

# **VEDAVAAG SYSTEMS LIMITED**



**19<sup>th</sup> Annual Report  
2016-2017**

## **19<sup>th</sup> ANNUAL GENERAL MEETING VEDAVAAG SYSTEMS LIMITED**

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**VEDAVAAG SYSTEMS LIMITED**

**19<sup>th</sup> ANNUAL GENERAL MEETING**

**Board of Directors :**

J. S. R. Durga Prasad	Chairman
J. Murali Krishna	Managing Director
V. Umapathi	Director (ceased to be director from 07-01-2017)
P. Srinivas	Director (Inducted from 07-01-2017)
Dr. G.T. Murthy	Director
B. Locabhiram	Director
J. Sujata	Director

**Auditors:**

Mahesh, Virender and Sriram  
Chartered Accountants  
6-3-788-36 & 37 A  
Durga Nagar Colony  
Hyderabad 500 016

**Bankers:**

Axis Bank Ltd  
State Bank of India

## NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of VEDAVAAG SYSTEMS LIMITED will be held on Wednesday, 27<sup>th</sup> September 2017 at FTAPCCI Building, Redhills, Hyderabad-500004 ,Telangana at 2.30 P.M to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017 including the Balance Sheet as at March 31, 2017, Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon including the Audited Consolidated Financial Statements of the Company and report of the Auditors thereon, for the financial year ended March 31, 2017.
2. To consider and confirm final dividend of Rs 0.90 per Equity Share of Rs 10 each to the shareholders for the financial year 2016-2017.
3. To appoint Auditors and 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 139,142 and other applicable provisions, if any, of the Companies Act 2013, and Company (Audit and Auditors) Rules, 2014 (including any Statutory modifications (or) re-enactment thereof for the time being in force) and pursuant to the recommendation of Audit committee, M/s. Sastry & Shah, Chartered Accountants (Firm Registration No-003642S), be and hereby appointed as Statutory Auditors of the company in the place of retiring Statutory Auditors M/s. Mahesh, Virender & Sriram, to hold the office of Statutory Auditors of the Company till the conclusion of 20th Annual General Meeting (AGM), at such remuneration and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and Auditors.”

### SPECIAL BUSINESS

4. **APPOINTMENT OF SRI. SRINIVAS PANNALA (vide DIN No:00018295) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

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

“RESOLVED THAT pursuant to the provisions of section 149,150 and 152 of the Companies Act, 2013 and rules made there under, SRI SRINIVAS PANNALA (vide DIN No : 00018295), who was appointed as 'Additional Director' in the Board of the Company on 07.01.2017 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read

with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose SRI SRINIVAS PANNALA as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years from the date of appointment”.

**5. APPROVAL FOR REVISION IN REMUNERATION OF MANAGING DIRECTOR:**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof) and pursuant to Articles of Association of the Company and as recommended by the nomination and remuneration committee and subject to such other consents, approvals and permissions if any needed, remuneration of Mr. J Muralikrishna, Managing Director be and is hereby revised on the terms and conditions hereinafter mentioned with effect from 1<sup>st</sup> October, 2017 for the remaining period.

**Consolidated Salary:** An amount of Rs.4,50,000/- p.m. which includes the variable pay and perquisites.

**Benefits over and above annual CTC:** Long Term Incentive, Accident Insurance Coverage, Medical Insurance Coverage, Lift time Insurance Coverage and Gratuity as per company policy.

RESOLVED FURTHER THAT all other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave, contribution to Provident Fund, Superannuation fund or annuity fund/Gratuity in terms of applicable provisions of the relevant statutes.

RESOLVED FURTHER THAT pursuant to provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr.J Muralikrishna, Managing Director is hereby confirmed that it is well within the prescribed limit mentioned in the said section.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

**6. RE-APPOINTMENT OF SRI JSR DURGA PRASAD AS DIRECTOR AND AS EXECUTIVE CHAIRMAN OF THE COMPANY AND FIXING OF 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 the provisions of Sections 196, 197, 203 read with schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof) and pursuant to Articles of Association of the Company, the consent of the Company be and is hereby accorded to re-appoint Sri JSR Durga Prasad as Director and as Executive Chairman of the Company on a monthly remuneration of Rs5,00,000/- including variable pay and perquisites and on such terms and conditions here in after mentioned with effect from 1<sup>st</sup> October, 2017 for a period of five years.

Benefits over and above annual CTC: Long Term Incentive, Accident Insurance Coverage, Medical Insurance Coverage, Lift time Insurance Coverage and Gratuity as per company policy.

RESOLVED FRUTHER THAT all other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave, contribution to Provident Fund, Superannuation fund or annuity fund/Gratuity in terms of applicable provisions of the relevant statutes.

RESOLVED FURTHER THAT pursuant to provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr.J Muralikrishna, Managing Director is hereby confirmed that it is well within the prescribed limit mentioned in the said section.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

Date: 02/09/2017

Place: Hyderabad

For & on behalf of the Board of Directors

**Vedavaag Systems Limited**

**J.MURALI KRISHNA**

DIN : 0000016054

( Managing Director)

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form duly completed and stamped must reach the registered office of the company not less than 48 hours before the time fixed for commencement of the meeting.
2. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
3. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
5. The register of members and share transfer books of the company in respect of equity shares will remain closed from Thursday 21st September 2017 to Wednesday 27<sup>th</sup> September 2017-(both days inclusive).
6. Members holding shares in the electronic form are requested to inform any changes in their address/bank mandate directly to their respective Depository Participants.
7. The dividend as recommended by the Board of Directors, if confirmed at the Annual General Meeting will be paid with in a period of 30 days to those members whose names appear as:
  - a) Beneficial Owners as on 21<sup>st</sup> Sept, 2017 on the lists of Beneficial Owners to be furnished by NSDL and CDSL and
  - b) Members in the Register of Members of the company after giving effect to valid share transfer in the physical form lodged with the company on or before 21<sup>st</sup> Sept,2017.
8. Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in Demat form are ,therefore, requested to submit PAN details to the Depository Participants with whom they have Demat accounts. Members holding sharesz in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents.(Venture Capital & Corporate Investments Pvt Ltd.)
9. Brief profile of Directors those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships

and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 (3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) regulations, 2015 annexed here with..

10. An Explanatory Statement as required under section 102 of companies Act 2013, in respect to Special Business is annexed hereto.
11. Relevant documents referred in notice are open for inspection by the members at the Registered office of the company, during business hours up to the date of the meeting.
12. Members who have not registered their email id addresses are requested to register their email addresses for receiving all communications including their annual report, notices, and circulars.
13. Voting through electronic means;
  - a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
  - b. The instructions for e-voting are as under:

The instructions for members for voting electronically are as under: In case of members receiving e-mail:

    - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
    - (ii) Click on "Shareholders" tab.
    - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
    - (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the "Character Displayed" Code as displayed and Click on Login.
    - (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.



(vi) Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*A Member who has not updated his PAN with the Company/Depository Participant is requested to use the first two letters of his name and the sequence number in the PAN Field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen.

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

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **<https://www.evotingindia.co.in>** and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In the case of members receiving physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 24.09.2017 from 9.00 a.m. and ends on 26.09.2017 till 5.00 p.m.

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 20.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.

The e-voting period commences on 24.09.2017 (9:00 am) and ends on 26.09.2017 (5:00 pm). 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 20.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 20.09.2017.

Mrs. D. Renuka, Practicing Company Secretary (Membership No.11963) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of the voting at the general meeting first count the votes cast in 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 3 days of the conclusion of the meeting make a consolidated Scrutinizer's Report of the votes cast in favor or against, if any and hand over, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.

The chairman or a person authorized by him in writing shall forthwith on receipt of consolidated Scrutinizer's Report declare the result of the voting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.vedavaag.com** in and on the website of CDSL immediately after their declaration and results shall simultaneously be communicated to the BSE Limited.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of meeting, i.e. 27<sup>th</sup> day of September 2017.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013.**

##### **ITEM 4:**

In accordance with the provisions of Section 152 of the Companies Act 2013, appointment of director requires approval of members based on the recommendation of the Nomination and Remuneration Committee,

The Board of directors of the company has appointed Mr. Srinivas Pannala as an additional director of the company with effect from 7<sup>th</sup> January 2017. In accordance with the provisions of Section 161 of the Companies Act 2013. Mr. Srinivas Pannala shall hold office from the date of forthcoming Annual General meeting and is eligible to be appointed as an independent director for a term up to 5 years. The company has received notice under section 160 of the Companies act 2013 from a member signifying intention to propose Mr. Srinivas Pannala as an Independent Director of the company.

A brief profile of Mr. Srinivas Pannala. (DIN NO-00018295) :

Mr. Srinivas Pannala has rich and versatile experience. He studied Computer Science and Engineering from IIT Kharagpur and Masters from IIM Bangalore (International Business and Strategy).

He is a director in Parmita Solutions Pvt Ltd, Parmita Analytics Pvt Ltd and Mitoken Solutions Pvt Ltd.

The company has received a declaration of independence from Mr. Srinivas Pannala. In the opinion of the board Mr. Srinivas Pannala fulfills all the conditions specified in Companies Act 2013 and equity listing agreement for appointment as independent director of the company.

**ITEM 5:**

The Board of Directors at their meeting held on 2<sup>nd</sup> Sept, 2017 has approved the upward revision of monthly remuneration of Mr. J. Murali Krishna holding Din no (00016054) Managing Director to Rs. 4,50,000/- including variable pay and perquisites and on the terms and conditions hereinafter mentioned , with effect from 1<sup>st</sup> Oct, 2017 as recommended by the nomination and remuneration committee which is subject to the approval of the shareholders.

Consolidated Salary : An amount of Rs.4,50,000/- p.m. which includes the variable pay and perquisites.

Benefits over and above annual CTC: Long Term Incentive, Accident Insurance Coverage, Medical Insurance Coverage, Lift time Insurance Coverage and Gratuity as per company policy.

All other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave, contribution to Provident Fund, Superannuation fund or annuity fund/Gratuity in terms of applicable provisions of the relevant statutes.

Except Mr. JSR Durgaprasad and Mrs.J Sujatha, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5

A brief profile of Mr. Murali Krishna. (DIN NO 00016054):

Mr. J. Murali Krishna is a Master in Business Administration from Jamnalal Bajaj Institute of Business management studies Mumbai, a entrepreneur with extensive experience in the field He has headed IT Department at Indian Express, ITW Signode India Limited and Bakelite Hylam Limited.

He is also a director in Vagdevi Sark Edutech Pvt Ltd and Vedavaag Common Service Centers Pvt Ltd.

**Item 6:**

The Board of Directors at its meeting held on 2<sup>nd</sup> September 2017 appointed Mr. JSR Durga Prasad holding Din no (00016037) as Executive Chairman of the company with a remuneration of Rs 5,00,000/- per month including variable pay and perquisites and on the terms and conditions hereinafter mentioned for a period of 5 years with effect from 1<sup>st</sup> October,2017 subject to approval of shareholders at the ensuing Annual General Meeting on the basis of recommendation of Nomination and Remuneration committee.

Consolidated Salary : An amount of Rs.5,00,000/- p.m. which includes the variable pay and perquisites.

Benefits over and above annual CTC: Long Term Incentive, Accident Insurance Coverage, Medical Insurance Coverage, Lift time Insurance Coverage and Gratuity as per company policy.

All other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave, contribution to Provident Fund, Superannuation fund or annuity fund/Gratuity in terms of applicable provisions of the relevant statutes.

Except Mr. J Muralikrishna and Mrs.J Sujatha, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

A brief profile of Mr. J.S.R. Durga Prasad. (DIN NO 00016037):

Mr.J.S.R.Durga Prasad FCA, AICWAI is the promoter of the company. He is the proprietor of the Durga Prasad Associates, Chartered Accountants having experience in Taxation , Project finance and Audit.He was formerly with Bharat Heavy Electricals limited -a Navaratna public sector undertaking.

He is also a director in Vagdevi Sark Edutech Pvt Ltd and Vedavaag Common Service Centers Pvt Ltd.

