee Meetings:

Name of Director	Category	Number of Nomination and Remuneration Committee Meetings	
		Held	Attended
Mr. Srinivas Pannala	Non-Executive Independent Director	2	2
Mr. N Pradeep Kumar	Non-Executive Independent Director	2	2
Mrs. J Sujatha	Non-Executive Non-Independent Director	2	2

The Criteria for Evaluation of Independent Directors is given below:

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

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

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

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

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

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

C) Stakeholders Relationship Committee**Terms of Reference**

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

Composition:

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

Meetings:

The Stakeholders Relationship Committee met Four (4) times for the financial year 2023-24 i.e., on May 29, 2023, August 14, 2023, November 10, 2023 and February 14, 2024. The necessary quorum was present for all the Stakeholders Relationship Committee Meetings.

Details of Attendance of the Stakeholders Relationship Committee Meetings:

Name of Director	Category	Number of Stakeholders Relationship Committee Meetings	
		Held	Attended
Mr. N Pradeep Kumar	Non-Executive Independent Director	4	3
Mr. Srinivas Pannala	Non-Executive Independent Director	4	4
Mrs. J Sujatha	Non-Executive Non-Independent Director	4	4

- Name and designation of Compliance Officer: Mr. Saiteja Ivaturi Company Secretary and Compliance Officer
- Details of investor complaints received and redressed during FY 2023-2024 – One Complaint received and resolve during the year
- 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 2023-24 is attached as Annexure-3

E) Remuneration of Directors:

- There were no pecuniary relationship or transactions with any Non-Executive Director of the Company
- The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., <http://vedavaag.com/>
- 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, 2024:

S. No	Name of Director	Sitting Fees
1)	Mr. Jonnavittula Murali Krishna	-
2)	Mr. Srinivas Pannala	55,000
3)	Mr. Narsupalli Pradeep Kumar	45,000
4)	Mr. Duggi Ramesh Sinha	55,000
5)	Mr. Jonnavittula Ananth	15,000
6)	Mrs. Jonnavittula Sujatha	55,000

F) The Remuneration paid to Managing Director during the Financial Year 2023-24 is as follows:

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

G) Annual General Meeting (AGM)

Financial Year	Date	Time	Venue	Special Resolutions passed during last 3 FYs
2022-23	September 29, 2023	10.00 A.M	Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red hills (FTCCI), Hyderabad - 500004	1. Approval for payment of commission on profits to Non-Executive Directors
2021-22	September 30, 2022	12.00 Noon	Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red hills (FTCCI), Hyderabad - 500004	1. To consider and approve the re-appointment of Mr. J Murali Krishna (DIN: 00016054) as Managing Director of the Company and increase in remuneration. 2. To re-appoint Mr. Srinivas Pannala, (DIN: 00018295) as Independent Director of the Company 3. Approval for payment of commission on profits to Non-Executive Directors
2020-2021	September 25, 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)

No Extra-Ordinary General Meetings were held during the Financial Year 2023-24.

No Special Resolutions were passed through postal ballots during the Financial Year 2023-24.

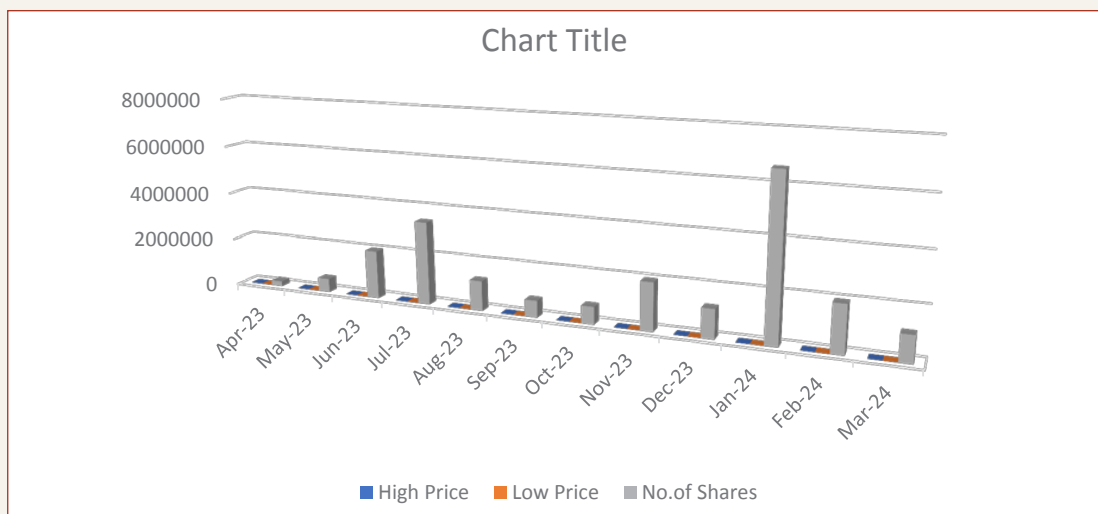
- H) A certificate has been received from VCSR and Associates, Practising Company Secretary, that none of the directors of the Board of the company has been debarred or disqualified from being appointed or continuing as directors of the company by Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- I) **Means of Communication:** Quarterly results approved by the Board are usually published in Business Standard (English) and Mana Telangana (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	Monday, September 30, 2024 @ 11:15 A.M at Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red Hills (FTCCI), Hyderabad - 500004
Financial year	April to March
Listing of shares on stock exchanges	BSE Limited (BSE)
Scrip Code	533056
Book Closure	24-09-2024 to 30-09-2024
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. Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally – 500032, Telangana, India.
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	No GDRs and ADRs
Address for Correspondence	# 1-89/G/113 NR, 3rd Floor Park View, Gafoor Nagar, Madhapur, Hi-tech City, Hyderabad – 500081

K) Market Price data – high/low (each month) during the FY 2023-24:

Month	High Price	Low Price	Volume
Apr-23	43.85	37.53	209122
May-23	45	38.25	570961
Jun-23	54.8	40.10	2002482
Jul-23	63.99	41.10	3417068
Aug-23	55	48.00	1241783
Sep-23	52.99	48.00	696645
Oct-23	52.99	46.00	725754
Nov-23	60.25	46.00	1976286
Dec-23	59.7	52.05	1201150
Jan-24	73.9	52.50	6619047
Feb-24	70	52.00	1957961
Mar-24	58.75	44.12	1093089



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	12262	80.03	18832560	8.21
5001 - 10000	1514	9.88	12457360	5.43
10001 - 20000	766	5.00	11988110	5.23
20001 - 30000	275	1.79	7109220	3.10
30001 - 40000	103	0.67	3698270	1.61
40001 - 50000	119	0.78	5640180	2.46
50001 - 100000	152	0.99	10776860	4.70
100001 and above	130	0.85	158747440	69.25
Total	15321	100	229250000	100

Shareholding Details as on March 31, 2024

TYPE	RECORDS	SHARES	%
CDSL	9761	13562586	59.1606805
NSDL	4829	8837999	38.551795
PHYSICAL	731	524415	2.2875245
Total	15321	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 2023-24 there were no materially significant related party transactions, which had potential conflict with the interest of the Company at large. The transactions with the related parties are disclosed in the notes to accounts.

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

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

c) Whistle Blower Policy/Vigil Mechanism:

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

d) Code of conduct for prevention of insider trading

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

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

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

f) Risk Management

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

g) Statutory Auditor Remuneration:

M/s Pary and Co., Chartered Accountants (Firm Registration No. 007288C) have been appointed as the Statutory Auditors of the Company. The fees paid to Statutory Auditors of the Company on consolidated basis during the financial year ended March 31, 2024 is:

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

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

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

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

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

Communication to Shareholders:

SEBI Circular on Common and Simplified Norms for Processing Investor's Service Request by RTAs and Norms for furnishing PAN, KYC details and Nomination.

Attention of the Holders of Securities in Physical Mode is invited to Circular No. SEBI/HO/MIRSD/PoD-1/P/CIR/2023/181 dated November 17, 2023 issued by SEBI.

SEBI vide this Circular has mandated the furnishing of PAN, Address with PIN code, Nomination, Contact details, Bank A/c download details and Specimen Signature by holders of physical securities for their Folio Nos.

