

September 08, 2023

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Scrip Code: 532372

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Bandra-Kurla
Complex, Bandra (E), Mumbai - 400051
Symbol: VIRINCHI

Dear Sir/Madam,

Subject : Submission of Annual Report along with Notice of 34th Annual General Meeting (AGM) of the Company for financial year 2022-2023

Pursuant to Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the Notice convening 34th Annual General Meeting (AGM) of the Members of Virinchi Limited ("the Company") scheduled to be held on **Saturday, September 30, 2023 at 12:30 PM (IST)** through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) and Annual Report for the financial year 2022-2023. The same is also made available on the website of the Company at www.virinchi.com.

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company will provide to its members the facility to cast their vote(s) on all resolutions set forth in the Notice by electronic means ("e-voting") or voting through electronic means during the AGM, on the businesses specified in the Notice convening the 34th AGM of the Company.

This is for your information and records.

Thanking You,

Yours faithfully

For Virinchi Limited

Kolli Ravindranath
Tagore

Digitally signed by Kolli
Ravindranath Tagore
Date: 2023.09.08 22:31:26
+05'30'

K Ravindranath Tagore
Company Secretary
M.No.A18894

Encl. as above



HEALTH-TECH & LEND-TECH

Virinchi Limited | Annual Report 2022-23

Forward-looking statement

In this Integrated Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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HEALTH-TECH & LEND-TECH

At Virinchi Limited, we are poised and prepared to take our business to the next level.

During the last financial year, the company embarked on two strategic initiatives with long-term implications,

The company started work on Oncology facility in Banjara Hills, Hyderabad and embarked on the process of setting up another facility in Vishakhapatnam. Besides, the company continued to invest in its Payment and Credit services business.

Through these initiatives, the company is poised to report a sharp growth in its revenues across the foreseeable future, enhancing value for all its stakeholders.

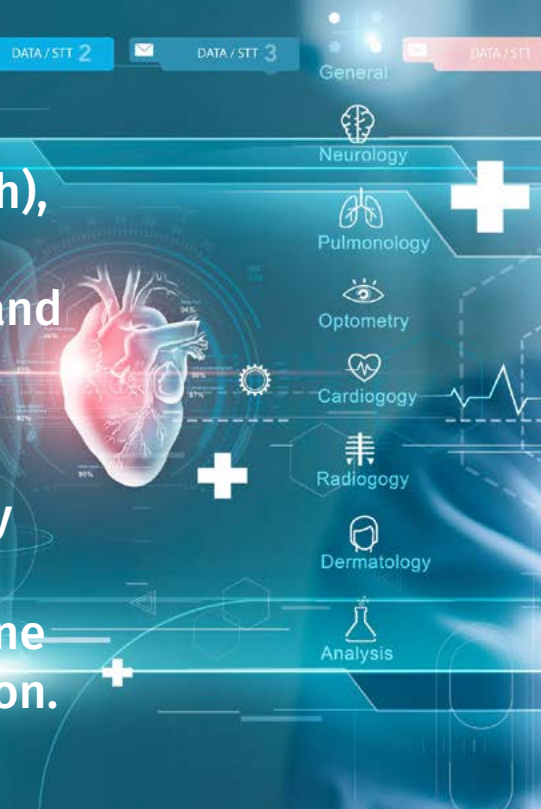
CORPORATE SNAPSHOT

VIRINCHI LIMITED

The Company is an attractive proxy of four businesses that represent a growing India.

These businesses comprise a complement of SaaS (US fintech), IDC & IT services, Payment and Credit Services (India fintech) and Healthcare.

What makes these businesses synergic is that they are closely structured around advanced digital technologies like machine learning and process automation.



VISION

To be the best in what we do through a combination of vision, service, technology and competence.

MISSION

To achieve global benchmarks through the adoption of ongoing innovation in the Healthcare, Fin-Tech and Information technology domains.

TARGETS

SaaS (US Fintech), Payment & Credit Services (India Fintech) and IDC & IT services: 'To build globally inclusive solutions'

- To build a suite of fintech products to reach the underserved
- To develop deep specialised technology solutions for the healthcare and fintech domains
- To develop delivery capabilities and client footprint for next-generation technology services including SMAC domains, particularly machine learning, mobile applications and data analytics

Healthcare vertical: To serve a Billion patients in a decade from now

- To secure a robust presence in medically underserved markets in India
- To deliver personalised medicine through data analytics and combinatorics on a single healthcare mobility platform

TRACK RECORD

During the past three decades, Virinchi Limited has been respected for entering new spaces with the experience derived from its existing businesses. The Company has achieved a track record of growing from one to four businesses, creating multiple revenue engines.