Date: 02/09/2017

Place: Hyderabad

For & on behalf of the Board of Directors

**Vedavaag Systems Limited**

**J.MURALI KRISHNA**

DIN : 0000016054

( Managing Director)

**BRIEF PROFILE OF THE DIRECTOR SEEKING RE-APPOINTMENT / APPOINTMENT AT THE ANNUAL GENERAL MEETING**

**I. INFORMATION ABOUT THE APPOINTEE:**

<b>PARTICULARS</b>	<b>J.S.R DURGA PRASAD</b>
Background Details:	FCA & AICWA  Mr. JSR.Durga Prasad has rich experience in Taxation , Project Finance and Audit. He was formerly with Bharat Heavy Electricals limited -a Navaratna Public Sector Undertaking and started practicing as Chartered Accountant since 1988.
Past Remuneration	-
Recognition or awards	-
Job Profile and his suitability	Experienced Chartered Accountant practicing for the past 29 years
Remuneration proposed	Rs 5 Lacs per month
Comparative remuneration profile	The remuneration proposed is similar to the remuneration drawn by persons with similar background in the industry
Pecuniary relationship	JSR Durgaprasad holds 11.22% shares in the company directly and another 11.23% through his family members- J. Muralikrishna, MD and J. Sujatha, Director.

**ADDITIONAL INFORMATION**

(As per Regulation 36(3) of SEBI (LODR) Regulation 2015)

As required under the Listing Regulations, the particulars of Directors who seek appointment/ re-appointment are given below:

Particulars	J S R DURGA PRASAD	SRINIVAS PANNALA
DIN	00016037	00018295
AGE	58	50
QUALIFICATION	FCA, AICWAI	IIT Kharagpur and IIM Bangalore
Experience	Mr. JSR.Durga Prasad has rich experience in Taxation , Project Finance and Audit. He was formerly with Bharat Heavy Electricals limited –a Navaratna Public Sector Undertaking and started practicing as Chartered Accountant since 1988. .	Mr.Srinivas Pannala has expertise in Program Management - Strategic, Governance, Benefits, Lifecycle and Stakeholder Management. Valuation of Intangible Assets, RFP development for Government / PSUs, running PMO and PgMO Strategic planning, execution roadmap development, core processes.
Other Directorships	3	4
Other Membership(s)/ Chairmanship(s) of Committee of the Board	3	3
Disclosure of relationship between Directors	Brother of Mr J. Muralikrishna, MD  Husband of Mrs J. Sujatha , Director	
Shareholding of the Company	11.22%	

## BOARD'S REPORT

To,  
The Members of  
VEDAVAAG SYSTEMS LIMITED

Your Directors have pleasure in presenting the 19th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, 31st March, 2017.

### FINANCIAL HIGHLIGHTS:

Rs. In Lacs

	Consolidated		Standalone	
	2017	2016	2017	2016
Total Income	10,162.69	8358.38	9,409.69	8358.38
Total Expenditure	8,424.39	6997.49	7,923.09	6997.49
Gross Profit before Depreciation and Tax	1,738.30	1360.88	1,486.60	1360.88
Depreciation	324.19	729.70	248.90	729.70
Profit Before Tax	1414.11	631.18	1,237.70	631.18
Provision for Tax	409.43	242.61	375.81	242.61
Deferred Tax	(21.61)	(149.22)	(42.51)	(149.22)
Profit after Tax	1,026.29	537.79	904.40	537.79

### OVER VIEW OF COMPANY'S FINANCIAL PERFORMANCE:

During the year under review, the Total Income of the Company was Rs 9409.69 lakhs - against Rs 8358.3 lakhs in the previous year registering an increase in revenue by 12.5% during the period. The Company has earned Profit after Tax of Rs. 904.40 lacs compared to Rs 537.79 lacs in the previous year, an increase by 68%.

### DIVIDEND:

The Board in its meeting held on 29th May 2017, declared a Final dividend of Rs. 0.90 per equity share for the financial year ended 31st March, 2017. The proposal is subject to the approval of the shareholders at the AGM to be held on 27<sup>th</sup> September 2017. The Total Dividend payout will be Rs. 154.36 Lacs.



**SHARE CAPITAL:****PREFERENTIAL ALLOTMENT:**

During the year your company has issued 1,00,00,000 equity share warrants on preferential basis to promoter and non-promoter group at Rs. 39/- per equity share warrant including premium of Rs 29/- per warrant. The Authorised share capital of the company has been increased to Rs. 30,00,00,000 divided in to 3,00,00,000 equity shares of Rs 10 each in place of existing 1,90,00,000 equity shares of Rs10 each and 10,00,000 8% preference shares of Rs10 each and consequently the existing Memorandum of association of the company is altered.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY:**

There were no material changes and commitment occurred affecting the financial position of the company.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

Vedavaag Systems Limited has three subsidiaries namely VSL Data Systems Private Limited, Vagdevi Sark Edutech Private Limited, and Vedavaag Common Services Centers Private Limited as on 31 March, 2017. During the year, the Board of Directors (the Board) reviewed the affairs of subsidiaries under Section 129(3) of the Companies Act, 2013 and prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, the report on the performance and financial position of each of the subsidiary, and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report [**Annexure I**].

**RELATED PARTY TRANSACTIONS:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Further all the necessary details of transaction entered with the related parties as defined under Section 188 of the Companies Act, as defined under Section 2 (76) of the said Act are attached herewith in form no. AOC-2 for your kind perusal and information. (**Annexure: II**).

**CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of business.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

A Detailed report on Management Discussion and analysis is provided as a separate chapter in Annual report (**Annexure: III**).

**BOARD OF DIRECTORS:**

In accordance to the provision of companies Act 2013, Mr. Srinivas Pannala is eligible as director in independent category and his appointment is regularized at the ensuing Annual general Meeting of the company.

Sri J Murali Krishna Managing Director's Remuneration has been revised and detailed proposal of revision has been mentioned in the Explanatory Statement under section 102 of the Companies Act 2013.

Sri JSR Durga Prasad is liable to retire by rotation and has been re-appointed as Director and nominated as Executive Chairman for a period of 5 years and detailed proposal of appointment has been mentioned in the Explanatory Statement under section 102 of the Companies Act 2013.

**ANNUAL RETURN:**

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your information. **(Annexure: IV)**

**MEETINGS OF THE BOARD OF DIRECTORS:**

The following Meetings of the Board of Directors were held during the Financial Year 2016-17:

SN	Date of Meeting	No. of Directors Present
1	15 <sup>th</sup> April 2016	4
2	30 <sup>th</sup> may 2016	4
3	12 <sup>th</sup> August 2016	5
4	14 <sup>th</sup> November 2016	4
5	12 <sup>th</sup> December 2016	5
6	7 <sup>th</sup> January 2017	5
7	18 <sup>th</sup> January 2017	4
8	14 <sup>th</sup> February 2017	5

**PRESENCE/ATTENDANCE OF DIRECTORS IN THE MEETINGS:**

SN	Name of Director	Board Meeting			Committee Meeting			AGM
		No of Meeting Held	No of Meeting attended	%	No of Meeting Held	No of Meeting attended	%	
1	Sri JSR Durga Prasad	8	8	100	5	5	100	yes
2	Sri J. Murali Krishna	8	8	100	-	-	-	yes
3	Dr. G. T Murthy	8	5	62.5	5	5	100	yes
4	Sri. B. Locabhiram	8	5	62.5	-	-	-	Yes
5	Smt. Sujata	8	3	37.5	-	-	-	Yes
6	Sri. Umaphathi	8	4	50	5	3	37.5	Yes
7	Sri. Srinivas Pannala	8	3	37.5	5	2	25	NA

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirm that-

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with Proper Explanation relating to material departures;
- (b) The Directors have selected such accounting Policies and applied them consistently and made judgements 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 and of the Profit and Loss of the Company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) 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; and
- (f) 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.

### **APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6):**

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act in the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Ruled made there under and are independent of the management.

### **STATUTORY AUDITORS**

In terms of the provisions of Section 139 (2) of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years (i.e. 10 years maximum).

The Current Auditors M/s Mahesh, Virender and Sriram Chartered Accountants, Hyderabad (Registration No: 001939S) have been serving in the company for more than Ten years.

However the Act has prescribed a transition period of Three years to comply with the aforesaid rotation requirement. Accordingly, the Company had, on its 16<sup>th</sup> AGM held on 29<sup>th</sup> September, 2014, appointed M/s Mahesh, Virender and Sriram Chartered Accountants, Hyderabad (Registration No:001939S) as Statutory Auditor for the said transition period to hold office till the conclusion of the 18<sup>th</sup> AGM.

Now, the transition period has expired and the Board of Directors and the Audit Committee, on its respective meeting held on 29<sup>th</sup> May, 2017, recommended the appointment of M/s Sastry & Shah, Chartered Accountants, Hyderabad (Registration No: 003642S) as the Statutory Auditors from the conclusion of this AGM until the conclusion of the 20<sup>th</sup> AGM of the Company, subject to ratification by the Members.

### **REPLIES TO AUDITOR'S REPORT:**

Since the company is engaged in the infrastructure establishment and maintenance projects without any credit facilities from bank, and with considerable delay in receivables from respective government / non-government customers there were certain delays in depositing statutory dues. However, efforts are in place to overcome such instances.

### **SECRETARIAL AUDITOR:**

Pursuant to Section 204 of the companies Act 2013 and rules there under, the board of directors of the company appointed

M/s. V.C.S.R. & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure: V** to this Report.

The Secretarial audit report confirms that the company has generally complied with all applicable provisions of the Acts, Rules Regulations, Guidelines etc., applicable to the Company subject to the following observations :

- 1) Section 137 of the Companies Act, 2013 has not been complied with.

Reply: The Company has taken steps to file the Annual Returns of both the wholly owned subsidiaries.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As required under Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

### **NOMINATION AND REMUNERATION POLICY:**

The Company has formed nomination and remuneration committee to comply with the provisions of Section 178 of the Companies Act 2013 and to recommend a policy of the Company on Directors Appointment and Remuneration including criteria for determining qualifications positive attributes, independence of a Director and other matters and to frame proper system for identification, appointment of Directors and KMPs', payment of remuneration to them and evaluation of their performance and to recommend the same to the board from time to time.

The Company's Nomination and Remuneration Committee comprises of three Non-Executive Directors. The table sets out the composition of the Committee:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
V. Umapathi / Srinivas Pannala	Chairman / Member	Non-Executive Independent Director
JSR Durga Prasad	Member	Non-Executive Non Independent Director
G. T. Murthy	Member	Non-Executive Independent Director

## **TERMS OF REFERENCE**

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. Regularly review the Human Resource function of the Company
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

## **COMPOSITION OF AUDIT COMMITTEE:**

The Audit Committee consists of the following members

- a) Mr. V. Umapathi / Srinivas Pannala
- b) Mr. J.S.R. Durga Prasad
- c) Mr. G. T. Murthy

The above composition of the Audit Committee consists of independent Directors viz., Mr. V. Umapathi / Srinivas Pannala and Mr. G T Murthy who form the majority.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

#### **WHISTLE BLOWER POLICY:**

The Whistle Blower Policy has been framed by the company for directors and employees to report genuine concerns pursuant to the provision of Section 177(9) & (10) of the Companies Act 2013 read with regulation 22 of SEBI (LODR) Regulations 2015. The same has been placed on web site of the Company.

#### **REMUNERATION POLICY:**

##### **Remuneration to Executive Directors:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

##### **Remuneration to Non-Executive Directors:**

The Non Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

#### **FIXED DEPOSITS:**

The company has not accepted deposits from public within the meaning of Section 73 of the Companies Act, 2013.

#### **LOANS, GUARANTEES AND INVESTMENTS:**

The Company has not made / given / advanced any Loan, Guarantee and Investment during the financial year covered under section 186 of the Companies Act, 2013.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The required information as per section 134(3) (m) of the companies Act 2013 is provided here under.

**1. Conservation of Energy:**

The operations of the company involve low energy consumption; adequate measures however have been taken to conserve energy.

**2. Technology Absorption:**

Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your company continues its focus on quality up gradation of product and services development.

**FOREIGN EXCHANGE INCOME AND OUT GO: NIL (2016-17 & 2015-16)****RISK MANAGEMENT:**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

**INTERNAL FINANCIAL CONTROLS:**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control System in the Company. The system should be designed and operated effectively. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls the Company has laid down the following measures:

1. The internal financial control systems are commensurate with the size and nature of its operations.
2. All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.
3. Approval of all transactions is ensured through a preapproved Delegation of Authority Schedule which is reviewed periodically by the management.