The Circular also states that:

- RTAs (Registrar and Share Transfer Agents) shall not process any service request or complaint received from the security holder(s) / claimant(s), till PAN, contact details, Bank A/c download details, Specimen signature and Nomination documents/details are received.
- To lodge grievance or avail any service request from the RTA, ONLY AFTER furnishing the complete documents / details as mentioned above.
- For any payment including dividend, interest or redemption payment in respect of such folios ONLY through electronic mode with effect from April 01, 2024.
- The forms required for the above action can be downloaded from <https://www.vccipl.com/>

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

Venture Capital and Corporate Investments Private Limited

Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II,
Gachibowli, Gachibowli, Hyderabad, Seri Lingampally, Telangana, India, 500032

Email id: investor.relations@vccipl.com

| DECLARATION ON CODE OF CONDUCT

As the Managing Director of Vedavaag Systems Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2023-24.

For Vedavaag Systems Limited

Place: Hyderabad
Date : 30-08-2024

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

| MD and CFO Certification

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

To
The Board of Directors
Vedavaag Systems Limited

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

- a. We have reviewed financial statements and cash flow statement for year ended March 31, 2024 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 : 30-08-2024

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

Sd/-
T B Krishna Mohan
Chief Financial Officer

| CERTIFICATE ON CORPORATE GOVERNANCE

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

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

We have examined the compliances of requirements of Corporate Governance by M/s. Vedavaag Systems Limited, for the year ended on 31st March, 2024 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.

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For VCSR & Associates
Company Secretaries

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

Place: Hyderabad
Date : 30.08.2024

UDIN: F006121F001095506

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 1-89/G/113 NR, 3rd Floor Park View, Gafoor Nagar, Madhapur, Hyderabad, Shaikpet, Telangana, India, 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, 2024 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. Jonnavittula Murali Krishna	00016054	Managing Director
2.	Mr. Srinivas Pannala	00018295	Independent Director
3.	Mrs. Sujata Jonnavittula	07014640	Director
4.	Mr. Narsupalli Pradeep Kumar	03498381	Independent Director
5.	Mr. Ramesh Singh Duggi	08841202	Independent Director
6.	Mr. Ananth Jonnavittula	09300935	Director

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.

For VCSR & Associates
Company Secretaries

Sd/-
Ch Veeranjanyulu
Partner
CP NO. 6392, M No. F6121

Place: Hyderabad
Date : 30.08.2024

UDIN: F006121F001095473

| ANNEXURE - 7

FORM NO. AOC. 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

- (a) Name(s) of the related party and nature of relationship: VSL Datasystems Private Limited: Wholly Owned Subsidiary Company
- (b) Nature of contracts/arrangements/transactions: Sale of Software Components of the Financial Accounting System (FAS) for ARD Banks
- (c) Duration of the contracts/arrangements/transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. 9,35,39,717/-
- (e) Date(s) of approval by the Board, if any: 31-03-2024
- (f) Amount paid as advances, if any: Nil

For **Vedavaag Systems Limited**

Sd/-

J Murali Krishna
Managing Director
DIN: 00016054

Place: Hyderabad
Date : 30.08.2024

| INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying standalone financial statements of **Vedavaag Systems Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
 - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Holding Company, and accordingly, we report that the company is having adequate security features for audit trail and passwords are duly protected.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-
Jyothsna Tera
Partner
(Membership No. 259810)
UDIN: 24259810BKEKFS6110

Place: Hyderabad
Date: May 30, 2024

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

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

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

We have audited the internal financial controls with reference to standalone financial statements of **Vedavaag Systems Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: May 30, 2024

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

Sd/-
Jyothsna Tera
Partner
(Membership No. 259810)
UDIN: 24259810BKEKFS6110

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

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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment and capital work-in-progress so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us the company is not having any immovable properties, and hence the question of title deeds in the name of the company does not arise.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets of the Company.
- (iii) (a), (b) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) and (iii)(b) of the Order are not applicable.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) According to the information and explanations given to us, In respect of statutory dues,
- (a) there were no undisputed amounts payable in respect of GST, Provident Fund, Employee State Insurance and Income tax dues in arrears as at 31.03.2024 for a period of more than six months from the date they became payable except Income tax of Rs. 123.86 lakhs on account of TDS mismatch and TDS of Rs. 15.02 lakhs pertaining to earlier years, TDS of Rs. 61.16 lakhs and GST of Rs. 214.52 lakhs for the current year aggregating to Rs. 414.57 lakhs is also payable as on date of Audit Report.
 - (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has defaulted in the repayment of unsecured loans to Axis Bank Limited and the outstanding overdue amount as on 31.03.2024 is Rs. 0.51 Crores.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
 - (c) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
 - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year for certain specified areas and covering the period up to December 2023 and draft audit reports were issued after the balance sheet date covering the period January 2024 to March 2024 for the period under audit.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a,b,c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order are not applicable.
- (d) As represented to us by the Management, the Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

Place: Hyderabad
Date: May 30, 2024

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

Sd/-
Jyothsna Tera
Partner
(Membership No. 259810)
UDIN: 24259810BKEKFS6110

BALANCE SHEET (STANDALONE) AS AT 31ST MARCH, 2024

Rs. In lakhs

Particulars	Note	As at 31.03.2024	As at 31.03.2023
I ASSETS			
(1) Non-Current Assets			
(a) Property Plant & Equipment	1	1,164.03	1,276.73
(b) Other Intangible Assets	2	620.86	682.86
(c) Financial Assets			
i. Investments	3	1,804.00	704.00
ii. Trade Receivables	4	1,520.78	1,484.68
iii. Other Financial Assets			
(d) Other Non Current Assets	5	297.83	297.93
Total Non Current Assets		5,407.50	4,446.20
(2) Current Assets			
(a) Inventories	6	191.78	96.92
(b) WIP			
(c) Financial Assets			
i. Investments			
ii. Trade Receivables	7	1,634.81	1,033.40
iii. Cash and Cash Equivalents	8	216.56	176.04
iv. Bank Balances Other than iii above	9	154.00	119.00
(d) Other Current Assets	10	6,986.83	7,648.00
Total Current Assets		9,183.98	9,073.37
TOTAL ASSETS		14,591.48	13,519.57
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	2,292.50	2,292.50
(b) Other Equity	12	9,893.05	9,447.95
Total Equity		12,185.55	11,740.45
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	13	107.97	12.05
ii. Trade Payables			
iii. Other Financial Liabilities			
(b) Deferred Tax Liabilities (Net)	14	240.96	261.43
(c) Other Non Current Liabilities	15	640.48	265.91
Total Non Current Liabilities		989.41	539.39

(Contd...)

BALANCE SHEET (Contd.)

Rs. In lakhs

Particulars	Note	As at 31.03.2024	As at 31.03.2023
Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	16	51.02	381.02
ii. Trade Payables	17	124.82	120.67
iii. Other Financial Liabilities			
(b) Other Current Liabilities	18	1,278.75	703.45
(c) Current Tax Liabilities	19	(38.07)	34.60
Total Current Liabilities		1,416.52	1,239.73
Total Liabilities		2,405.93	1,779.12
TOTAL EQUITY AND LIABILITIES		14,591.48	13,519.57

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/-

(TERA JYOTHSNA)

Partner

M.No.259810

Place: Hyderabad

Date : 30/05/2024

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna

Managing Director

DIN: 00016054

Sd/-

T B Krishna Mohan

CFO

Sd/-

J Sujatha

Director

DIN: 07014640

Sd/-

Ivaturi Saiteja

Company Secretary

PROFIT & LOSS ACCOUNT (STANDALONE) FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In lakhs

	Particulars	Note	for the year ended 31 Mar 2024	for the year ended 31 Mar 2023
1	INCOME			
	a) Revenue from Operations	20	6,154.88	6,542.91
	b) Other Income	21	8.34	14.35
	Total Income		6,163.22	6,557.26
2	EXPENSES			
	a) Project Expenses	22	4,066.46	3,653.13
	b) Cost of Material	23	202.58	1,328.33
	c) Employee Benefit Expense	24	614.98	280.46
	d) Finance Cost	25	19.78	3.40
	e) Depreciation and Amortisation Expense		166.26	185.95
	f) Other Expenses	26	282.03	181.04
	Total Expenses		5,352.08	5,632.31
3	Profit Before Exceptional Item and Tax (1-2)		811.13	924.94
4	Exceptional Item			
5	Profit Before Tax		811.13	924.94
	Tax Expenses			
	Current Tax		227.76	254.63
	Deferred Tax		(20.47)	(18.55)
6	Profit After Tax		603.84	688.86
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		603.84	688.86
9	Earnings per Share	27		
	a) Basic		2.63	3.00
	b) Diluted		2.63	3.00