PRESENCE

The Company's healthcare facilities are situated at Banjara Hills, Barkatpura and Hayathnagar in Hyderabad. The Company possesses two offshore IT development centres in Hyderabad (Banjara Hills and Hakimpet); its onshore facility is situated at Marlboro, New Jersey, USA. The Company's headquarters are located in Hyderabad, India.

BUSINESS OFFERINGS

SaaS (US Fintech), IDC & IT services and Payment & Credit Services (India Fintech):

The Company's leading product QFund is a widely recognised global SaaS solution. It is backed by strategic partnerships cum offerings, addressing the retail micro lending sector in North America. The company is respected for technological, financial and infrastructural solutions. Based on this experience, the company entered the payment and credit services sector in India. The Company introduced its fintech platform, vCard, collaborating with partner financial institutions to provide credit to the underserved.

Healthcare services: Utilizing its competence in IT and mobility solutions, the Company manages three multi-specialty hospitals in Hyderabad. The flagship hospital situated in Banjara Hills, Hyderabad, comprising state-of-the-art medical equipment, doctors trained in latest advancements in medicine, sophisticated IT and mobility-based frameworks.

EMPLOYEES

Virinchi employed 460 individuals (SaaS, IDC & IT services and Payment & Credit Services) as on March 31, 2023. Nearly 95% employees possessed professional degrees at the close of FY 2022-23. The average age of the employees in the IT vertical stood at 28 years.

AWARDS AND RECOGNITIONS

Virinchi was recognised with the following awards:

- The Times Healthcare Award for Telugu-speaking states (2017 and 2018), 'Emerging Hospital of the Year' in the multispecialty hospital category, 'Best Hospital – Radiology', 'Best Hospital – Nephrology' 5 individual doctor recognitions
- Hyderabad Software Enterprises Association (HYSEA). Top IT/ITES Exporter: 2018-19 (Rs. 200 Crore category) by Hyderabad Software Exporters Association 'Best Indian IT SME' for 2015-16 by Hyderabad Software Exporters Association

CONSOLIDATED FINANCIAL HIGHLIGHTS, FY 2022-23

Consolidated operating revenue decreased 14.3% to Rs. 311.94 Crore and total revenue decreased 14% to Rs. 315.57 Crore

Consolidated PAT decreased 9.9% to Rs. 12.72 Crore

Consolidated EBITDA margin increased 685 bps from 27.9% to 34.8%; PAT margin increased 18 bps from 3.8% to 4.0%

EBITDA increased 71% to Rs. 109.86 Crore

EPS decreased 14.6% to Rs. 1.52

Receivables increased from 75.98 days of turnover to 77.44 days

HEALTHCARE

YoY revenue decreased 24.7% to Rs. 135.16 Crore with an EBIT of Rs. 24.39 Crore YoY healthcare EBITDA decreased 11.2% to Rs. 46.76 Crore with an overall EBITDA margin of 34.6 %

SAAS (US FINTECH) BUSINESS

SaaS business revenue increased 0.1% to Rs. 122.72 Crore compared to Rs. 122.61 Crore in the previous year.

IDC & IT SERVICES

IDC & IT services revenue decreased 18.5% to Rs. 45.07 Crore compared to Rs. 55.28 Crore in the previous year.

PAYMENT & CREDIT SERVICES (INDIA FINTECH)

Payment & Credit services revenue increased 97.3% to Rs. 4.33 Crore compared to Rs. 2.19 Crore in the previous year.

OUR FINANCIAL SNAPSHOT IN THE LAST FEW YEARS



REVENUES (Rs Crore)

Definition

Revenue is the income generated by a business from the sale of goods or services before the deduction of costs and expenses, taxes and promotions.

Why is this measured?

This showcases a Company's ability to grow the business through prudent marketing, pricing and awareness building, which can be compared with the Company's retrospective growth average or with sectoral peers.

Virinchi's performance

Revenues decreased 14% to Rs. 315.57 Crore in FY 2022-23, recording a decrease of Rs. 51.37 Crore. Total operating revenues decreased by Rs. 52.07 Crore and other income increased by Rs. 0.71 Crore.