4. The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard and protection of all the assets. Fixed Asset verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Board of Directors for review and necessary action.

**BOARD EVALUATION:**

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of the Nomination and Remuneration Committee had one-on-one meetings with the Executive and Non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/Committee processes. The Board considered and discussed the inputs received from the Directors. Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

**PERSONNEL:**

As regards, information pursuant to section 197(12) of the companies act 2013, read with rules 5(1) and 5(2) of the companies (appointment and remuneration of managerial personnel rules 2014), there are no employees governed by the said provisions.

**GENERAL:**

Your directors' further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ACKNOWLEDGEMENT:**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Employees of the Company.

Date : 2<sup>nd</sup> September, 2017

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

Place : Hyderabad

**J. MURALI KRISHNA**

DIN : 0000016054  
(Managing Director)

**ANNEXURE – I**  
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary is presented with amounts in Rs.Lacs)

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Sl. No.	1
2.	Name of the Subsidiary	VSL Data Systems Private Limited (formerly Synaptic Systems private limited)
3.	The date since when subsidiary was acquired	7 <sup>th</sup> Jan, 2017
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
6.	Share Capital	300.00
7.	Reserves & Surplus	121.34
8.	Total Assets	1873.00
9.	Total Liabilities	1451.66
10.	Investments	—
11.	Turnover	753.00
12.	Profit Before Tax	176.41
13.	Provision for Tax	54.51

**ANNEXURE-II**
**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 arms length transactions under third proviso thereto

No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
1.	-----NIL-----							

**2. Details of material contracts or arrangement or transactions at arm's length basis**

No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	-----NIL-----					

**(Annexure-III)****MANAGEMENT DISCUSSION AND ANALYSIS****Business Outlook and Management Discussion:**

The company is focussing on three key areas – E-Governance & Citizen Services, Banking, Finance and Insurance Services, and Infra services for Telecom.

The Digital India program of government of India is centred on three key vision areas –

- ▲• Digital Infrastructure as a core utility to every citizen
- Governance and Services on Demand
- Digital Empowerment of Citizens.

Vedavaag draws its business focus from the same and the three pillars of its business are -

**E-GOVERNANCE & CITIZEN SERVICES:**

There has been an increased efficiency in the functioning of the government services because of digitalisation of services like ration cards, income certificates, building licences, Passport/ VISA, Pensions, Road Transport, Property Registration, Railway services, Land records, and Income tax payments etc. and the use of biometrics which has made life convenient, efficient and transparent for citizen.

Vedavaag has done over 1.6 Cr enrolments and continues to deliver these services at its rural service centres. Aadhar seeding is a massive program undertaken by various government agencies in their respective functional databases and Vedavaag actively participates in these initiatives.

**BANKING, FINANCE AND INSURANCE SERVICES:**

Vedavaag has over 2000+ Customer services points (CSP) operating for SBI, Purvanchal Grameen Bank(PGB), Airtel Bank in Bihar, Jharkhand, Uttarpradesh, Punjab and continues to expand these Centres . Vedavaag services over 20 lakh account holders through its network. The daily BC operations business exceed Rs 8Cr and the company is focussing to double this in the near future.

The company is pursuing the opportunity of Insurance to become a corporate agent and take the service to all its patrons.

**TELECOM INFRA SERVICES:**

The company is executing GPON and MLL installation services for BSNL through ITI Limited. The government has cleared the budget for the second phase of BharatNet, out of which Rs 18,792 crore will be for end-to-end implementation to cover 2,50,000 Gram Panchayats with broadband network. Vedavaag is exploring to pursue this opportunity.

**ERP IMPLEMENTATION SERVICES FOR PRIMARY AGRICULTURE CO-OPERATIVE CREDIT SOCIETIES:**

Vedavaag has strengthened its rural service portfolio, by acquiring 100% stake in Synaptic Systems Pvt Ltd and the name is changed to M/s VSL Data Systems Pvt Ltd. VSL Data Systems Pvt Limited provides ERP implementation services for Primary Agriculture Cooperative Credit Societies (PACS) affiliated to District Cooperative Central Banks and Commercial Banks; Employees Cooperative Credit Societies (ECCS), Farmer Producer Organisations (FPOs) and NBFCs.

Synaptic Systems was catering to rural India since 2012. The company has conducted pilots across 150+ PACS in Telangana, Andhra Pradesh, Karnataka and Madhya Pradesh at its own cost and in the process earned complete domain and implementation expertise and became the exclusive implementation partner of UNITE ERP, (a product of M/s Intellect Informatics Pvt Ltd.)

VSL Data Systems is presently implementing UNITE ERP for Telangana State in all its 906 PACS. The UNITE ERP is a comprehensive, end to end, all-encompassing solution tailor made for the unique requirements of PACS, FPOs, ECCS and offer multiple financial and business services ranging from accepting of deposits, lending (agri-credit and commercial), supply of agri-inputs, procurement, processing, warehousing, merchandising to agri-extension and allied services to their farmer members in particular and rural population in general. There are about 93000 PACS located across Rural India that becomes a good market space for VSL Implementation services.

The Government of India, in their Annual Budget for the year 2017-18, have provided Rs. 1985 Crore towards their 60% contribution to the Computerisation of 63000 PACS. The remaining 40% shall be contributed by the respective Governments of the States and PACS. Refer Farmers section in <http://indiabudget.nic.in/ub2017-18/bh/bh1.pdf>

The sector, therefore, offers huge business potential in terms of Computerisation of PACS followed by annual maintenance revenue.

**ANNEXURE IV**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31/03/2017**
**[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS :**

i)	CIN	L72200TG1998PLC029240
ii)	Registration Date	16/04/1998
iii)	Name of the Company	VEDAVAAG SYSTEMS LIMITED
iv)	Category / Sub-Category of the Company	Public Company Limited by shares Company having share capital
v)	Address of the Registered office and contact details	1-90-8/13, B BLOCK,103, SIRI SAI ORCHID, HI TEC CITY,MADHAPUR, Hyderabad - 500081 Telangana Telephone : Fax Number : Email : muralikrishna@hotmail.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Venture Capital & Corporate Investments Limited, MIG 167, Bharat Nagar Colony, Hyderabad - 500018, Ph : 040-23818475/76

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

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

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to total Turnover of the Company
1.	IT SALES AND SERVICES	620	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	VSL Data Systems Private Limited	U72900TG2001PTC035997	Subsidiary	100%	Section2(78)
2	Vagdevi Sark Edutech Private Limited	U72200TG2010PTC069782	Subsidiary	100%	Section2(78)
3	Vedavaag common services private limited	U74140TG2007PTC056084	subsidiary	100%	Section2(78)

**i. Category-wise Share Holding**

Category of Share Holders	No. of Shares held at the beginning at the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	3026626	123300	3149926	22.29	3262579		3262579	22.90	0.61
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
<b>Sub-total(A)(1):-</b>	3026626	123300	3149926	22.29	3262579		3262579	22.90	0.61
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
<b>Sub-total (A)(2)</b>									
<b>Total (A) = (A1+A2)</b>	3026626	123300	3149926	22.29	3262579		3262579	22.90	0.61
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1)</b>									

Category of Share Holders	No. of Shares held at the beginning at the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
(i) Indian	1267308		1267308	8.97	1057189		1057189	7.42	-1.55
(ii) Overseas									
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3071372	497735	3569107	25.26	2843586	432735	3276321	22.99	-2.27
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5878581	108100	5986681	42.37	5689809	278800	5968609	41.88	-0.49
<b>c) Others(Specify)</b>	156978		156978	1.11	685302		685302	4.81	3.70
<b>Sub-total (B)(2)</b>	10374239	605835	10980074				10987421		
Total Public Shareholding (B)=(B)(1)+ (B)(2)	10374239	605835	10980074	77.71	10275886		10987421	77.10	0.61
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	13400865	729135	14130000	100.00	13538465	711535	14250000	100.00	0.00



**ii. Shareholding of Promoters**

Sl. No.	Share Holder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% Change in Share holding during the year
		No.of shares	% of total Shares of the company	% of shares pledged encumbered to total shares	No.of shares	% of total Shares of the company	% of shares pledged encumbered to total shares	
1	J MURALI KRIHNA	1598712	11.22%		1598712	11.22%		
2	JSR DURGA PRASAD	1357707	9.61%		1598260	11.22%		
3	SUJATA JONNAVITTULA	65707	0.48%		65607	0.48%		
4	A RAVIKISHORE	27000						
5	BH SARADA	19800						
6	A JAYASREE	12,500						
7	D RAMADEVY	12,500						
8	J SWARAJYA LAKSHMI	6,500						
9	DVRS SASTRY	30,000						
10	J SITA MAHA LAKSHMI	4,600						
11	S NIRMALA	15,000						
	<b>Total</b>	<b>31,49,926</b>			<b>32,62,579</b>			

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	JSR Durga Prasad		135770	9.61	1357707	9.53
		conversion of warrants in to equity shares as on 15 <sup>th</sup> April 2016			120000	0.84
		Purchase form the market 6th June 2016, 11th June 2016,14th July 2016,15th July 2016,16th July 2016,26th August 2016, 29th August 2016, 30th August 2016, 31st August 2016, 1st September 2016.			120553	0.85
		at the end of the year			1598260	11.22
	Total					

**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	R. Janaki Lakshmi	500000	3.67	430000	3.01
2	Prabhavathi Prabhala	500000	3.67	208232	1.46
3	Atlanta International Limited	487000	3.57	396135	2.77
4	Rayapuraju Ravikumar	379386	2.78	379386	2.66
5	Gadiyaram Sreedhar	226798	1.60	176798	1.24
6	Murali Mohan Pannala	205000	1.50	205000	1.44
7	Lakhman Kumar Chilkuri	205000	1.50	193720	1.36
8	Narshmi Raju Gottumukkula	202000	1.48	202000	1.42
9	P Himabindu	200000	1.47	200000	1.40
10	KLK Electricals limited	200000	1.47	200000	1.40

**(V) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	JSR Durga Prasad		1357707	9.61	1357707	9.53
		conversion of warrants in to equity shares as on 15 <sup>th</sup> April 2017			120000	0.84
		Purchase form the market 6th June 2016, 11th June 2016,14th July 2016,15th July 2016,16th July 2016,26th August 2016, 29th August 2016, 30th August 2016, 31st August 2016, 1st September 2016.			120553	0.85
2.	J.Murali Krishna		1598712	11.22	1598712	11.22
3.	J. Sujatha		65607	0.48	65607	0.48

**INDEBTEDNESS :**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0			0
ii) Interest due but not paid	0			0
iii) Interest accrued but not due	0			0
Total (i+ii+iii)	0			0
<b>Change in Indebtedness during the financial year</b>				
Addition	0			0
Reduction	0			0
Net Change	0			0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0			0
ii) Interest due but not paid	0			0
iii) Interest accrued but not due	0			0
Total (i+ii+iii)	0			0

**Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Name of MD/WTD/ Manager	Gross Salary			Stock Option	Sweat Equity	Commission		Others	Total	Ceiling as per the Act
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	(C) Profits in lieu of salary u/s 17(3) Income-Tax Act, 1961			as % of Profit	Others			
1	J.MURALI KRISHNA	1440000	360000	0	0	0	537790			2337790	

**Remuneration to other directors**

Sl. No.	Name of MD/WTD/ Manager	Independent Directors			Total (1)	Other Non-Executive Directors			Total (2)	Total (1+2)	Total Managerial remuneration	Over all Ceiling as per the act
		Fee for attending board / Committee meetings	Commission	Others		Fee for attending board / Committee meetings	as % of Profit	Others				
1	V.UMAPATHI	12000			12000				12000			
2	G.T.MURTHY	15000			15000				15000			
3	B.LOCABHIRAM	15000			5000				15000			
4	SRINIVAS PANNALA	9000			9000				9000			
5	J.S.R.DURGAPRASAD					24000			24000	24000		
6	J. SUJATA					9000			9000	9000		

**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD**

Sl. No.	Name of MD/WTD/ Manager	Gross Salary			Stock option	Sweat Equity	Commission		Others	Total	Ceiling as per the Act
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	(C) Profits in lieu of salary u/s 17(3) Income-Tax Act, 1961			as % of Profit	Others			
—NIL—											

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)			
<b>A. COMPANY</b>		—NIL—						
Penalty								
Punishment								
Compounding								
<b>B. DIRECTORS</b>								
Penalty								
Punishment								
Compounding								
<b>C. OTHER OFFICERS IN DEFAULT</b>								
Penalty								
Punishment								
Compounding								

**ANNEXURE - V**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 2016-17**

[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)

(Formerly Known as SARK SYSTEMS INDIA LIMITED)

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 31/03/2017 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 31/03/2017 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 under
- 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;
- vi. Other Laws applicable to the Company (maintain the other Laws as may be applicable specifically to the Company).
  - I. Information Technology Act, 2000
  - II. Indian Stamp Act, 1899
  - III. Indian Contract Act, 1872
  - IV. Income Tax Act, 1961
  - V. Chapter V of the Finance Act, 1994 (Service Tax) (prior to enforceability of the GST Act)

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

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

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

1. The Company has not complied the provisions of Section 137 of the Companies Act, 2013 and the relevant rules made there under. [The Company has two subsidiaries i.e Vagdevi Sark Edutech Private Limited (CIN-U72200TG2010PTC068972) and Vedavag Common Service Centres Private Limited (earlier known as Sarkys Haryana Private Limited) (CIN: U74140TG2007PTC056084).