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/-

(TERA JYOTHSNA)

Partner

M.No.259810

Place: Hyderabad

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For & on behalf of the Board of Directors

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DIN: 00016054

Sd/-

T B Krishna Mohan

CFO

Sd/-

J Sujatha

Director

DIN: 07014640

Sd/-

Ivaturi Saiteja

Company Secretary

CASH FLOW STATEMENT (STANDALONE) FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In lakhs

Particulars	As at 31.03.2024 Rs. In lakhs	As at 31.03.2023 Rs. In lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	811.13	924.94
Adjustments for:		
Depreciation	166.26	185.95
Interest & Finance Charges	19.78	3.40
Interest Income	(7.76)	(12.19)
Operating Profit before Working Capital Changes	989.41	1,102.11
Adjustments for:		
(Increase)/Decrease in Inventories	(94.86)	30.06
(Increase)/Decrease in Current Trade Recivables	(601.41)	(294.06)
(Increase)/Decrease in Non current Trade Receivables	(36.10)	58.68
(Increase)/Decrease in Other Non-Current Assets	0.10	(4.95)
(Increase)/Decrease in Other Current Assets	661.17	(894.57)
Increase/(Decrease) in Trade Payables	4.16	28.37
Increase/(Decrease) in Other Current Liabilities & Provisions	502.65	391.06
Increase/(Decrease) in Non Current Liabilities	374.57	42.54
Cash generated from operations	1,799.69	459.24
Income Tax	227.76	254.63
Net Cash flow from Operating activities	1,571.93	204.61
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work In progress	8.45	29.38
Purchase of Investments	-1,100.00	-
Interest Received	7.76	12.19
Net Cash used in Investing activities	(1,083.80)	41.56
C CASH FLOW FROM FINANCING ACTIVITIES		
Change in Other Equity	(21.20)	(19.60)
Interest Charges	(19.78)	(3.40)
Dividend Payment	(137.55)	(137.55)
Borrowings	(234.08)	(82.33)
Net Cash used in financing activities	(412.61)	(242.88)
Net Increase in Cash & Cash Equivalents	75.52	3.30
Cash and Cash Equivalent at the beginning of the period	295.04	291.74
Cash and Cash Equivalent at the end of the period	370.56	295.04

For PARY & CO

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

Sd/-
(TERA JYOTHSNA)
Partner
M.No.259810

Place: Hyderabad
Date : 30/05/2024

For & on behalf of the Board of Directors

Sd/-
J Murali Krishna
Managing Director
DIN: 00016054

Sd/-
J Sujatha
Director
DIN: 07014640

Sd/-
T B Krishna Mohan
CFO

Sd/-
Ivaturi Saiteja
Company Secretary

STATEMENT OF CHANGE IN EQUITY - STANDALONE

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
A. Equity Share Capital		
Balance at the beginning	2,292.50	2,292.50
Add: Changes in Equity share capital during the year	-	-
Closing Balances	2,292.50	2,292.50
B. Other Equity		
Other Reserves		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited*	129.19	129.19
Surplus		
Opening Balances	6,066.35	5,534.63
Add: Profit during the Year	603.84	688.86
Less: Dividend for Financial Year 2021-22	-	137.55
Less: Dividend for Financial Year 2022-23	137.55	-
Less: CSR expenditure	21.20	19.60
Less: Prior period item	-	-
Closing Balances	6,511.44	6,066.35
Total	9,893.05	9,447.95

For PARY & CO

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

Sd/-
(TERA JYOTHSNA)
Partner
M.No.259810

Place: Hyderabad
Date : 30/05/2024

For & on behalf of the Board of Directors

Sd/-
J Murali Krishna
Managing Director
DIN: 00016054

Sd/-
T B Krishna Mohan
CFO

Sd/-
J Sujatha
Director
DIN: 07014640

Sd/-
Ivaturi Saiteja
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Company information:

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

The company has changed its registered office from 103, West Block, Siri Sai Orchid, Hi-Tech City, Madhapur, Hyderabad-500 081 Telangana to 1-89/G/113 NR, 3rd Floor Park View, Gafoor Nagar, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081.

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 will flow to the entity; and
- The cost of the asset can be measured reliably

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

h. Investments:

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

i. Inventory:

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

j. Revenue recognition:

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

- Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers’
- In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis”
- Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.
- Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

- Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

k. Income Tax

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

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

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

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

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

l. Employee Benefits

Gratuity:

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

Provident Fund:

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

Leave Encashment:

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

m. Impairment of Non-financial Assets:

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

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

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

n. Earnings Per Share:

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

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

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

o. Provisions

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

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

p. Foreign Currencies

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

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

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

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

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

1. Useful life of property, plant and equipment:

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

2. Recoverable amount of property, plant and equipment:

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

3. Post-employment benefit plans:

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

4. Assets held for sale

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

5. Provisions and contingencies:

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

6. Impairment of Investments:

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

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

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

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

r. Financial Instruments:

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

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

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

Fair value of financial instrument:

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

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

s. Investments in subsidiaries and associates

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

t. Events after reporting date

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

u. Cash flow statement

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

| NOTES TO BALANCE SHEET (STANDALONE)

Note 1 : Property Plant & Equipment

Rs. In lakhs

Particulars	Computer Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Others	Total
Gross Block						
Balance as at 01.04.2022	4,489.31	119.44	125.04	31.97	112.69	4,878.44
Additions	7.90	-	-	4.15	1.07	13.12
Deletions	-	-	-	-	-	-
Balance as at 31.03.2023	4,497.21	119.44	125.04	36.12	113.76	4,891.57
Additions	7.22	-	-	4.34	-	11.55
Deletions	-	-	-	-	-	-
Balance as at 31.03.2024	4,504.42	119.44	125.04	40.45	113.76	4,903.12
Accumulated Depreciation						
Balance as at 01.04.2022	3,229.52	95.89	53.20	15.31	84.87	3,478.79
Charge for the year	123.09	1.49	7.01	1.88	2.58	136.05
Deletion	-	-	-	-	-	-
Balance as at 31.03.2023	3,352.61	97.38	60.20	17.19	87.45	3,614.84
Charge for the year	111.87	1.40	6.32	2.10	2.57	124.25
Deletion	-	-	-	-	-	-
Balance as at 31.03.2024	3,464.48	98.78	66.52	19.28	90.02	3,739.09
Net Block						
Balance as at 31.03.2022	1,259.79	23.54	71.85	16.66	27.82	1,399.66
Balance as at 31.03.2023	1,144.60	22.05	64.84	18.93	26.31	1,276.73
Balance as at 31.03.2024	1,039.94	20.65	58.52	21.17	23.74	1,164.03

Note 2 : Other Intangible Assets

Rs. In lakhs

Particulars	Computer Software	Project Development WIP	Total
Gross Block			
Balance as at 01.04.2022	764.06	460.02	1,224.08
Additions	-	-	-
Deletions	-	42.50	42.50
Balance as at 31.03.2023	764.06	417.52	1,181.58
Additions	-	-	-
Deletions	-	20.00	20.00
Balance as at 31.03.2024	764.06	397.52	1,161.58
Amortization			
Balance as at 01.04.2022	448.82	-	448.82
Charge for the year	49.90	-	49.90
Disposals	-	-	-
Balance as at 31.03.2023	498.72	-	498.72
Charge for the year	42.00	-	42.00
Disposals	-	-	-
Balance as at 31.03.2024	540.72	-	540.72
Net Block			
Balance as at 31.03.2022	315.24	460.02	775.26
Balance as at 31.03.2023	265.34	417.52	682.86
Balance as at 31.03.2024	223.34	397.52	620.86

Project development WIP

Reconciliation of carrying amount:	As at 31.03.2024	As at 31.03.2023
Opening balances	417.52	460.02
Additions during the year	-	-
Deletions during the year	-	42.50
Closing balances	417.52	417.52

Ageing Schedule

As at 31st March 2024

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	-	-	45.00	372.52	417.52
Projects suspended	-	-	-	-	-

As at 31st March 2023

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

Note 3 : Non Current Investments

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
A. Investment in Wholly Owned Subsidiaries (At Cost)		
1. Investment in Equity Instruments (Unquoted)		
VSL Data Systems Private Limited (formaly Synaptic Systems Pvt.Ltd) 14,00,000 Equity shares of Rs.100 each	1,400.00	300.00
Vedavaag Edutech Private Limited 10000 equity shares of Rs.10 each	1.00	1.00
Vedavag common Service Centers Private Limited 10000 equity shares of Rs.10 each	1.00	1.00
Vedavaag Financial Services Private Limited 10000 equity shares of Rs.10 each	1.00	1.00
2. Investments in Preference Shares		
VSL Data Systems Private Limited 40,00,000 5% Redeemable Cumulative Preference shares of Rs.10 each	400.00	400.00
Investment in subsidiaries	1,803.00	703.00
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	1.00
Aggregate value of Unquoted investments	1,804.00	704.00

During the year, advance to VSL Data Systems Pvt Ltd., amounting to Rs. 11 crores has been converted into equity @ Rs. 100/- per share.