NET PROFIT (Rs Crore)

Definition

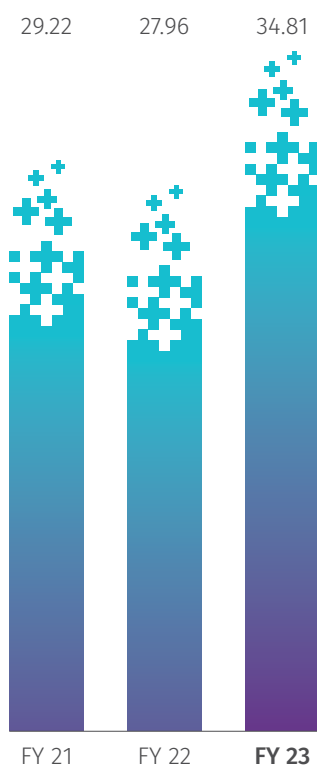
Profit earned during the year after deducting all expenses and provisions.

Why is this measured?

It highlights the strength in the business model in terms of generating value for its shareholders.

Virinchi's performance

The Company reported a 11% increase in net profit to Rs. 12.72 Crore in FY 2022-23.



EBITDA MARGIN (%)

Definition

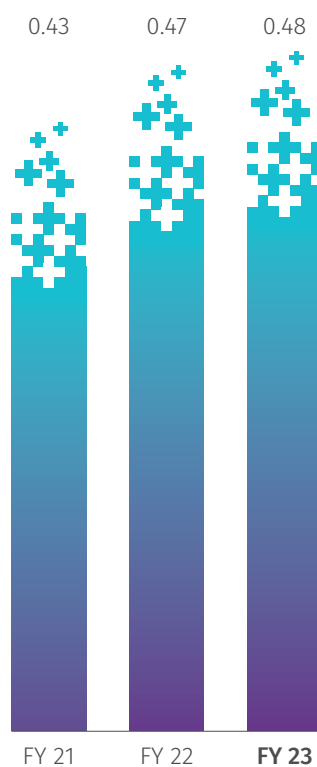
EBITDA margin is a profitability ratio distilled from revenue growth, value-addition and cost management.

Why is this measured?

The EBITDA margin indicates how much a Company earns (before accounting for interest and taxes) on each rupee of sales.

Virinchi's performance

EBITDA margin increased by 685 bps to 34.81%. The margins improvement was on account of an overall decrease in fixed expenses during the year.



DEBT-EQUITY RATIO (x)

Definition

This is calculated by dividing the total debt by the net worth (less revaluation reserves)

Why this is measured?

This is an indicator of a Company's financial solvency, indicating the Company's ability to remunerate shareholders over debt providers.

Virinchi's performance

The Company's gearing decreased by 1 bps to 0.48x in FY 2022-23 following a marginal percentage increase in debt compared to the percentage increase in net worth.



INTEREST COVER (x)

Definition

This is derived through the division of EBITDA by interest outflow.

Why this is measured?

Interest cover indicates the comfort in servicing interest, the higher the better

Virinchi's performance

The Company's interest cover decreased from 3.91x during FY 2021-22 to 3.32x during FY 2022-23 due to an increase in finance cost.

STRATEGIC OUTLOOK



**I AM OPTIMISTIC
THAT VIRINCHI IS
POISED TO POST A
SHARP INCREASE IN
REVENUES AROUND
ATTRACTIVE
MARGINS IN
FY 2024-25**

OVERVIEW

When I last communicated to you in the last annual report, the principal theme was one of consolidation in the face of a post-pandemic world, marked by a priority to enhance asset utilisation, manage cash flows, sustain the asset-heavy businesses with inflows from the asset-light segments and grow the overall profit and loss account.

I am pleased to communicate that consolidation priority is over and the company is poised to grow its businesses starting this current financial year. The company reported corresponding financials during the last year: revenues decreased 14% to Rs. 315.57 Crore, EBITDA strengthened by 6.85% to Rs. 109.86 Crore and profit after tax decreased by 9.9% to Rs. 12.72 Crore. The company finished the year under review with a retained

cash profit of Rs. 68.79 Crore, which was reinvested.

My sense of optimism comes from the fact that your company possesses a strategic clarity that is corresponded by national priorities. Following the pandemic, there is a greater commitment to invest in individual health than ever, the result is that patients are investing more in health insurance than ever; in turn, this insurance support is providing them with the incentive to be treated in better hospitals. This is enhancing the bed utilisation of organised and professional health care providers.