**We further report that**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- c) 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.
- d) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the audit period the company has no specific events/ actions which have a major bearing on the company's affairs in pursuance of the laws, rules, regulations, and guidelines, standards which are applicable to the company and as referred above.

Place: Hyderabad

Date : 29-5-2017

**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.

Place: Hyderabad

Date : 29-5-2017

**VCSR & Associates**

Company Secretaries

Sd/-

**Ch. Veeranjanyulu**

Partner

**CP No. 6392**

## ANNEXURE-VI

### CORPORATE GOVERNANCE REPORT

In terms of clause of amended Clause 49 of the Listing agreement, compliance with the requirement of corporate governance is set out below

#### 1. Company's philosophy on code of Governance:

Corporate Governance contains a set of principles, process and systems to be followed by the Directors, Management and all employees of the company for increasing the shareholder's value keeping in view of other stakeholders. While adhering to the above, the company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the government, customers, employees other stakeholders and general public.

#### 2. Governance Stature

The corporate governance structure of Vedavaag Systems Limited is as follows.

#### Board of Directors:

The combination of board is right combination of executive and non-executive directors having immense knowledge and enhancing the company reputation and shareholder value. The Board provides strategic guidance to the company by exercising independent judgement.

Name of Director	Category	Designation
Sri. G. T. Murthy	Independent-Non Executive Director	Director
Sri. B. Locabhiram	Independent-non executive Director	Director
Smt. J. Sujata	Promoter-Non Executive Director	Woman Director
Sri. Srinivas Pannala	Independent-Non executive Director	Director
Sri. JSR Durga Prasad	Promoter-Non executive Director	Chairman
Sri. J. Murali Krishna	Promoter-Executive Director	Managing Director

**Details of attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship/Membership of Board/committees in other companies as are under.**

Name of the Director	Attendance of AGM on 21 <sup>st</sup> September 2016	Attendance at Board meetings		Other Committees	
		Held	Present	Chairman	Membership
Sri. JSR Durga Prasad	Yes	8	8	0	3
Sri. J. Murali Krishna	Yes	8	8	0	0
Sri. G. T. Murthy	Yes	8	5	0	3
Sri. B. Locabhiram	Yes	8	5	0	0
Sri. Srinivas Pannala	No	8	3	3	3
Smt. J. Sujata	Yes	8	4	0	0
Sri. V. Umapathi	Yes	8	4	3	3

Sri V Umapathi has resigned from the directorship during January 2017 and Mr. Srinivas Pannala was appointed as independent director during the board meeting held on 7<sup>th</sup> January, 2017.

**Audit Committee:** The Company has qualified independent audit committee comprising 3 independent directors and 3 Non-executive directors. The audit committee met 4 times during the year under review with a gap not exceeding 4 months between any two meetings. Each meeting consisted of at least 3 members as its quorum out of which at least 2 are independent members. The said committee members are as follows.

The terms of reference of audit committee are as per regulation 18 of SEBI (Listing obligations and Disclosure requirement) regulations, read with section 177 of the companies Act 2013, and include some other functions assigned by the board from time to time.

**Nomination and Remuneration Committee:**

The Nomination and Remuneration committee has been formed in compliance with Regulation 19 of SEBI (LODR) regulations and pursuant to section 178 of companies Act 2013 consisting of Independent and Non-executive directors.

Name of the Director	Category	No of meetings held during the year	No of meetings attended
Mr. Srinivas Pannala/V Umapathi	Chairman	2	2
Mr. JSR Durga Prasad	Member	2	2
Mr. G T Murthy	Member	2	2

**Remuneration policy:**

The Remuneration committee recommends the remuneration package for the Managing Director and other -senior executives. In framing the remuneration policy committee gave due consideration to the remuneration practices of companies of similar size and stature, industry and nature of responsibilities.

Subject to the approval of the Board and of the company in the General Meeting and such other approvals as may be necessary, the Managing Director is paid remuneration. The present remuneration package of the company to the Managing director include Salary and perks.

**Executive Director:**

The remuneration of executive director of company is based on the Remuneration policy of the company.

S. No	Name	Position	Salary	Variable Pay	Commission	P F	Total
1	J. Murali Krishna	Managing Director	14,40,000	3,60,000	5,37,790	-	23,37,790

**Non-Executive Director:**

The Sitting fees of Rs 3000 for Board and committee in addition to reimbursement out of pocket expenses. The amount is paid within ceiling limits under companies' act 2013 and article of association of the company.

S. No.	Name of the Director	Total Sitting Fee Paid
1	J.S.R. Durga Prasad	24000
2	G.T. Murthy	15000
3	J. Sujata	9000
4	B. Locabhiram	15000
5	V. Umapathi	12000
6	Srinivas Pannala	9000

Mr. Srinivas Pannala was appointed as additional director during the year in Board Meeting held on 7<sup>th</sup> January 2017 and Sri V. Umapathi's resignation as Director was accepted on that day.

**Stakeholder Relationship Committee:**

The stake holder relationship committee is formed under regulation 20 of (SEBI Listing Obligation and Disclosure requirements) regulation 2015, and pursuant to section 178 of companies Act 2013.

The composition of Stakeholder relationship committee and attendance of each member is as under :

<b>Name of the Director</b>	<b>Category</b>	<b>No of meetings held during the year</b>	<b>No of meetings attended</b>
Mr. Srinivas Pannala / V.Umapathi	Chairman	2	2
Mr. JSR Durga Prasad	Member	2	2
Mr. G. T. Murthy	Member	2	2

**Investor's Grievance committee:**

The Board constituted by Investors grievance and share transfer committee comprising Sri. J. Murali Krishna, Sri. B. Locabhiram, and Sri G T Murthy. The committee oversees and review all matters connected with the investor services and ensure that the shareholder grievances are addressed in time.

There are no pending requisitions.

**Prevention of insider trading:**

Your company has code of internal procedures & conduct to regulate, monitor, and report trading by insiders in the securities of the company which is in adherence of SEBI (prohibition of insider trading) regulations 2015. The information is disseminated to the stock exchange within 2 days from the receipt of such of disclosures.

**Means of Communication:**

Vedavaag Systems believes dissemination of information to **Stakeholders** as crucial. The quarterly/half yearly/Annually standalone and consolidated results of the company made available on BSE website and published in newspaper within 48 hours from the conclusion of meetings.

**Details of Publishing of Financial results**

<b>Quarter Ended</b>	<b>Date of Publishing</b>
June 30 <sup>th</sup> 2016	13 <sup>th</sup> august 2016
September 30 <sup>th</sup> 2016	11 <sup>th</sup> November 2016
December 31 <sup>st</sup> 2016	14 <sup>th</sup> February 2017
March 31 <sup>st</sup> 2017	30 <sup>th</sup> May 2017

**General Shareholder Information:**

The 19th Annual General Meeting of the company will be held on 27<sup>th</sup> September 2017.

**Tentative Financial Calendar 2017-18**

Financial Year	:	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
Unaudited results for quarter ended 30 <sup>th</sup> June 2017	:	16 <sup>th</sup> August 2017
Unaudited results for quarter ended 30 <sup>th</sup> September 2017	:	14 <sup>th</sup> November 2017
Un-audited results for quarter ended 31 <sup>st</sup> December 2017	:	14 <sup>th</sup> February 2018
Audited results for the quarter ending 31 <sup>st</sup> March 2017	:	29 <sup>th</sup> May 2018
Date of Book Closure	:	
Stock Exchange where company is listed	:	Bombay Stock Exchange
BSE Scrip Code	:	533056
Demat ISIN number for NSDL and CDSL	:	INE359B01010
CIN	:	L72200AP1998PLC029240
Outstanding ADR/GDR/Warrants	:	
Any Convertible Instruments	:	1Crore Equity Share
		Warrants issued on preferential basis aggregating to Rs 39Cr are pending conversion.

**Market Price Data:** Company's Equity shares are listed on Bombay Stock Exchange. High, Low during the month and Trading Volumes of the Company's Equity Shares during the Last Financial Year 2016-17.

Month	High Price	Low Price	No of Shares Traded
Apr-16	32.5	28.65	2823
May-16	31.45	24.7	1126
Jun-16	24.7	20.45	817
Jul-16	26.95	21.8	841
Aug-16	32.5	23.65	737
Sep-16	41.95	28	1291
Oct-16	48.8	40.25	2754
Nov-16	49.1	33.25	3518
Dec-16	60.95	36.8	2247
Jan-17	83.15	67	6528
Feb-17	85.95	68	7654
Mar-17	85	64	9057

**Distribution Schedule:**
**Distribution schedule as on 31<sup>st</sup> March 2017**

Shares	Holders		Shares	
	Number	% to Total	No. of Shares	% to Total
Up to - 500	4525	74.98	862631	6.05
501 - 1000	642	10.64	540058	3.79
1001 - 2000	382	6.33	608148	4.27
2001 - 3000	154	2.55	404629	2.84
3001 - 4000	68	1.13	252371	1.77
4001 - 5000	70	1.16	332384	2.33
5001 - 10000	88	1.4	665098	74.5
710001 and				
Above	106	1.76	10598792	74.38
<b>Total</b>	<b>6035</b>	<b>100</b>	<b>14250000</b>	<b>100</b>

**Dematerialization of Shares and Liquidity:**

The shares of the company are under compulsory demat trading. The company has made necessary arrangements with NSDL and CDSL for demat facility.

**Address for Shareholders' Correspondence:**

M/s. Venture Capital & Corporate Investments Ltd;  
MIG-167, D.No.12-10-167, Bharat Nagar Colony,  
Hyderabad – 500 018, Ph: 040-23818475/76.

**DECLARATION REGARDING COMPLAINE BY BOARD MEMBERS AND  
SENIOR MANAGEMNT PERSONNELS  
WITH COMPANY'S CODE OF CONDUCT**

To

The Members of  
Vedavaag Systems Limited.

In terms of SEBI (LODR) Regulations 2015. I hereby confirm that all the Board Members and senior Management personnel of the company have affirmed compliance with the respective code of conduct as applicable to them for the year ended 31<sup>st</sup> March 2017.

Place: Hyderabad

Date: 29-05-2017

for Vedavaag Systems Limited

**J. Murali Krishna**  
(Managing Director)



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members of**  
**Vedavaag Systems Limited**

We have examined the compliance of conditions of corporate governance of M/s. Vedavaag Systems Limited for the year ended on 31st March 2017, as stipulated in SEBI LODR Regulations of the Listing agreement of the company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial statements of the company. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per records maintained by the shareholders / investors grievances committee.