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

Note : 4 Trade Receivables (Non Current)

Particulars	As at 31.03.2024	As at 31.03.2023
Secured, Considered Good (Receivable from govt.Parties and Others)		-
UnSecured, Considered Good (more than six months) (Receivable from govt.Parties and Others)	1,520.78	1,484.68
Total	1,520.78	1,484.68

Confirmation of balances / Reconciliation: The reconciliation of balances with debtors, creditors etc., has been carrying out from time to time with the confirmation of balances from the parties.

Outstanding for the following periods**As at 31st March 2024**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	-	-		49.73	933.45	983.18
Disputed trade receivables					537.60	537.60
Total	-	-	-	49.73	1,471.05	1,520.78

As at 31st March 2023

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

Note 5 : Other Non Current Assets

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Capital Advances	291.97	291.97
Deposits * (Unsecured Considered good)	5.86	5.96
Total	297.83	297.93

Note : 6 Inventory

Particulars	As at 31.03.2024	As at 31.03.2023
Inventories and Project WIP (valued at FIFO)	191.78	96.92
Total	191.78	96.92

Note : 7 Trade Receivables

Particulars	As at 31.03.2024	As at 31.03.2023
Secured, Considered Good (Receivable from govt.Parties and Others)	1,634.81	1,033.40
UnSecured, Considered Good (Receivable from govt.Parties and Others)	-	-
Total	1,634.81	1,033.40

Outstanding for the following periods**As at 31st March 2024**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	1,509.33	-	-	-	-	1,509.33
Disputed trade receivables	-	-	-	-	-	-
Unbilled dues	125.48	-	-	-	-	125.48
Total	1,634.81	-	-	-	-	1,634.81

As at 31st March 2023

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

Note : 8 Cash and Cash Equivalents

Particulars	As at 31.03.2024	As at 31.03.2023
Balance with Bank	46.54	38.12
Cash on Hand	170.02	137.93
Total	216.56	176.04

Note 9 : Bank Balances Other than above

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Balance with Bank (Margin Money Deposits)	154.00	119.00
Total	154.00	119.00

Note : 10 Other Current Assets

Particulars	As at 31.03.2024	As at 31.03.2023
Advances otherthan Capital Advances		
Advance to Subsidiaries *	967.83	2,229.91
BC Bank Accounts	486.32	55.30
Less: CSP Deposits	(486.32)	(55.30)
Other Advances	6,019.00	5,418.09
Total	6,986.83	7,648.00

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

Particulars	As at 31.03.2024		As at 31.03.2023	
	No.	Rs. Lakhs	No.	Rs. Lakhs
Authorised				
Equity Shares of Rs.10 Each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Total		3,000.00		3,000.00
Issued, Subscribed & paid up				
Equity shares of Rs.10 Each	2,29,25,000	2,292.50	2,29,25,000	2,292.50
Total		2,292.50		2,292.50

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

Particulars	As at 31.03.2024		As at 31.03.2023	
	No.	Rs. Lakhs	No.	Rs. Lakhs
Shares outstanding at the beginning of the year	2,29,25,000	2,292.50	2,29,25,000	2,292.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,29,25,000	2,292.50	2,29,25,000	2,292.50

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

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

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

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

D Shares in the Company held by each share holder holding more than 5 percent shares specifying the number of shares

Rs. In lakhs

Name of Share Holder	As at 31.03.2024		As at 31.03.2023	
	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 31.03.2024		As at 31.03.2023	
	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	As at 31.03.2024	As at 31.03.2023
Other Reserves		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited*	129.19	129.19
Surplus		
Opening Balances	6,066.35	5,534.63
Add:Profit during the Year	603.84	688.86
Less: Dividend for Financial Year 2021-22		137.55
Less: Dividend for Financial Year 2022-23	137.55	
Less: CSR expenditure	21.20	19.60
Closing Balances	6,511.44	6,066.35
Total	9,893.05	9,447.95

Note : 13 Borrowings (Non Current)

Particulars	As at 31.03.2024	As at 31.03.2023
Vehicle Loan*	9.62	12.05
(secured by Hypothication of the Vehicles)		
Orix Leasing & Financial Services India Ltd	98.35	-
(secured by Hypothication of the equipment)		
Total	107.97	12.05

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

Lender Name	Orix Leasing & Financial Services Pvt Ltd
Rate of Interest	12.5% p.a.
Security	Equipment purchased
Terms of Repayment	24 monthly instalments commencing from May 2024
Amount Overdue	NIL

Note : 14 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening Balance	261.43	279.97
Add or (Less):Charge during the Year	(20.47)	(18.55)
Total	240.96	261.43

Note : 15 Other Non Current Liabilities

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
CSP and Other Deposits	335.42	160.54
Others	305.06	105.37
Total	640.48	265.91

Note : 16 Current Liabilities - Borrowings

Particulars	As at 31.03.2024	As at 31.03.2023
Borrowing - Axis Bank	51.02	381.02
Total	51.02	381.02

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

Lender Name	Axis Bank
Rate of Interest	6 Months MCL + 0.5% payable at monthly intervals
Security	Post dated cheque equal to sanctioned amount + 1 month Interest and personal guarantee of Mr J Murali Krishna and Mr JSR Durga Prasad.
Terms of Repayment	Subject to Covid 19 guidelines of RBI for MSMEs
Amount Overdue	Rs. 51.02 lakhs

Note : 17 Trade Payables

Particulars	As at 31.03.2024	As at 31.03.2023
Trade Payables	124.82	120.67
Total	124.82	120.67

Outstanding for the following periods**As at 31st March 2024**

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade payables	19.19	105.63	-	-	124.82
Disputed trade payables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	19.19	105.63	-	-	124.82

As at 31st March 2023

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

Note : 18 Other Current Liabilities

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Expenses payable	752.03	261.69
Current maturities of Long Term Debt (Vehicle loans)	77.27	2.44
Unpaid Dividend	34.88	33.82
Taxes and Duties	414.58	405.50
Total	1,278.75	703.45

Note : 19 Current Tax Liability

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for the year	227.76	254.63
Less:TDS & TCS	265.83	220.03
Total	-38.07	34.60

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

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Sales	202.68	82.98
Services	5,952.20	6,459.93
Total	6,154.88	6,542.91

Note : 21 Other Income

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Interest Income	7.76	12.19
Other Non Operating Income	0.58	2.16
Total	8.34	14.35

Note : 22 Project Expenses

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Project Expenses	4,066.46	3,653.13
Total	4,066.46	3,653.13

Note : 23 Cost of Material

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Opening Inventory	96.92	126.98
Add: Purchases (Net)	297.43	48.27
Add: Cost of materials consumed in IoT	-	1,250.00
Total	394.35	1,425.25
Less: Closing Inventory	191.78	96.92
Less: WIP (PROJECTS)	-	-
Total	202.58	1,328.33

Note : 24 Employee Benefit Expenses

Rs. In lakhs

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Salaries and Wages	614.98	280.46
Total	614.98	280.46

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

Note : 25 Finance Cost

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Interest -Others	18.47	1.68
Interest on Vehicle Loan	1.31	1.71
Total	19.78	3.40

