

VEDAVAAG SYSTEMS LIMITED

**24th ANNUAL
REPORT 2021-22**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

BOARD COMMITTEES

Audit Committee

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

Stakeholders Relationship Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

KEY MANAGERIAL PERSONNEL (KMP)

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

STATUTORY AUDITOR

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

SECRETARIAL AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

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

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

The BSE Limited

REGISTRAR AND SHARE TRANSFER AGENT

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

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

NOTICE TO THE ANNUAL GENERAL MEETING

To the Members of Vedavaag Systems Limited

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

ORDINARY BUSINESS:

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

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

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

To Declare Final Dividend on Equity shares @ Rs. 0.60 per Equity Share of Face Value of Rs. 10.00 (Rupees Ten Only) for the Financial Year ended 31st March 2022.

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

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

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

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

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Hyderabad
Date: 29-08-2022

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

NOTES

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

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

Member may note that the Notice can be accessed from the website of the Stock exchange i.e., BSE Limited. The Notice and Annual Report 2021-2022 is disseminated on the Company's website www.vedavaag.com and website of CDSL at www.evotingindia.com

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

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

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

Special attention:

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

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

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

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

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

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

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

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

Book Closure and Dividend

1. The Register of members and Share Transfer Books of the Company will be closed from Monday, 26th September 2022 to Friday 30th September 2022, both days inclusive. The dividend of Rs. 0.60 per share on the Equity Shares of the Company if declared by Members at AGM will be paid after deduction of Income Tax at Source (TDS).

2. The final dividend, if declared, shall be paid on or before the specified date to those members whose names appear in the register of members as of the close of business hours on 24th September 2022 Saturday, as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in the case of shares held in dematerialized form.

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

i. Resident Shareholders

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

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

ii. Non-Resident Shareholders:

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

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

- 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, Bharat Nagar, 12-10- 167, Hyderabad 500018.

6. Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is to be transferred to Investor Education and Protection Fund.

7. Members who have not encashed the Dividend Warrants so far are requested to send their Claims. For the Financial Years 2016-2017, 2017-2018, 2018-2019, 2019-20 and 2020-21 before the due dates as the unclaimed dividend will get transfer to IEPF Account in the years 2024, 2025, 2026, 2027 and 2028 respectively.

Voting Through Electronic Means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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