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

**For Mahesh, Virender & Sriram**  
**Chartered Accountants**  
**(Firm's Registration No.001939S)**

**Sd/-**  
**(R.V. Chalam)**  
**M.No.21423**  
**Partner**

Place: Hyderabad

Date: 29-05-2017

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Vedavaag Systems Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Vedavaag Systems Limited ("the Company") which comprise the Balance sheet as at 31<sup>st</sup> March, 2017, and the statement of Profit and loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. 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 judgements 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act ;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its 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.
  - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**for Mahesh, Virender & Sriram  
Chartered Accountants**

(Firm's Registration No.001939S)

**(R.V.Chalam)**

Partner

Membership No.021423

Place: Hyderabad

Date: 29-05-2017

**ANNEXURE TO THE AUDITOR'S REPORT**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management during the year. According to the information and explanation given to us no material discrepancies were noticed on such physical verification.
- (c) The Company does not have any Immovable properties
- (ii) As explained to us, physical verification of inventories have been conducted by the Management at reasonable intervals during the year. No material discrepancies were noticed.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees during the year.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore the provisions of clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company has been depositing with delays, undisputed statutory dues with appropriate authorities, relating to Provident Fund, Employee's State Insurance, Income tax, sales tax, service tax, value added tax, Customs duty, Excise duty, cess, wherever applicable.

According to the information and explanations given to us and based on the records of the company examined by us, there were no undisputed amounts payable in respect of statutory dues in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable..

- (b) There were no dues of Income Tax, Sales Tax, Value Added Tax, Customs Duty, Excise Duty or Cess and any other Material Statutory Dues, which have not been deposited on account of dispute, except the following.

S.No.	Name of the Statute	Nature of Dues	Amount	Period to which amount related	Forum where dispute pending
1	Service Tax vide provisions of Finance Act 1994	Service Tax on Rural BC Commission	Rs. 16,12,273/-	1.1.2013 to 30.9.2013	Settlement Commission, Chennai

- (viii) According to the information and explanations given to us and based on the records of the company examined by us, the Company does not have any borrowings from Financial Institutions, Banks, Government or debenture holders during the year.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or term loans.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on the records of the company examined by us, Managerial remuneration is paid or provided in accordance with section 197 of the Companies Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us and based on the records of the company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial statements.
- (xiv) According to the information and explanations given to us and based on the records of the company examined by us, the Company has issued One Crore Equity Share Warrants of Rs. 10/- each at a premium of Rs. 29/- per Share Warrant aggregating to Rs. 39 Crores on preferential basis to the promoters and non-promoters. During the year the company has received 25% amounting to Rs. 9.75 Crores.

- (xv) According to the information and explanations given to us and based on the records of the company examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**for Mahesh, Virender & Sriram**

**Chartered Accountants**

(Firm's Registration No.001939S)

**(R.V.Chalam)**

Partner

Membership No.021423

Place: Hyderabad

Date: 29-05-2017

## **ANNEXURE A TO THE AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Vedavaag Systems Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the 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 ('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 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.

#### **Auditors' Responsibility**

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, 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".

**for Mahesh, Virender & Sriram  
Chartered Accountants**

(Firm's Registration No.001939S)

**(R.V.Chalam)**

Partner

Membership No.021423

Place: Hyderabad

Date: 29-05-2017

**VEDAVAAG SYSTEMS LIMITED**
**103, West Block, Siri Sai Orchid, Madhapur, Hitec City, Hyderabad 500 081**
**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No.	AS AT 31.03.2017 Rs.	AS AT 31.03.2016 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	142,500,000	141,300,000
Reserves and Surplus	3	320,326,820	245,321,804
Equity Share Warrant Money		97,500,000	240,000
<b>Non-Current Liabilities</b>			
Deferred tax liabilities (Net)	4	14,876,341	19,127,769
Other Long term liabilities	5	229,090,129	18,684,218
<b>Current Liabilities</b>			
Trade Payables	6	15,669,551	241,031,054
Other Current Liabilities	7	61,648,258	74,676,857
Short-Term Provisions	8	53,016,518	32,349,488
<b>Total</b>		<b>934,627,617</b>	<b>772,731,190</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
<i>Fixed Assets</i>			
Tangible Assets	9	157,198,743	131,395,691
Capital Work-in-Progress		-	-
Non-Current Investments	10	30,200,000	200,000
Other Non-Current Assets			
<b>Current Assets</b>			
Current Investments			
Inventories	11	161,249,000	137,845,251
Trade Receivables	12	224,867,591	248,394,241
Cash and Cash Equivalents	13	80,724,906	56,741,768
Short-Term Loans and Advances	14	122,303,727	45,786,229
Other Current Assets	15	158,083,650	152,368,010
<b>Total</b>		<b>934,627,617</b>	<b>772,731,190</b>

Significant Accounting Policies

1

The accompanying notes 1 to 21 are an integral part of the financial statements

As per our report of even date

 For **MAHESH, VIRENDER & SRIRAM**

For and on behalf of the Board of Directors

Chartered Accountants

(Firm's Registration No.001939S)

Sd./-

**R.V.Chalam**

Partner

M.No.21423

Sd/

**J.S.R. Durga Prasad**

Chairman

Sd/

**J. Murali Krishna**

Managing Director

Place : Hyderabad

Date : 29-05-2017

**VEDAVAAG SYSTEMS LIMITED**
**103, West Block, Siri Sai Orchid, Madhapur, Hitec City, Hyderabad 500 081**
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	for the year ended 31.03.2017 Rs.	for the year ended 31.03.2016 Rs.
<b>Income:</b>			
Revenue from operations	16	929,451,982	818,290,440
Other Income	17	11,516,970	17,547,185
<b>Total Revenue</b>		<b>940,968,952</b>	<b>835,837,625</b>
<b>Expenses:</b>			
Project Expenses	18	740,501,600	644,872,135
Employee benefit expense	19	34,413,547	43,301,264
Depreciation	9	24,890,100	72,970,600
Other expenses	20	17,393,600	11,575,677
<b>Total Expenses</b>		<b>817,198,846</b>	<b>772,719,676</b>
Profit before tax		123,770,106	63,117,949
<b>Tax expense:</b>			
Current tax		37,580,650	24,261,138
Deferred Tax		-4,251,428	-14,921,836
Profit for the period		90,440,884	53,778,647
<b>Earning per equity share:</b>			
Basic		6.35	3.81
Diluted		6.35	3.81

Significant Accounting Policies

1

The accompanying notes 1 to 21 are an integral part of the financial statements

As per our report of even date

 For **MAHESH, VIRENDER & SRIRAM**

For and on behalf of the Board of Directors

Chartered Accountants

(Firm's Registration No.001939S)

Sd./-

**R.V.Chalam**

Partner

M.No.21423

Sd/

**J.S.R. Durga Prasad**

Chairman

Sd/

**J. Murali Krishna**

Managing Director

Place : Hyderabad

Date : 29-05-2017

**VEDAVAAG SYSTEMS LIMITED**
**103, West Block, Siri Sai Orchid, Madhapur, Hitec City, Hyderabad 500 081**
**STANDALONE CASH FLOW STATEMENT**

		<b>for the year ended 31.03.2017 Rs.</b>	<b>for the year ended 31.03.2016 Rs.</b>
<b>A</b>	<b>Cash Flow from operating activities</b>		
	Profit before Tax	123,770,106	63,117,949
	Adjustments for:		
	Depreciation and amortisation expenses	24,890,100	72,970,600
	Interest Expenses	-	-
	Interest Income	-11,516,970	-17,547,185
	Operating Profit before working capital changes	137,143,236	118,541,364
	Adjustments for changes in:		
	Increase/(Decrease) in Inventories	-23,403,749	75,328,668
	Increase/(Decrease) in Trade Receivables	23,526,649	193,715,192
	Increase/(Decrease) in Trade Payables	-225,361,503	-291,494,220
	Increase/(Decrease) in Other Current Liabilities & Provisions	7,638,432	32,099,663
	Increase/(Decrease) in Non Current Liabilities	206,154,482	-7,802,618
	Increase/(Decrease) in Loans & Other Current Assets	-82,233,138	-103,928,424
	Cash Generated from operations	-93,678,827	-102,081,739
	Income tax	-48,765,089	-9,339,301
	Net Cash generated from Operating activities A	-5,300,680	7,120,324
<b>B</b>	<b>Cash flow from Investing activities:</b>		
	Purchase of Fixed Assets and CWIP	-50,693,002	-2,547,645
	Purchase of Investments	-30,000,000	
	Interest Received	11,516,970	17,547,185
	Net Cash Flow from Investing Activities: B	-69,176,032	14,999,540
<b>C</b>	<b>Cash flow from Financing Activities:</b>		
	Increase in Share Capital	98,460,000	4,000,000
	Repayment of Short Term Borrowings	-	-
	Interest Paid	-	-
	Net Cash flow from Financing Activities: C	98,460,000	4,000,000
<b>D</b>	<b>Net Cash inflow/(Outflow) (A+B+C)</b>	<b>23,983,138</b>	<b>26,119,864</b>
	Opening balance of cash and cash equivalent	56,741,768	30,621,904
	Closing balance of cash and cash equivalent	80,724,906	56,741,768

## Notes to Standalone Financial Statements for the year ended March 31, 2017

### Note No. I

#### Significant Accounting policies:

1. Basis of Accounting:
  - a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost conversion on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI).
  - b) Accounting policies not specifically referred to otherwise are in accordance with prudent accounting principles.
  - c) All Income and Expenditure items having material bearing on the financial statements are recognised on accrual basis.
2. Fixed Assets: Fixed Assets are stated at cost including related incidental expenditure.
3. Capital Work in Progress Advance paid towards acquisition of Fixed Assets and the cost of Assets not put to use before the year end are disclosed under this head.
4. Depreciation Depreciation on fixed assets has been provided on Straight Line method.  
Depreciation on additions to assets or on sale/discardment of assets, is calculated prorata from the month of such addition or upto the month of such sale/discardment as the case may be.
5. Revenue Recognition Revenue from technical services is recognised on a prorata basis over the period in which services are rendered.
6. Inventory Inventories are valued at cost or net realisable value whichever is lower.

7. Misc.Expenditure	Preliminary expenses are amortised over a period of 5(Five) years
8. Provision for Taxation	Provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions.
9. Foreign Exchange Policy	<p>Fixed Assets and Long Term Liabilities are accounted at the rates prevailing on the dates of transactions Current Assets and Current Liabilities are accounted at Rate prevailing on the date of the Balance Sheets.</p> <p>All the Income items other than those pertaining to the Foreign Branches are accounted on the basis of Exchange rate prevailing on the dates of transactions.</p> <p>All the expenditure items during a month other than those pertaining to the Foreign Branch are reported at a rate that approximates the actual rate during that month.</p> <p>Sale proceeds are converted into Indian Rupees at the Rates prevailing on the date of receipt.</p> <p>Net Foreign Exchange difference on Foreign Currency Transactions is recognised in the Profit and Loss account during the year.</p>
10. Retirement Benefits	<p>Contributions to Provident and Superannuation Funds are recognised as expense when incurred.</p> <p>Liability for gratuity and encashable leave are actuarially determined at the Balance Sheet date.</p>
11. Deferred Tax Liability/Asset	To provide and recognise deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.
12. Impairment of assets	The carrying amount of assets are reviewed at each Balance Sheet date to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, impairment loss is recognised and assets are written down to their recoverable amount.

**Standalone Notes to Financial Statements**
**Note No : 2**

Share Capital	As at 31.03.2017		As at 31.03.2016	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of Rs.10 Each	30,000,000	300,000,000	19,000,000	190,000,000
8% Preference Shares of Rs.10/-each	-	-	1,000,000	10,000,000
<b>Total</b>		<b>300,000,000</b>		<b>200,000,000</b>
<b>Issued, Subscribed &amp; paid up</b>				
Equity shares of Rs.10 Each	14,250,000	142,500,000	14,130,000	141,300,000
<b>Total</b>		<b>142,500,000</b>		<b>141,300,000</b>

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

Particulars	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	14,130,000	141,300,000	13,630,000	136,300,000
Shares issued during the year	120,000	1,200,000	500,000	5,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,250,000	142,500,000	14,130,000	141,300,000

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

Equity shares issued by the company are Equity Shares within the meaning of Section 85(2) of the Companies Act, 1956.

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.