Note : 26 Administrative and Marketing Expenses

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Audit Fee	3.00	3.00
Business Development and Marketing	1.69	10.75
Bank charges	1.46	1.16
Consultancy & Professional charges	22.94	18.48
Telephone & Internet, web server maintenance etc.,	14.25	11.09
Miscellaneous	-	1.28
Meeting Expenses	2.23	1.73
Printing and Stationery	4.22	7.96
Insurance	73.18	20.57
Rent	41.74	36.21
Repairs and maintenance	1.04	1.52
Share Services Charges	8.04	7.31
Travelling and Conveyance	13.03	21.93
Office Maintenance	95.21	38.06
Total	282.03	181.04

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Note: 27 Earnings per Share

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Numerator for EPS		
Net Profit after tax (Rs. Lacs) (A)	603.84	688.86
Weighted Average no. of Shares considered for Denominator for Basic EPS (Rs. Lacs) (B)*	229.25	229.25
Basic and diluted Earnings Per Share (Rs.) (A) / (B)	2.63	3.005

Note: 28 Related Party Disclosures

1. Related Parties Where Control Exits

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

2. Key Management Personnel

- 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	2023-24	2021-22
Advances to Subsidiaries	VSL Data Systems Private Limited	-125.00	47.65
	Vedavaag Edutech Private Limited	55.37	55.67
	Vedavag Common Service Centers Private Limited	8.52	7.56
	Vedavaag Financial Services Private Limited	0.02	-0.48
	Vedavaag Kiya E Commerce Private Limited	0.00	0.24

4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2024	31 March 2023
Short term employee benefits	Rs. 49.50 lakhs	Rs. 47.85 lakhs

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

5. Outstanding balances:

Rs. In lacs

Description	Company	2023-24	2022-23
Equity Investment in Subsidiaries	VSL Data Systems Private Limited	1400.00	300.00
	Vedavaag Edutech Private Limited	1.00	1.00
	Vedavag Common Service Centres Private Limited	1.00	1.00
	Vedavaag Financial Services Private Limited	1.00	1.00
Preference Shares Investment in Subsidiaries	VSL Data Systems Private Limited	400.00	400.00
Advance to subsidiaries	VSL Data Systems Private Limited	412.35	1637.35
	Vedavaag Edutech Private Limited	308.16	252.78
	Vedavag Common Services Centers Private Limited	245.19	236.66
	Vedavaag Financial Services Private Limited	-0.34	-0.36
	Vedavaag Kiya E Commerce Private Limited	2.47	2.47

Note: 29 Contingent liabilities

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

Note: 30 Corporate social responsibility

In accordance with section 135(5) of the Companies Act, 2013, the CSR expenditure for the year was Rs. 16.46 lakhs and the CSR expenditure incurred was Rs. 21.20 lakhs resulting in surplus of Rs. 3.34 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 31-03-2023	Allotment/purchases during the year	Sold during the year	As at 31-03-2024
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	6.48	7.32	11%	
Debt – equity ratio	Total Debt	Shareholders' equity	0.06	0.02	159%	Increase in the ratio is on account of increase in the long-term liabilities.
Debt Service Coverage ratio	Earnings available for debt service	Debt service	1.876	6.071	-69%	Decrease is on account of repayment of term loans
Return on Equity (ROE)	Net profit after taxes	Shareholders' equity	4.96%	5.87%	-16%	
Inventory Turnover ratio	Sales	Closing Inventory	32.09	67.51	-52%	Marginal decrease in turnover and increase in inventory is reason for variance.
Trade Receivable Turnover ratio	Sales	Closing trade receivables	3.765	6.331	-41%	Increase in receivables and marginal decrease in turnover resulted in reduction in the ratio.
Trade Payables Turnover ratio	Credit purchases	Closing trade payables	-	6.24	-100%	No credit purchases during the current year, hence variation.
Net Capital turnover ratio	Sales	Working capital	0.79	0.84	-5%	
Net profit ratio	Profit after tax	Total income	9.80%	10.51%	-7%	
Return on Capital employed	Earnings before interest and taxes	Capital employed	0.06	0.08	-17%	
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 2024, 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/-
(TERA JYOTHSNA)
Partner
M.No.259810

Place: Hyderabad
Date : 30/05/2024

For & on behalf of the Board of Directors

Sd/-
J Murali Krishna
Managing Director
DIN: 00016054

Sd/-
J Sujatha
Director
DIN: 07014640

Sd/-
T B Krishna Mohan
CFO

Sd/-
Ivaturi Saiteja
Company Secretary

| INDEPENDENT AUDITORS' REPORT

To The Members of **Vedavaag Systems Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Vedavaag Systems Limited** (“the Holding Company”) and its subsidiary, (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the management on separate financial statements of the subsidiary referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (‘Ind AS’) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

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

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

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

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

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

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- (a) We did not audit the financial statements of four subsidiaries, whose unaudited financial statements reflect total assets of ₹ 5973.48 lacs as at March 31, 2024, total revenues of ₹ 3451.33 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been un audited and the financial reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports furnished by the management.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the management on the separate financial statements of the subsidiary entity referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the management.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements and with the returns received by us and the management.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Company, none of the directors of the Group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33 to the consolidated financial statements;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - iv)
 - (a) The Management of the Holding Company have represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management of the Holding Company, have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) The final dividend proposed in the previous year, declared and paid by the Holding Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.
 - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Holding Company, and accordingly, we report that the company is having adequate security features for audit trail and passwords are duly protected.
2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Holding Company, we report that CARO is applicable only to the Holding Company and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of Holding Company

Place: Hyderabad
Date : May 30, 2024

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

Sd/-
Jyothsna Tera
Partner
(Membership No. 259810)
UDIN: 24259810BKEKFT8197

| 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 of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of **Vedavaag Systems Limited** (hereinafter referred to as “the Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

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

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date : May 30, 2024

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

Sd/-
Jyothsna Tera
Partner
(Membership No. 259810)
UDIN: 24259810BKEKFT8197

BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2024

Rs. In lakhs

Particulars	Note	As at 31.03.2024	As at 31.03.2023
I ASSETS			
(1) Non-Current Assets			
(a) Property Plant & Equipment	1	1,164.42	1,277.60
(b) Other Intangible Assets	2	1,345.72	1,909.47
(c) Financial Assets			
i. Investments	3	1.00	1.00
ii. Trade Receivables	4	1,520.78	1,484.67
iii. Other Financial Assets			
(d) Other Non Current Assets	5	297.83	297.93
Total Non Current Assets		4,329.75	4,970.67
(2) Current Assets			
(a) Inventories	6	191.78	96.92
(b) WIP			
(c) Financial Assets			
i. Investments			
ii. Trade Receivables	7	3,185.87	2,850.76
iii. Cash and Cash Equivalents	8	229.97	185.28
iv. Bank Balances Other than iii above	9	154.00	119.00
(d) Other Current Assets	10	8,601.47	7,462.39
Total Current Assets		12,363.09	10,714.36
TOTAL ASSETS		16,692.84	15,685.03
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	2,292.50	2,292.50
(b) Other Equity	12	11,056.20	10,425.96
Total Equity		13,348.70	12,718.46
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	13	107.97	12.05
ii. Trade Payables			
iii. Other Financial Liabilities			
(b) Deferred Tax Liabilities (Net)	14	327.49	413.50
(c) Other Non Current Liabilities	15	640.48	265.91
Total Non Current Liabilities		1,075.94	691.47

(Contd...)

BALANCE SHEET (CONSOLIDATED) (Contd.)