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

Name of the Share Holder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of holding	No. of Shares held	% of holding
J.MURALI KRISHNA	1,598,712	11.22%	1,598,712	11.31%
J.S.R.DURGA PRASAD	1,598,260	11.22%	1,357,707	9.34%

Standalone Notes to Financial Statements	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
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**Note No - 3**

**Reserves & Surplus**

Capital Reserve	10,667,080	10,667,080
Securities Premium Reserve	63,000,000	63,000,000

**Surplus**

Opening Balance	171,654,724	117,876,076
Net Profit / (Net Loss) for the current year	90,440,884	53,778,648
<b>Less:</b> Additional Depreciation pursuant to enactment of Schedule II of the Companies Act 2013 .	-	-
<b>Less:</b> Appropriations		
Proposed Equity Dividend	12,825,000	-
Tax on Equity Dividend	2,610,868	-

<b>Closing Balance</b>	<b>246,659,740</b>	<b>171,654,724</b>
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<b>GRAND TOTAL</b>	<b>320,326,820</b>	<b>245,321,804</b>
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**Note No:- 4**

**Deferred tax Liabilities (Net)**

Opening balance	19,127,769	34,049,605
Add/(Less): for the year	-4,251,428	-14,921,836

<b>Total</b>	<b>14,876,341</b>	<b>19,127,769</b>
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<b>Standalone Notes to Financial Statements</b>	<b>As at 31st March 2017 Rs.</b>	<b>As at 31st March 2016 Rs.</b>
<b>Note No:- 5</b>		
<b>Other Long term liabilities</b>		
(a) Trade Payables	229,090,129	18,684,218
<b>Total</b>	<b>229,090,129</b>	<b>18,684,218</b>
<b>Note No:- 6</b>		
<b>CURRENT LIABILITIES</b>		
Trade payables	15,669,551	241,031,054
<b>Total</b>	<b>15,669,551</b>	<b>241,031,054</b>
<b>Note No:- 7</b>		
<b>Other current liabilities</b>		
Other Payables	61,648,258	74,676,857
<b>Total</b>	<b>61,648,258</b>	<b>74,676,857</b>
<b>Note No:- 8</b>		
<b>Short-term provisions</b>		
Provision for Income Tax	37,580,650	32,349,488
Proposed Dividend	12,825,000	-
Tax on Proposed Dividend	2,610,868	-
<b>Total</b>	<b>53,016,518</b>	<b>32,349,488</b>
<b>Non-current investments :</b>		
<b>Note No - 10</b>		
<b>Investment in subsidiary companies :</b>		
Vagdevi Sark Edutech Private Limited 10000 equity shares of Rs.10 each	100,000	100,000
Vedavaag Comman Service Centres Private Limited 10000 equity shares of Rs.10 each	100,000	100,000
VSL Data Systems Private Limited (formerly Synaptic Systems Pvt Ltd)	30,000,000	-

**Note No. 9**  
**Fixed Assets**

Item	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	01.04.2016	Additions	Deletions	31.03.2017	01.04.2016	for the year	Deletions	transferred to reserves	31.03.2017	31.03.2017	31.03.2016
	Computer Hardware	545,730,664	47,980,962		593,711,626	424,127,135	24,736,478		-	448,863,613	144,848,013
Computer software	47,044,146	626,522		47,670,668	40,047,134	73,434			40,120,568	7,550,100	6,997,012
Library	56,005			56,005	55,176			-	55,176	829	829
Air Conditioners	90,108			90,108	89,623			-	89,623	485	485
Electrica Installations	7,501,468	727,220		8,228,688	7,235,885	16,949		-	7,252,834	975,854	265,583
Office Equipment	275,235			275,235	269,313			-	269,313	5,922	5,922
Generators	2,003,400			2,003,400	259,609				259,609	1,743,791	1,743,791
Furniture & Filings	9,313,788	553,452		9,867,240	8,925,692	22,644		-	8,948,336	918,904	388,096
Vehicles	2,070,462	938,103	133,107	2,875,458	1,680,018	40,595			1,720,613	1,154,845	390,444
Total	614,085,276	50,826,259	133,107	664,778,428	482,689,585	24,890,100		-	507,579,685	157,198,743	131,395,691

Standalone Notes to Financial Statements	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>CURRENT ASSETS</b>		
<b>Note No - 11</b>		
Inventories & ProjectsWIP	161,249,000	137,845,251
<b>Note No - 12</b>		
<b>Trade receivables:</b>		
Outstanding for a period less than six months from the date they are due for payment.		
Secured, considered good		
Unsecured, considered good		
(receivable from Govt. Parties and others)	-	99,043,407
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good		
(receivable from Govt. Parties and others)	224,867,591	149,350,834
Unsecured, considered doubtful		
	-	-
<b>TOTAL</b>	<b>224,867,591</b>	<b>248,394,241</b>
<b>Note No - 13</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	2,977,147	2,823,426
Balances with Banks		
In Current Account	70,591,344	45,264,777
Margin money Deposits	7,156,415	8,653,565
<b>TOTAL</b>	<b>80,724,906</b>	<b>56,741,768</b>
<b>Note No - 14</b>		
<b>Short-term loans and advances</b>		
Deposits	13,648,666	23,226,988
Advances to Subsidiary	108,655,061	
Other advances	-	22,559,241
<b>TOTAL</b>	<b>122,303,727</b>	<b>45,786,229</b>
<b>Note No - 15</b>		
Other current assets	158,083,650	152,368,010
<b>TOTAL</b>	<b>158,083,650</b>	<b>152,368,010</b>

Particulars	Year ended 31.03.2017 Rs.	Year ended 31.03.2016 Rs.
<b>NOTE 16 :</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sales	560,957,261	376,597,079
Sale of Services	368,494,721	441,693,361
<b>Total</b>	<b>929,451,982</b>	<b>818,290,440</b>
<b>NOTE 17 :</b>		
<b>MISCELLANEOUS / OTHER INCOME</b>		
Interest Income	619,612	938,073
Interest on IT Refund	-	510,012
Others	10,897,358	16,099,100
<b>Total</b>	<b>11,516,970</b>	<b>17,547,185</b>
<b>NOTE :18</b>		
<b>PROJECT EXPENSES</b>		
Materials Consumed	524,810,501	456,324,686
Other Project Expenses	215,691,099	188,547,449
<b>Total</b>	<b>740,501,600</b>	<b>644,872,135</b>
<b>NOTE 19 :</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages (Including Directors remuneration)	33,760,469	41,938,686
Welfare expenses	653,078	1,362,578
<b>Total</b>	<b>34,413,547</b>	<b>43,301,264</b>

<b>Particulars</b>	<b>Year ended 31.03.2017 Rs.</b>	<b>Year ended 31.03.2016 Rs.</b>
<b>NOTE : 20</b>		
<b>ADMINISTRATIVE AND MARKETING EXPENSES</b>		
Audit Fees	175,000	175,000
Advertisement	731,789	428,129
Business Development	420,405	36,800
Depository Charges	139,321	67,673
Bank Charges	243,246	295,408
Consultancy & Legal	2,614,200	403,380
Conveyance	390,558	491,799
Directors Sitting Fees	84,000	90,000
Electricity	100,718	55,191
Telephone & Internet	1,177,058	405,378
Marketing & Development	-	1,061,239
Miscellaneous	92,388	213,840
Meeting Expenses	190,068	111,245
Postage & Courier	53,000	48,216
Printing & Stationery	419,189	40,342
Insurance	13,905	21,331
Rent	2,820,155	3,456,433
Sundry Debit Balances W/off	-	58,758
Repairs & Maintenance	141,248	35,155
ROC Filing Fee	27,400	25,800
Interest - Others	-	258,904
Interest on TDS & Service Tax	94,132	131,614
Share service charges	533,225	132,097
Travelling	4,786,440	2,667,380

<b>Particulars</b>	<b>Year ended 31.03.2017 Rs.</b>	<b>Year ended 31.03.2016 Rs.</b>
Tender Documents	-	20,000
Interest on Vehicle Loan	32,552	-
Listing Fees	257,750	224,720
Vehicle Maintenance	201,101	207,581
Office Maintenance	1,313,535	227,838
Web server Maintenance	207,960	51,171
Preliminary Expenses W/off	133,257	133,257
<b>Total</b>	<b>17,393,600</b>	<b>11,575,677</b>

**NOTE : 21**

**Notes on Accounts**

	<b>2016-17 Rs. in lakhs</b>	<b>2015-16 Rs.in lakhs</b>
<b>1 Contingent Liabilities:</b>		
a Claims against the company not acknowledged as debts:	-	240.00
b Service Tax Demand on Rural BC Commission	16.12	-
c Other money for which the company is contingently liable: Counter guarantees given in favour of company's bankers for guarantees issued by them		
<b>2 Managerial Remuneration</b>		
Remuneration to Managing Director	23.38	20.90
<b>3 Auditors' remuneration</b>		
For Statutory Audit	1.00	1.00
For Tax Audit	0.50	0.50
Out of Pocket expenses	0.25	0.25

4 Foreign Exchange Earnings & Out go in Rs lakhs

In Flow	-	-
Outgo	-	-

5 Related Party Disclosures as per AS 18

Transactions with related parties in the ordinary course of business

Name of the Related Party	Nature of Relation Ship	Nature of Transaction & Amount
J Muralikrishna Managing Director	Brother of J S R Durgaprasad Chairman	Remuneration - Rs.23.38 lakhs

**for the Year Ended**  
**31.03.2017    31.03.2016**

6 Earning Per share (EPS)

Net profit for the year in Rs.	904.41	537.79
Amount available for equity share holders	904.41	537.79
Weighted average no. of shares	14,250,000	14,213,000
Earning per share basic and diluted Rs.	6.35	3.81
Face value of equity share Rs.	10	10

7 The composition of deferred tax liability of Rs. 148.76 lakhs (previous year Rs.191.27 lakhs) is on account of timing differences relating to depreciation.

8 During the year the company has allotted 1 Crore Equity Share Warrants of Rs. 10/- each at a Premium of Rs. 29/- per Equity Share Warrant to promoters and non-promoters aggregating to Rs. 39 Crores.

An amount of Rs. 9.75 Crores has been received as application money on Equity Share Warrants allotted.

9 There are no small scale industrial undertakings to whom the company owes a sum exceeding Rs.1.00 lakh which is outstanding for more than 30 days of the Balance sheet date.

10 Confirmation of balances from parties as at the end of the the year has not been received and adjustments, if any, shall be made as on ongoing process.

11 No provision has been made for employee retirement benefit pending actuarial valuation.

12 Service Tax Department raised a demand for Rs. 16,12,273/- being Service Tax on Rural BC Commission. The Company approached the Honb'le Customs and Central Excise Settlement Commission, Chennai as the same was exempt vide Notification No. 12/2012-

ST/Notification No. 25/2012. as amended till 30.09.2013. No provision is made in the accounts for the disputed amount as SBI has not paid us any Service Tax on the Rural BC Commission.

13 Disclosure on Specified Bank Notes (SBN)

During the year the company had Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017 on the details of the Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016, the denomination wise SBN and other notes as per the notification is given below.

Particulars	SBNs*	Other Denominations	Rs. In lacs Total
Closing Cash in hand as on 08-11-2016		107,147	107,147
Add: Permitted Receipts #	3,078,500	-	3,078,500
Add: Withdrawal From Banks	-	242,000	242,000
(A)	3,078,500	349,147	3,427,647
Less: Amount deposited in banks	3,078,500	6,000	3,084,500
Less: Permitted payments	-	295,000	295,000
(B)	3,078,500	301,000	3,379,500
Closing cash in hand as on 30.12.2016	-	48,147	48,147
<b>[(A)-(B)]</b>	<b>-</b>	<b>48,147</b>	

# The money received by the CSPs' as Banking Correspondent of SBI in the States of Bihar, Jharkhand and Punjab.

14 All figures have been rounded off to the nearest rupee.

15 Previous Year figures are regrouped wherever necessary.

For **MAHESH, VIRENDER & SRIRAM**  
Chartered Accountants  
(Firm's Registration No.001939S)

Sd./-  
**R.V.Chalam**  
Partner  
M.No.21423

For and on behalf of the Board of Directors

Sd/  
**J.S.R. Durga Prasad**  
Chairman

Sd/  
**J. Murali Krishna**  
Managing Director

Place : Hyderabad  
Date : 29-05-2017



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Vedavaag Systems Limited

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Vedavaag Systems Limited (hereinafter referred to "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance sheet as at 31<sup>st</sup> March, 2017, the consolidated statement of Profit and loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Management and Board of Directors of the Holding Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. 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 judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matter:**

We did not audit the financial statements/financial information of three subsidiaries whose financial statements/financial information reflect total assets (net) of **Rs.1873 lacs** as at 31<sup>st</sup> March, 2017, total revenues of **Rs.753 lacs** and net cash flows amounting to **Rs.27 lacs** for the year then ended, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose 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 these

subsidiaries and our report in terms of sub section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, 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 purpose 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 which have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash flow statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014, as amended.
  - e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Companies, none of the directors of the Group companies is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Group does not have any pending litigations which would impact its 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 Holding Company and its subsidiary companies.
  - (iv) The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**for Mahesh, Virender & Sriram  
Chartered Accountants**

(Firm's Registration No.001939S)

**(R.V.Chalam)**

Partner

Membership No.021423

Place: Hyderabad

Date: 29-05-2017

## **ANNEXURE A TO THE AUDITOR'S REPORT**

### **Report on the Internal Financial Controls 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 31.03.2017, we have audited the internal financial controls over financial reporting of Vedavaag Systems Limited ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India are 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 ('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 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.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, 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”.

**Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating the effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India.

**for Mahesh, Virender & Sriram  
Chartered Accountants**

(Firm's Registration No.001939S)

**(R.V.Chalam)**

Partner

Membership No.021423

Place: Hyderabad

Date: 29-05-2017

**VEDAVAAG SYSTEMS LIMITED**
**103, West Block, Siri Sai Orchid, Madhapur, Hitec City, Hyderabad 500 081**
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No.	AS AT 31.03.2017 Rs.	AS AT 31.03.2016 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	142,500,000	141,300,000
Reserves and Surplus	3	332,516,988	245,321,804
Equity Share Warrant Money		97,500,000	240,000
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	16,965,958	19,127,769
Other Long Term Liabilities	5	229,090,129	18,684,218
<b>Current Liabilities</b>			
Trade Payables	6	46,678,017	241,031,054
Other Current Liabilities	7	61,700,009	74,676,857
Short-Term Provisions	8	56,378,075	32,349,488
<b>Total</b>		<b>983,329,176</b>	<b>772,731,190</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
<i>Fixed Assets</i>			
Tangible Assets	9	261,146,630	131,395,691
Capital Work-in-Progress		-	-
Non-Current Investments		-	-
Other Non-Current Assets			
<b>Current Assets</b>			
Current Investments			
Inventories	10	161,249,000	137,845,251
Trade Receivables	11	301,682,592	248,394,241
Cash and Cash Equivalents	12	83,666,182	56,741,768
Short-Term Loans and Advances	13	17,244,934	45,786,229
Other Current Assets	14	158,339,838	152,568,010
<b>Total</b>		<b>983,329,176</b>	<b>772,731,190</b>

Significant Accounting Policies

1

The accompanying notes 1 to 20 are an integral part of the financial statements

 For **MAHESH, VIRENDER & SRIRAM**

For and on behalf of the Board of Directors

Chartered Accountants

(Firm's Registration No.001939S)

Sd./-

**R.V.Chalam**

Partner

M.No.21423

Sd/

**J.S.R. Durga Prasad**

Chairman

Sd/

**J. Murali Krishna**

Managing Director

Place : Hyderabad

Date : 29-05-2017



**VEDAVAAG SYSTEMS LIMITED**
**103, West Block, Siri Sai Orchid, Madhapur, Hitec City, Hyderabad 500 081**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	for the year ended 31.03.2017 Rs.	for the year ended 31.03.2016 Rs.
<b>Income:</b>			
Revenue from operations	15	1,004,751,982	818,290,440
Other Income	16	11,517,490	17,547,185
<b>Total Revenue</b>		<b>1,016,269,472</b>	<b>835,837,625</b>
<b>Expenses:</b>			
Project Expenses	17	740,501,600	644,872,135
Employee benefit expense	18	80,987,199	43,301,264
Depreciation	9	32,419,458	72,970,600
Other expenses	19	20,949,767	11,575,677
<b>Total Expenses</b>		<b>874,858,024</b>	<b>772,719,676</b>
<b>Profit before tax</b>		141,411,448	63,117,949
Current tax		40,942,207	24,261,138
Deferred Tax		-2,161,811	-14,921,836
Profit for the period		102,631,052	53,778,647
<b>Earning per equity share:</b>			
Basic		7.20	3.81
Diluted		7.20	3.81

Significant Accounting Policies

1

The accompanying notes 1 to 20 are an integral part of the financial statements

 For **MAHESH, VIRENDER & SRIRAM**  
 Chartered Accountants  
 (Firm's Registration No.001939S)

For and on behalf of the Board of Directors

 Sd./-  
**R.V.Chalam**  
 Partner  
 M.No.21423

 Sd/  
**J.S.R. Durga Prasad**  
 Chairman

 Sd/  
**J. Murali Krishna**  
 Managing Director

 Place : Hyderabad  
 Date : 29-05-2017

**VEDAVAAG SYSTEMS LIMITED**
**103, West Block, Siri Sai Orchid, Madhapur, Hitec City, Hyderabad 500 081**
**CONSOLIDATED CASH FLOW STATEMENT**

		<b>for the year ended 31.03.2017 Rs.</b>	<b>for the year ended 31.03.2016 Rs.</b>
<b>A</b>	<b>Cash Flow from operating activities</b>		
	Profit before Tax	141,411,448	63,117,949
	Adjustments for:		
	Depreciation and amortisation expenses	32,419,458	72,970,600
	Interest Expenses	-	-
	Interest Income	-11,517,490	-17,547,185
	Operating Profit before working capital changes(i)	162,313,417	118,541,364
	Adjustments for changes in:		
	Increase/(Decrease) in Inventories	-23,403,749	75,328,668
	Increase/(Decrease) in Trade Receivables	-53,288,351	193,715,192
	Increase/(Decrease) in Trade Payables	-194,353,037	-291,494,220
	Increase/(Decrease) in Other Current Liabilities & Provisions	11,051,739	32,099,663
	Increase/(Decrease) in Non Current Liabilities	208,244,100	-7,802,618
	Increase/(Decrease) in Loans & Other Current Assets	22,769,466	-103,928,424
	Cash Generated from operations	<b>-28,97,983</b>	<b>-102,081,739</b>
	Income tax	-54,216,264	-9,339,301
	Net Cash generated from Operating activities A	78,917,322	7,120,324
<b>B</b>	<b>Cash flow from Investing activities:</b>		
	Purchase of Fixed Assets and CWIP	-162,170,397	-2,547,645
	Purchase of Investments	-	
	Interest Received	11,517,490	17,547,185
	Net Cash Flow from Investing Activities: B	150,652,907	14,999,540
<b>C</b>	<b>Cash flow from Financing Activities:</b>		
	Increase in Share Capital	98,460,000	4,000,000
	Repayment of Short Term Borrowings	-	-
	Interest Paid	-	-
	Net Cash flow from Financing Activities: C	98,460,000	4,000,000
<b>D</b>	<b>Net Cash inflow/(Outflow) (A+B+C)</b>	26,924,415	26,119,864
	Opening balance of cash and cash equivalent	56,741,768	30,621,904
	Closing balance of cash and cash equivalent	83,666,182	56,741,768

## Notes to Consolidated Financial Statements for the year ended March 31, 2017

### Note No. I

#### Significant Accounting policies:

1. Basis of Accounting:
  - a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost conversion on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI).
  - b) Accounting policies not specifically referred to otherwise are in accordance with prudent accounting principles.
  - c) All Income and Expenditure items having material bearing on the financial statements are recognised on accrual basis.
2. Fixed Assets: Fixed Assets are stated at cost including related incidental expenditure.
3. Capital Work in Progress : Advance paid towards acquisition of Fixed Assets and the cost of Assets not put to use before the year end are disclosed under this head.
4. Depreciation: Depreciation on fixed assets has been provided on Straight Line method.  
Depreciation on additions to assets or on sale/discardment of assets, is calculated prorata from the month of such addition or upto the month of such sale/discardment as the case may be.
5. Revenue Recognition: Revenue from technical services is recognised on a prorata basis over the period in which services are rendered.
6. Inventory: Inventories are valued at cost or net realisable value whichever is lower.

7 Misc.Expenditure	Preliminary expenses are amortised over a period of 5(Five) years.
8 Provision for Taxation	Provision is made for Income Tax annually based on the tax liability computed after considering tax allowances and exemptions.
9 Foreign Exchange Policy	<p>Fixed Assets and Long Term Liabilities are accounted at the rates prevailing on the dates of transactions Current Assets and Current Liabilities are accounted at Rate prevailing on the date of the Balance Sheets.</p> <p>All the Income items other than those pertaining to the Foreign Branches are accounted on the basis of Exchange rate prevailing on the dates of transactions.</p> <p>All the expenditure items during a month other than those pertaining to the Foreign Branch are reported at a rate that approximates the actual rate during that month.</p> <p>Sale proceeds are converted into Indian Rupees at the Rates prevailing on the date of receipt.</p> <p>Net Foreign Exchange difference on Foreign Currency Transactions is recognised in the Profit and Loss account during the year.</p>
10 Retirement Benefits	<p>Contributions to Provident and Superannuation Funds are recognised as expense when incurred.</p> <p>Liability for gratuity and encashable leave are actuarially determined at the Balance Sheet date.</p>
11 Deferred Tax Liability/Asset	To provide and recognise deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.
12 Impairment of assets	The carrying amount of assets are reviewed at each Balance Sheet date to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, impairment loss is recognised

**Consolidated Notes to Financial Statements**
**Note No : 2**

<b>Share Capital</b>	<b>As at 31.03.2017</b>		<b>As at 31.03.2016</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
<b>Authorised</b>				
Equity Shares of Rs.10 Each	30,000,000	300,000,000	19,000,000	190,000,000
8% Preference Shares of Rs.10/-each	-	-	1,000,000	10,000,000
<b>Total</b>		<b>300,000,000</b>		<b>200,000,000</b>
<b>Issued, Subscribed &amp; paid up</b>				
Equity shares of Rs.10 Each	14,250,000	142,500,000	14,130,000	141,300,000
<b>Total</b>		<b>142,500,000</b>		<b>141,300,000</b>

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

<b>Particulars</b>	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
Shares outstanding at the beginning of the year	14,130,000	141,300,000	13,630,000	136,300,000
Shares issued during the year	120,000	1,200,000	500,000	5,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,250,000	142,500,000	14,130,000	141,300,000

- ii. Terms/rights attached to equity shares, including restrictions on distribution of dividends and the repayment of capital Equity shares issued by the company are Equity Shares within the meaning of Section 85(2) of the Companies Act, 1956.

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

Name of the Share Holder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of holding	No. of Shares held	% of holding
J.MURALI KRISHNA	1,598,712	11.22%	1,598,712	11.31%
J.S.R.DURGA PRASAD	1,598,260	11.22%	1,357,707	9.34%

Consolidated Notes to Financial Statements	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
<b>Note No - 3</b>		
<b>Reserves &amp; Surplus</b>		
Capital Reserve	10,667,080	10,667,080
Securities Premium Reserve	63,000,000	63,000,000
<b>Surplus</b>		
Opening Balance	171,654,724	117,876,076
Net Profit / (Net Loss) for the current year	102,631,052	53,778,648
<b>Less:</b> Additional Depreciation pursuant to enactment of Schedule II of the Companies Act 2013.	-	
<b>Less:</b> Appropriations		
Proposed Equity Dividend	12,825,000	-
Tax on Equity Dividend	2,610,868	-
<b>Closing Balance</b>	<b>258,849,908</b>	<b>171,654,724</b>
<b>GRAND TOTAL</b>	<b>332,516,988</b>	<b>245,321,804</b>

**Note No:- 4**

**Deferred tax Liabilities (Net)**

Opening balance	19,127,769	34,049,605
Add/(Less): for the year	-2,161,811	-14,921,836
<b>Total</b>	<b>16,965,958</b>	<b>19,127,769</b>

<b>Consolidated Notes to Financial Statements</b>	<b>As at 31st March 2017 Rs.</b>	<b>As at 31st March 2016 Rs.</b>
<b>Note No:- 5</b>		
<b>Other Long term liabilities</b>		
(a) Trade Payables	229,090,129	18,684,218
<b>Total</b>	<b>229,090,129</b>	<b>18,684,218</b>
<b>Note No:- 6</b>		
<b>CURRENT LIABILITIES</b>		
Trade payables	15,669,551	241,031,054
Creditors for Software Product Development	31,008,466	
<b>Total</b>	<b>46,678,017</b>	<b>241,031,054</b>
<b>Note No:- 7</b>		
<b>Other current liabilities</b>		
Other Payables	61,700,009	74,676,857
<b>Total</b>	<b>61,700,009</b>	<b>74,676,857</b>
<b>Note No:- 8</b>		
<b>Short-term provisions</b>		
Provision for Income Tax	40,942,207	32,349,488
Proposed Dividend	12,825,000	-
Tax on Proposed Dividend	2,610,868	-
<b>Total</b>	<b>56,378,075</b>	<b>32,349,488</b>
<b>Non-current investments :</b>		
<b>CURRENT ASSETS</b>		
<b>Note No - 10</b>		
Inventories & Projects WIP	161,249,000	137,845,251

**Note No. 9**  
**Fixed Assets**

Item	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	01.04.2016	Additions	Deletions	31.03.2017	01.04.2016	for the year	Deletions	transferred to reserves	31.03.2017	31.03.2017	31.03.2016
Computer Hardware	545,730,664	47,980,962		593,711,626	424,127,135	24,736,478		-	448,863,613	144,848,013	121,603,529
Computer software	47,044,146	112,103,767		159,147,913	40,047,134	7,602,792			47,649,926	111,497,987	6,997,012
Library	56,005			56,005	55,176			-	55,176	829	829
Air Conditioners	90,108			90,108	89,623			-	89,623	485	485
Electrical Installations	7,501,468	727,220		8,228,688	7,235,885	16,949		-	7,252,834	975,854	265,583
Office Equipment	275,235			275,235	269,313			-	269,313	5,922	5,922
Generators	2,003,400			2,003,400	259,609				259,609	1,743,791	1,743,791
Furniture & Fittings	9,313,788	553,452		9,867,240	8,925,692	22,644		-	8,948,336	918,904	388,096
Vehicles	2,070,462	938,103	133,107	2,875,458	1,680,018	40,595			1,720,613	1,154,845	390,444
Total	614,085,276	162,303,504	133,107	776,255,673	482,689,585	32,419,458		-	515,109,043	261,146,630	131,395,691



**Consolidated Notes to Financial Statements**
**As at 31st  
March 2017  
Rs.**
**As at 31st  
March 2016  
Rs.**
**Note No - 11**
**Trade Receivables:**

Outstanding for a period less than six months from the date they are due for payment.

Secured, considered good

Unsecured, considered good

(receivable from Govt. Parties and others)

-

99,043,407

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Secured, considered good

Unsecured, considered good

(receivable from Govt. Parties and others)

301,682,592

149,350,834

Unsecured, considered doubtful

**TOTAL**
**301,682,592**
**248,394,241**
**Note No - 12**
**Cash and Cash Equivalents**

Cash on Hand

3,041,072

2,823,426

Balances with Banks

In Current Account

73,468,695

45,264,777

Margin Money Deposits

7,156,415

8,653,565

**TOTAL**
**83,666,182**
**56,741,768**
**Note No - 13**

Short-Term Loans and Advances

Deposits

13,648,666

23,226,988

Advances to Subsidiary

-

Other Advances

3,596,268

22,559,241

**TOTAL**
**17,244,934**
**45,786,229**
**Note No - 14**

Other Current Assets

158,339,838

152,568,010

**TOTAL**
**158,339,838**
**152,568,010**

<b>Particulars</b>	<b>Year ended 31.03.2017 Rs.</b>	<b>Year ended 31.03.2016 Rs.</b>
<b>NOTE 15 :</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sales	606,257,261	376,597,079
Sale of Services	398,494,721	441,693,361
<b>Total</b>	<b>1,004,751,982</b>	<b>818,290,440</b>
<b>NOTE 16 :</b>		
<b>MISCELLANEOUS / OTHER INCOME</b>		
Interest Income	620,132	938,073
Interest on IT Refund	-	510,012
Others	10,897,358	16,099,100
<b>Total</b>	<b>11,517,490</b>	<b>17,547,185</b>
<b>Note :17</b>		
<b>PROJECT EXPENSES</b>		
Materials Consumed	524,810,501	456,324,686
Other Project Expenses	215,691,099	188,547,449
<b>Total</b>	<b>740,501,600</b>	<b>644,872,135</b>
<b>NOTE 18 :</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages (Including Directors remuneration)	80,325,379	41,938,686
Welfare expenses	661,820	1,362,578
<b>Total</b>	<b>80,987,199</b>	<b>43,301,264</b>

<b>Particulars</b>	<b>Year ended 31.03.2017 Rs.</b>	<b>Year ended 31.03.2016 Rs.</b>
<b>NOTE : 19</b>		
<b>ADMINISTRATIVE AND MARKETING EXPENSES</b>		
Audit Fees	203,750	175,000
Advertisement	731,789	428,129
Business Development	420,405	36,800
Depository Charges	139,321	67,673
Bank Charges	259,796	295,408
Consultancy & Legal	2,614,200	403,380
Conveyance	390,558	491,799
Directors Sitting Fees	84,000	90,000
Electricity	142,048	55,191
Telephone & Internet	1,217,401	405,378
Marketing & Development	-	1,061,239
Miscellaneous	105,578	213,840
Meeting Expenses	191,268	111,245
Postage & Courier	53,000	48,216
Printing & Stationery	422,913	40,342
Insurance	136,393	21,331
Rent	3,930,955	3,456,433
Sundry Debit Balances W/off	-	58,758
Repairs & Maintenance	141,248	35,155
ROC Filing Fee	27,400	25,800
Interest - Others	-	258,904
Interest on TDS & Service Tax	94,132	131,614
Share service charges	533,225	132,097
Travelling	5,471,387	2,667,380
Tender Documents	-	20,000
Interest on Vehicle Loan	32,552	-
Listing Fees	257,750	224,720
Vehicle Maintenance	201,101	207,581
Office Maintenance	2,806,380	227,838
Web server Maintenance	207,960	51,171
Preliminary Expenses W/off	133,257	133,257
<b>Total</b>	<b>20,949,767</b>	<b>11,575,677</b>

**NOTE : 20**
**Notes on Accounts**

	2016-17 Rs. in lakhs	2015-16 Rs.in lakhs
<b>1. Contingent Liabilities:</b>		
a Claims against the company not acknowledged as debts:	-	240.00
b Service Tax Demand on rural B.C. Commission	16.12	-
c Other money for which the company is contingently liable: Counter guarantees given in favour of company's bankers for guarantees issued by them	-	-
<b>2 Managerial Remuneration</b>		
Remuneration to Managing Director	23.38	20.90
Salaries	-	-
<b>3 Auditors' Remuneration</b>		
For Statutory Audit	1.00	1.00
For Tax Audit	0.50	0.50
Out of Pocket expenses	0.25	0.25
<b>4 Foreign Exchange Earnings &amp; Out go in Rs lakhs</b>		
In Flow	-	-
Outgo	-	-
<b>5 Related Party Disclosures as per AS 18</b>		
Transactions with related parties in the ordinary course of business		

Name of the Related Party	Nature of Relation Ship	Nature of Transaction & Amount
J. Muralikrishna Managing Director	Brother of J.SR Durgaprasad Chairman	Remuneration - Rs.23.38 lakhs

	<b>for the Year Ended</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>
6. Net profit for the year in Rs.	1,026.31	537.79
Amount available for equity share holders	1,026.31	537.79
Weighted average no. of shares	14,250,000	14,213,000
Earning per share basic and diluted Rs.	7.20	3.81
Face value of equity share Rs.	10	10

- 7 The composition of deferred tax liability of Rs. 169.65 lakhs (previous year Rs.191.27 lakhs) is on account of timing differences relating to depreciation.
- 8 During the year the company has allotted 1 Crore Equity Share Warrants of Rs. 10/- each at a Premium of Rs. 29/- per Equity Share Warrant to promoters and non-promoters aggregating to Rs. 39 Crores.

An amount of Rs. 9.75 Crores has been received as application money on Equity Share Warrants allotted.

- 9 There are no small scale industrial undertakings to whom the company owes a sum exceeding Rs.1.00 lakh which is outstanding for more than 30 days of the Balance sheet date.
- 10 Service Tax Department raised a demand for Rs. 16,12,273/- being Service Tax on Rural BC Commission. The Company approached the Honb'le Customs and Central Excise Settlement Commission, Chennai as the same was exempt vide Notification No. 12/2012-ST/Notification No. 25/2012. as amended till 30.09.2013. No provision is made in the accounts for the disputed amount as SBI has not paid us any Service Tax on the Rural BC Commission.
- 11 All figures have been rounded off to the nearest rupee and Previous Year figures are regrouped wherever necessary.

- 12 Principles of consolidation:

The Consolidated financial statement have been prepared on the following basis.

The financial statements of the company and its subsidiary have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.

Inter company balances and transactions have been fully eliminated.

For **MAHESH, VIRENDER & SRIRAM**

For and on behalf of the Board of Directors

Chartered Accountants

(Firm's Registration No.001939S)

Sd./-

**R.V.Chalam**

Partner

M.No.21423

Sd/

**J.S.R. Durga Prasad**

Chairman

Sd/

**J. Murali Krishna**

Managing Director

Place : Hyderabad

Date : 29-05-2017

**Form No. MGT-11**

**Proxy Form**

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

CIN : **L72200TG1998PLC029240**  
Name of the Company : **VEDAVAAG SYSTEMS LIMITED**  
Registered office : **1-90-8/13, 130, West Block, Siri Sai Orchid, Hitech City, Madhapur, Hyderabad, Telangana, India - 500081,**

Name of the Member(s) :	_____
Registered address :	_____

I/ We being the member of \_\_\_\_\_, holding \_\_\_\_\_ shares, hereby appoint Name \_\_\_\_\_ Address \_\_\_\_\_ E-mail Id \_\_\_\_\_

Signature \_\_\_\_\_ or failing him Name \_\_\_\_\_ Address \_\_\_\_\_ E-mail Id \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **19<sup>th</sup> Annual General Meeting of members of the Company, to be held on 27<sup>th</sup> September 2017** at the **Surana Udyog Auditorium, FTAPCCI Building, Red Hills, Hyderabad at 2.30 p.m.** and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

- 1 ) To receive , consider, approve and adopt the audited financial statements of the Company (Standalone and Consolidated) for the year ended March 31<sup>ST</sup>2017, including Balance Sheet as at March 31, 2017.
- 2) To declare final dividend of Rs. 0.90/- per equity share of Rs. 10/- each to the share holders for the financial year 2016-17.
- 3) To appoint Auditors and to fix their remuneration.
- 4) Appointment of Mr. Srinivas Pannala (vide DIN No: 00018295) as an Independent Director of the company.
- 5) Approval for revision in remuneration of Managing Director.
- 6) Re-Appointment of Sri JSR Durga Prasad as Director and as Executive Chairman of the company and fixing of remuneration.

Signed this day

Affix  
Revenue  
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

**Format of Attendance Slip of Annual General Meeting**

**ATTENDANCE SLIP**

**19<sup>th</sup> Annual General Meeting, 27<sup>th</sup> September 2017, at 2.30 P.M.**

Regd. Folio No. \_\_\_\_\_ /DP ID \_\_\_\_\_ Client ID/Ben.

A/C \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the (19th Meeting) Annual General Meeting of the Company on **27<sup>th</sup> September 2017** at the **Surana Udyog Auditorium, FTAPCCI Building, Red Hills, Hyderabad.**

\_\_\_\_\_  
\_\_\_\_\_

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over



ROUTE MAP



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PRINTED MATTER**

*If undelivered Please Return to :*



**VEDAVAAG SYSTEMS LIMITED**

1-90-8/13, 103, West Block,  
Siri Sai Orchid, Hitech City,  
MADHAPUR, Hyderabad, Telangana, India - 500081.  
Tel : 040-40188140, Fax : 040-40188141,  
[www.vedavaag.com](http://www.vedavaag.com)