Rs. In lakhs

Particulars	Note	As at 31.03.2024	As at 31.03.2023
Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	16	51.02	381.02
ii. Trade Payables	17	580.74	588.90
iii. Other Financial Liabilities			
(b) Other Current Liabilities	18	1,596.11	1,216.19
(c) Current Tax Liabilities	19	40.33	88.99
Total Current Liabilities		2,268.20	2,275.10
Total Liabilities		3,344.14	2,966.57
TOTAL EQUITY AND LIABILITIES		16,692.84	15,685.03

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/-
(TERA JYOTHSNA)
Partner
M.No.259810

Place: Hyderabad
Date : 30-05-2024

For & on behalf of the Board of Directors

Sd/-
J Murali Krishna
Managing Director
DIN: 00016054

Sd/-
T B Krishna Mohan
CFO

Sd/-
J Sujatha
Director
DIN: 07014640

Sd/-
Ivaturi Saiteja
Company Secretary

PROFIT & LOSS ACCOUNT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In lakhs

Particulars		Note	for the year ended 31 Mar 2024	for the year ended 31 Mar 2023
1	INCOME		Rs. In lakhs	Rs. In lakhs
	a) Revenue from Operations	20	8,670.42	8,500.60
	b) Other Income	21	8.73	15.45
	Total Income		8,679.15	8,516.05
2	EXPENSES			
	a) Project Expenses	22	4,860.92	3,653.13
	b) Cost of Material	23	329.36	2,094.91
	c) Employee Benefit Expense	24	1,453.47	732.08
	d) Finance Cost	25	19.78	3.40
	e) Depreciation and Amortisation Expense		668.49	630.03
	f) Other Expenses	26	357.44	388.15
	Total Expenses		7,689.45	7,501.70
3	Profit Before Exceptional Item and Tax (1-2)		989.70	1,014.35
4	Exceptional Item			
5	Profit Before Tax		989.70	1,014.35
	Tax Expenses			
	Current Tax		286.72	309.19
	Deferred Tax		(86.01)	(52.68)
6	Profit After Tax		788.98	757.84
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		788.98	757.84
9	Earnings per Share	27		
	a) Basic		3.44	3.31
	b) Diluted		3.44	3.31

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/-

(TERA JYOTHSNA)

Partner

M.No.259810

Place: Hyderabad

Date : 30-05-2024

For & on behalf of the Board of Directors

Sd/-

J Murali Krishna

Managing Director

DIN: 00016054

Sd/-

T B Krishna Mohan

CFO

Sd/-

J Sujatha

Director

DIN: 07014640

Sd/-

Ivaturi Saiteja

Company Secretary

CASH FLOW STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In lakhs

Particulars	for the year ended 31 Mar 2024	for the year ended 31 Mar 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	989.70	1,014.35
Adjustments for:		
Depreciation	668.49	630.03
Interest & Finance Charges	19.78	3.40
Interest Income	(7.76)	(12.19)
Operating Profit before Working Capital Changes	1,670.21	1,635.59
Adjustments for:		
(Increase)/Decrease in Inventories	(94.86)	30.06
(Increase)/Decrease in Current Trade Receivables	(335.11)	(759.19)
(Increase)/Decrease in Non current Trade Receivables	(36.11)	(301.78)
(Increase)/Decrease in Other Non-Current Assets	0.10	58.68
(Increase)/Decrease in Other Current Assets	(1,139.08)	(4.95)
Increase/(Decrease) in Trade Payables	(8.15)	15.79
Increase/(Decrease) in Other Current Liabilities & Provisions	331.26	551.03
Increase/(Decrease) in Non Current Liabilities	374.57	42.55
Cash generated from operations	762.81	1,267.77
Income Tax	286.72	309.19
Net Cash flow from Operating activities	476.10	958.59
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work In progress	8.45	(696.57)
Purchase of Investments	-	-
Interest Received	7.76	12.19
Net Cash used in Investing activities	16.20	(684.39)
C CASH FLOW FROM FINANCING ACTIVITIES		
Change in Other Equity	(21.20)	(44.17)
Interest Charges	(19.78)	(3.40)
Dividend Payment	(137.55)	(137.55)
Borrowings	(234.08)	(82.33)
Net Cash used in financing activities	(412.61)	(267.45)
Net Increase in Cash & Cash Equivalents	79.69	6.76
Cash and Cash Equivalent at the beginning of the period	304.28	297.53
Cash and Cash Equivalent at the end of the period	383.97	304.28

For PARY & CO

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

Sd/-
(TERA JYOTHSNA)
Partner
M.No.259810

Place: Hyderabad
Date : 30-05-2024

For & on behalf of the Board of Directors

Sd/-
J Murali Krishna
Managing Director
DIN: 00016054

Sd/-
T B Krishna Mohan
CFO

Sd/-
J Sujatha
Director
DIN: 07014640

Sd/-
Ivaturi Saiteja
Company Secretary

STATEMENT OF CHANGE IN EQUITY - CONSOLIDATED

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
A. Equity Share Capital		
Balance at the beginning	2,292.50	2,292.50
Add:Changes in Equity share capital during the year		
Closing Balances	2,292.50	2,292.50
B. Other Equity		
Other Reserves		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited*	129.19	129.19
Surplus		
Opening Balances	7,044.35	6,468.24
Add:Profit during the Year	788.98	757.84
Less: Dividend for Financial Year 2021-22	-	137.55
Less: Dividend for Financial Year 2022-23	137.55	-
Less: CSR expenditure	21.20	19.60
Less: Prior period item	-	24.57
Closing Balances	7,674.59	7,044.35
Total	11,056.20	10,425.96

For PARY & CO

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

Sd/-
(TERA JYOTHSNA)
Partner
M.No.259810

Place: Hyderabad
Date : 30-05-2024

For & on behalf of the Board of Directors

Sd/-
J Murali Krishna
Managing Director
DIN: 00016054

Sd/-
T B Krishna Mohan
CFO

Sd/-
J Sujatha
Director
DIN: 07014640

Sd/-
Ivaturi Saiteja
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Company information:

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

The company has changed its registered office from 103, West Block, Siri Sai Orchid, Hi-Tech City, Madhapur, Hyderabad-500 081 Telangana to 1-89/G/113 NR, 3rd Floor Park View, Gafoor Nagar, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081.

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 to 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 will flow to the entity; and
- The cost of the asset can be measured reliably

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

h. Investments:

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

i. Inventory:

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

j. Revenue recognition:

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

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

k. Income Tax

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

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

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

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

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

l. Employee Benefits

Gratuity:

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

Provident Fund:

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

Leave Encashment:

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

m. Impairment of Non-financial Assets:

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

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

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

n. Earnings Per Share:

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

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

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

o. Provisions

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

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

p. Foreign Currencies

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

arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction.

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

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

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

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

1. Useful life of property, plant and equipment:

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

2. Recoverable amount of property, plant and equipment:

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

3. Post-employment benefit plans:

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

4. Assets held for sale

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

5. Provisions and contingencies:

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

6. Impairment of Investments:

Investments in Subsidiaries are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances

include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

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

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

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

r. Financial Instruments:

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

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

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

Fair value of financial instrument:

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

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

s. Investments in subsidiaries and associates

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

t. Events after reporting date

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

u. Cash flow statement

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

| NOTES TO BALANCE SHEET (CONSOLIDATED)

Note 1 : Property Plant & Equipment

Rs. In lakhs

Particulars	Computer Harware	Furniture and Fixtures	Vehicles	Office Equipment	Others	Total
Gross Block						
Balance as at 01.04.2022	4,491.16	119.44	125.04	31.97	112.69	4,880.29
Additions	7.90	-	-	4.15	1.07	13.12
Deletions	-	-	-	-	-	-
Balance as at 31.03.2023	4,499.06	119.44	125.04	36.12	113.76	4,893.42
Additions	7.22	-	-	4.34	-	11.55
Deletions	-	-	-	-	-	-
Balance as at 31.03.2024	4,506.28	119.44	125.04	40.45	113.76	4,904.97
Accumulated Depreciation						
Balance as at 01.04.2022	3,229.91	95.89	53.20	15.31	84.87	3,479.18
Charge for the year	123.68	1.49	7.01	1.88	2.58	136.64
Deletion	-	-	-	-	-	-
Balance as at 31.03.2023	3,353.59	97.38	60.20	17.19	87.45	3,615.82
Charge for the year	111.87	1.40	6.32	2.58	2.57	124.73
Deletion	-	-	-	-	-	-
Balance as at 31.03.2024	3,465.46	98.78	66.52	19.76	90.02	3,740.55
Net Block						
Balance as at 31.03.2022	1,261.25	23.54	71.85	16.66	27.82	1,401.12
Balance as at 31.03.2023	1,145.47	22.05	64.84	18.93	26.31	1,277.60
Balance as at 31.03.2024	1,040.81	20.65	58.52	20.69	23.74	1,164.42

Note 2 : Other Intangible Assets			Rs. In lakhs
Particulars	Computer Software	Project Development WIP	Total
Gross Block			
Balance as at 01.04.2022	3,133.47	460.02	3,593.49
Additions	725.95		725.95
Deletions	-	42.50	42.50
Balance as at 31.03.2023	3,859.42	417.52	4,276.94
Additions	-	-	-
Deletions	-	20.00	20.00
Balance as at 31.03.2024	3,859.42	397.52	4,256.94
Amortization			
Balance as at 01.04.2022	1,874.08		1,874.08
Charge for the year	493.39	-	493.39
Disposals	-	-	-
Balance as at 31.03.2023	2,367.47	-	2,367.47
Charge for the year	543.75	-	543.75
Disposals	-	-	-
Balance as at 31.03.2024	2,911.22	-	2,911.22
Net Block			
Balance as at 31.03.2022	1,259.39	460.02	1,719.41
Balance as at 31.03.2023	1,491.95	417.52	1,909.47
Balance as at 31.03.2024	948.20	397.52	1,345.72

Project development WIP

Reconciliation of carrying amount:	As at 31.03.2024	As at 31.03.2023
Opening balances	417.52	460.02
Additions during the year	-	-
Deletions during the year	20.00	42.50
Closing balances	397.52	417.52

Ageing Schedule

As at 31st March 2024

Particulars	Amount in WIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	-	-	45.00	352.52	397.52
Projects suspended	-	-	-	-	-

As at 31st March 2023

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

Note 3 : Non Current Investments

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
A. Investment in Wholly Owned Subsidiaries (At Cost)		
1. Investment in Equity Instruments (Unquoted)		
VSL Data Systems Private Limited (formaly Synaptic Systems Pvt.Ltd) 14,00,000 Equity shares of Rs.100 each		
Vedavaag Edutech Private Limited 10000 equity shares of Rs.10 each		
Vedavag common Service Centers Private Limited 10000 equity shares of Rs.10 each		
Vedavaag Financial Services Private Limited 10000 equity shares of Rs.10 each		
2. Investments in Preference Shares		
VSL Data Systems Private Limited 40,00,000 5% Redeemable Cumulative Preference shares of Rs.10 each		
Investment in subsidiaries	-	-
B. Investment in other companies		
1. Investment in Business Correspondent Resource Council (BCRC) (A company registered under Section 8 of the Companies Act, 2013) 10,000 equity shares of Rs. 10/- each	1.00	1.00
Aggregate value of Unquoted investments	1.00	1.00

Note : 4 Trade Receivables (Non Current)

Particulars	As at 31.03.2024	As at 31.03.2023
Secured, Considered Good (Receivable from govt.Parties and Others)		-
UnSecured, Considered Good (more than six months) (Receivable from govt.Parties and Others)	1,520.78	1,484.68
Total	1,520.78	1,484.68

Confirmation of balances / Reconciliation: The reconciliation of balances with debtors, creditors etc., has been carrying out from time to time with the confirmation of balances from the parties.

Outstanding for the following periods**As at 31st March 2024**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	-	-		49.73	933.45	983.18
Disputed trade receivables					537.60	537.60
Total	-	-	-	49.73	1,471.05	1,520.78

As at 31st March 2023

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

Note 5 : Other Non Current Assets

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Capital Advances	291.97	291.97
Deposits * (Unsecured Considered good)	5.86	5.96
Total	297.83	297.93

Note : 6 Inventory

Particulars	As at 31.03.2024	As at 31.03.2023
Inventories and Project WIP (valued at FIFO)	191.78	96.92
Total	191.78	96.92

Note : 7 Trade Receivables

Particulars	As at 31.03.2024	As at 31.03.2023
Secured, Considered Good (Receivable from govt.Parties and Others)	3,185.88	2,850.76
UnSecured, Considered Good (Receivable from govt.Parties and Others)	-	-
Total	3,185.88	2,850.76

Outstanding for the following periods**As at 31st March 2024**

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	3,060.40	-	-	-	-	3,060.40
Disputed trade receivables	-	-	-	-	-	-
Unbilled dues	125.48	-	-	-	-	125.48
Total	3,185.88	-	-	-	-	3,185.88

As at 31st March 2023

Particulars	< 6 months	6 months - 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade receivables	1,748.05	593.49	-	-	-	2,341.54
Disputed trade receivables	-	-	-	-	-	-
Unbilled dues	509.22	-	-	-	-	509.22
Total	2,257.28	593.49	-	-	-	2,850.76

Note : 8 Cash and Cash Equivalents

Particulars	As at 31.03.2024	As at 31.03.2023
Balance with Bank	47.29	38.78
Cash on Hand	182.68	146.51
Total	229.97	185.28

Note 9 : Bank Balances Other than above

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Balance with Bank (Margin Money Deposits)	154.00	119.00
Total	154.00	119.00

Note : 10 Other Current Assets

Particulars	As at 31.03.2024	As at 31.03.2023
Advances otherthan Capital Advances Advance to Subsidiaries *		
BC Bank Accounts	486.32	55.30
Less: CSP Deposits	(486.32)	(55.30)
Other Advances	8,601.47	7,462.39
Total	8,601.47	7,462.39

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

Particulars	As at 31.03.2024		As at 31.03.2023	
	No.	Rs. Lakhs	No.	Rs. Lakhs
Authorised				
Equity Shares of Rs.10 Each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Total		3,000.00		3,000.00
Issued, Subscribed & paid up				
Equity shares of Rs.10 Each	2,29,25,000	2,292.50	2,29,25,000	2,292.50
Total		2,292.50		2,292.50

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

Particulars	As at 31.03.2024		As at 31.03.2023	
	No.	Rs. Lakhs	No.	Rs. Lakhs
Shares outstanding at the beginning of the year	2,29,25,000	2,292.50	2,29,25,000	2,292.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,29,25,000	2,292.50	2,29,25,000	2,292.50

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

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each

Each holder of equity share is entitled to one vote per share.

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

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

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

Name of Share Holder	As at 31.03.2024		As at 31.03.2023	
	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 31.03.2024		As at 31.03.2023	
	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	As at 31.03.2024	As at 31.03.2023
Other Reserves		
Capital Reserve	106.67	106.67
Securities Premium	3,145.75	3,145.75
Equity share warrant money Forfeited*	129.19	129.19
Surplus		
Opening Balances	7,044.35	6,468.24
Add: Profit during the Year	788.98	757.84
Less: Dividend for Financial Year 2021-22		137.55
Less: Dividend for Financial Year 2022-23	137.55	
Less: CSR expenditure	21.20	19.60
Less: Prior period		24.57
Closing Balances	7,674.59	7,044.35
Total	11,056.20	10,425.96

Note : 13 Borrowings (Non Current)

Particulars	As at 31.03.2024	As at 31.03.2023
Vehicle Loan*	9.62	12.05
(secured by Hypothication of the Vehicles)		
Orix Leasing & Financial Services India Ltd	98.35	-
(secured by Hypothication of the equipment)		
Total	107.97	12.05

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

Lender Name	Orix Leasing & Financial Services Pvt Ltd
Rate of Interest	12.5% p.a.
Security	Equipment purchased
Terms of Repayment	24 monthly instalments commencing from May 2024
Amount Overdue	NIL

Note : 14 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening Balance	413.50	425.90
Add or (Less):Charge during the Year	(86.05)	(12.40)
Total	327.46	413.50

Note : 15 Other Non Current Liabilities

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
CSP and Other Deposits	335.42	160.54
Others	305.06	105.37
Total	640.48	265.91

Note : 16 Current Liabilities - Borrowings

Particulars	As at 31.03.2024	As at 31.03.2023
Borrowing - Axis Bank	51.02	381.02
Total	51.02	381.02

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

Lender Name	Axis Bank
Rate of Interest	6 Months MCL + 0.5% payable at monthly intervals
Security	Post dated cheque equal to sanctioned amount + 1 month Interest and personal guarantee of Mr J Murali Krishna and Mr JSR Durga Prasad.
Terms of Repayment	Subject to Covid 19 guidelines of RBI for MSMEs
Amount Overdue	Rs. 51.02 lakhs

Note : 17 Trade Payables

Particulars	As at 31.03.2024	As at 31.03.2023
Trade Payables	580.74	588.90
Total	580.74	588.90

Outstanding for the following periods**As at 31st March 2024**

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade payables	475.11	105.63	-	-	580.74
Disputed trade payables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	475.11	105.63	-	-	580.74

As at 31st March 2023

Particulars	< 1 year	1 - 2 years	2 -3 years	> 3 years	Total
Undisputed trade payables	529.43	59.47	-	-	588.90
Disputed trade payables	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	529.43	59.47	-	-	588.90

Note : 18 Other Current Liabilities

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Expenses payable	1,069.39	463.82
Current maturities of Long Term Debt (Vehicle loans)	77.27	2.44
Unpaid Dividend	34.88	33.82
Taxes and Duties	414.58	716.11
Total	1,596.11	1,216.19

Note : 19 Current Tax Liability

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for the year	306.16	309.19
Less:TDS & TCS	265.83	220.19
Total	40.33	88.99

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

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Sales	202.68	901.19
Services	9,403.14	7,599.41
Total	9,605.82	8,500.60

Note : 21 Other Income

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Interest Income	7.76	12.19
Other Non Operating Income	0.97	3.26
Total	8.73	15.45

Note : 22 Project Expenses

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Project Expenses	5,796.32	3,653.13
Total	5,796.32	3,653.13

Note : 23 Cost of Material

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Opening Inventory	96.92	126.98
Add: Purchases (Net)	424.21	814.85
Add: Cost of materials consumed in IoT	-	1,250.00
Total	521.13	2,191.83
Less: Closing Inventory	191.78	96.92
Less: WIP (PROJECTS)	-	-
Total	329.36	2,094.91

Note : 24 Employee Benefit Expenses

Rs. In lakhs

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Salaries and Wages	1,453.47	732.08
Total	1,453.47	732.08

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

Note : 25 Finance Cost

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Interest -Others	18.47	1.68
Interest on Vehicle Loan	1.31	1.71
Total	19.78	3.40

Note : 26 Administrative and Marketing Expenses

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Audit Fee	3.92	3.93
Business Development and Marketing	1.69	11.47
Bank charges	2.07	2.87
Consultancy & Professional charges	23.89	19.08
Telephone & Internet, web server maintenance etc.,	15.14	11.82
Miscellaneous	0.32	1.28
Meeting Expenses	2.23	1.73
Printing and Stationery	4.22	7.96
Insurance	73.18	20.57
Rent	50.22	47.35
Repairs and maintenance	11.64	4.01
Share Services Charges	8.04	7.58
Travelling and Conveyance	49.95	27.02
Office Maintenance	110.93	220.88
GST paid	-	0.61
Total	357.44	388.15

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Note: 27 Earnings per Share

Rs. In lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Numerator for EPS		
Net Profit after tax (Rs. Lacs) (A)	788.98	757.84
Weighted Average no. of Shares considered for Denominator for Basic EPS (Rs. Lacs) (B)*	229.25	229.25
Basic and diluted Earnings Per Share (Rs.) (A) / (B)	3.44	3.31

Note: 28 Related Party Disclosures

1. Related Parties Where Control Exits

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

2. Key Management Personnel

- 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	2023-24	2022-23
Advances to Subsidiaries	VSL Data Systems Private Limited	-125.00	47.65
	Vedavaag Edutech Private Limited	55.37	55.67
	Vedavag Common Service Centers Private Limited	8.52	7.56
	Vedavaag Financial Services Private Limited	0.02	-0.48
	Vedavaag Kiya E Commerce Private Limited	0.00	0.24

4. Remuneration of key managerial personnel:

Particulars of remuneration	For the year ended	
	31 March 2024	31 March 2023
Short term employee benefits	Rs. 49.50 lakhs	Rs. 47.85 lakhs

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

5. Outstanding balances:

Rs. In lacs

Description	Company	2023-24	2022-23
Equity Investment in Subsidiaries	VSL Data Systems Private Limited	1400.00	300.00
	Vedavaag Edutech Private Limited	1.00	1.00
	Vedavag Common Service Centres Private Limited	1.00	1.00
	Vedavaag Financial Services Private Limited	1.00	1.00
Preference Shares Investment in Subsidiaries	VSL Data Systems Private Limited	400.00	400.00
Advance to subsidiaries	VSL Data Systems Private Limited	412.35	1637.35
	Vedavaag Edutech Private Limited	308.16	252.78
	Vedavag Common Services Centers Private Limited	245.19	236.66
	Vedavaag Financial Services Private Limited	-0.34	-0.36
	Vedavaag Kiya E Commerce Private Limited	2.47	2.47

Note: 29 Contingent liabilities

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

Note: 30 Corporate social responsibility

In accordance with section 135(5) of the Companies Act, 2013, the CSR expenditure for the year was Rs. 16.46 lakhs and the CSR expenditure incurred was Rs. 21.20 lakhs resulting in surplus of Rs. 3.34 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 31-03-2023	Allotment/purchases during the year	Sold during the year	As at 31-03-2024
Business Correspondent Resource Council (BCRC), a company registered under Section 8 of the Companies Act, 2013	1,00,000	-	-	1,00,000

Note: 32 Analytical Ratios

Ratio	Numerator	Denominator	Current Period	Previous period	% variance	Reasons for variance
Current ratio	Current assets	Current liabilities	5.451	4.709	-16%	
Debt – equity ratio	Total Debt	Shareholders' equity	0.06	0.05	12%	
Debt Service Coverage ratio	Earnings available for debt service	Debt service	3.509	9.493	-63%	Decrease is on account of repayment of term loans
Return on Equity (ROE)	Net profit after taxes	Shareholders' equity	5.91%	5.96%	-1%	
Inventory Turnover ratio	Sales	Closing Inventory	45.21	87.71	-48%	Marginal decrease in turnover and increase in inventory is reason for variance.
Trade Receivable Turnover ratio	Sales	Closing trade receivables	2.722	2.982	-9%	
Trade Payables Turnover ratio	Credit purchases	Closing trade payables	-	2.13	-100%	No credit purchases during the current year, hence variation.
Net Capital turnover ratio	Sales	Working capital	0.859	1.007	-15%	
Net profit ratio	Profit after tax	Total income	9.09%	8.90%	2%	
Return on Capital employed	Earnings before interest and taxes	Capital employed	0.070	0.076	-8%	
Return on investment	Realised gain on investment	Investment value	-	-	-	

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

Note: 33 Benami Property

There are no proceedings initiated or pending against the company as at 31st March 2024, 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/-
(TERA JYOTHSNA)
Partner
M.No.259810

Place: Hyderabad
Date : 30-05-2024

For & on behalf of the Board of Directors

Sd/-
J Murali Krishna
Managing Director
DIN: 00016054

Sd/-
T B Krishna Mohan
CFO

Sd/-
J Sujatha
Director
DIN: 07014640

Sd/-
Ivaturi Saiteja
Company Secretary

| FORM NO. MGT-11

PROXY FORM

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

CIN: L72200TG1998PLC029240

Name of the company: VEDAVAAG SYSTEMS LIMITED

Registered office: 1-89/G/113 NR, 3rd Floor Park View, Gafoor Nagar, Madhapur, Hyderabad, Shaikpet, Telangana, India, 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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the company, to be held on the Monday, September 30, 2024 at 11:15 A.M at Surana Auditorium, The Federation of Telangana Chamber of Commerce and Industry, Red Hills (FTCCI), Hyderabad - 500004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024.
2. DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
3. RE-APPOINTMENT OF MR. ANANTH JONNAVITTULA (DIN: 09300935), AS DIRECTOR OF THE COMPANY
4. TO CONSIDER AND APPROVE APPOINTMENT OF MR. RAGHAVACHARYA VASUDEVAN (DIN: 01798811) AS INDEPENDENT DIRECTOR OF THE COMPANY

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

26TH ANNUAL GENERAL MEETING, MONDAY SEPTEMBER 30, 2024, AT 11.15 A.M

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

No. of shares held _____

I hereby confirm/certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and here by record my presence at the 26th Annual General Meeting of the Company on Monday, September 30, 2024, at 11.15 A.M at Federation of Telangana Chambers of Commerce and Industry (Formerly Known as FAPCCI), Red Hills, Hyderabad – 500004.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

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



**1-89/G/113 NR, 3rd Floor, Park View,
Gafoornagar, Hitech City,
Hyderabad - 500081. Telangana.**
Phone: +91 70324 95959. Email: info@vedavaag.com
web: www.vedavaag.com