This reality represents the principal reason why your company entered negotiations to acquire a 300-bed super-speciality health care facility in Vishakhapatnam during the year under review. At Virinchi, we see an attractive market opportunity



emerging; the country is extensively under-penetrated for organised corporate health care across the country; this under-penetration is evident along Eastern India. As a forward-facing company, our objective is to invest in urban clusters along the eastern coast, moving in a contiguous manner and capitalising on our growing brand recall.

At Virinchi, even as we believe that the health care sector remains extensively under-penetrated, there will be a premium on asset-lightness in a capital-intensive sector. In view of this, your company is engaged in the process of leasing the Vishakapatnam facility – as opposed to outright purchase – and building the half done property. The result is that the company will add this facility to its books without loading

My sense of optimism comes from the fact that your company possesses a strategic clarity that is corresponded by national priorities.



its Balance Sheet. The facility is expected to be commissioned in FY 2024-25, the first significant health care business expansion by the company in seven years.

At Virinchi, we are optimistic of commissioning our 100-bed oncology health care facility during the current financial year. This Rs. 67 Crore facility in Hyderabad will capitalise on the following advantages: it is contiguous to the company's flagship Banjara Hills health care facility; its dedicated oncology focus addresses a growing social priority; a singular vertical will help develop the facility into a centre of excellence that attracts the best professionals; by the nature of its focus, the facility is expected to deepen specialisation over general health care facilities, resulting in superior outcomes.

STRATEGIC OUTLOOK

When you put these two expansions together, you get a Virinchi that is likely to grow its bed count by 57% across the next year-and-a-half and emerge as a 1100-bed health care organisation by the last quarter of the next financial year. This is expected to enhance the company's scale to be among the ten largest corporate health care companies in the country, enhancing visibility, talent access and quicker ramp up in new centres of the company's presence.

At Virinchi, the key to enhancing the profitability of these facilities lies in the company's contrarian approach. **One**, the company's approach to acquiring new facilities has been asset-light (leasing), ensuring that the Balance Sheet remains under-borrowed. **Two**, the company invested these facilities with digital interventions, pricing patients with an advanced experience without compromising the personal touch. We believe that this combination – digital yet humane – has emerged as our most effective calling card, inspiring the recall that 'If we are at Virinchi, we are safe.'

The second intervention will be the company's omni-channel approach - a complement of its brick and mortar approach with its telemedicine facility. In an India that is extensively under-penetrated for organised health care, there will be a premium in reaching out to doctors across distances connected through a robust video engagement that makes it impossible for the health

care facility to service patients from outside the city of its presence. We see attractive headroom in this regard: there is only one organised omni-channel service provider in the country, providing an attractive opportunity for a committed health care company like Virinchi.

We believe that this approach will do four things for our health care business: it will strengthen our brand in locations where we are not present, seeding our brand in those markets for a time when we may enter that location with a brick and mortar presence; it will empower us towards asset-lightness where we deliver a superior return on knowledge and brand; it will strengthen our competence in addressing patients from across regions by cutting across cultural and language barriers, building our multi-regional personality; it will deepen our service orientation using digital technologies, strengthening our recall as a technology-driven organisation.

The third intervention will be in the enhanced use of technology that accelerates patient recovery and makes it possible for them to be discharged around shorter tenures. This will enhance our respect in the following ways: one, it will strengthen our recall as patient-focused and widen our prospective patient reach leading to superior capacity utilisation; two, it will generate attractive billings within shorter timeframes (strengthening our capital efficiency). We are optimistic

that the combination of the two factors will enhance overall value from this business.

While the fintech business will grow through organic means, we believe that the mobile credit business is at an attractive growth opportunity. During the last few years, the company has created a base of 25,000 customers, indicating business understanding. The time has come for the company to grow this business vertical through a capital-light approach. The best way to grow this business is to collaborate with commercial banks who desire digitalised front-end consumer interfaces. Your company is positioned as an attractive front-end partner; it is positioned to provide such banks with a market-responsive-face in exchange for bank respect and a large back-end customer base, the best of both worlds. We are optimistic that there are a number of legacy banks warranting modern, digital and responsive market orientation, which is where a company like ours will come in.

In view of these realities, I am optimistic that Virinchi is poised to post a sharp increase in revenues around attractive margins in FY 2024-25, enhancing value in the hands of all those who own shares in our company.

Viswanath Kompella
 Founder and Chairman Emeritus



Healthcare: The time has come for the company to grow this business vertical through a capital-light approach.
 vCard: The best way to grow this business is to collaborate with commercial banks who desire digitalised front-end consumer interfaces.

THE COMPLEMENT OF OUR FOUR BUSINESSES

Utilising similar digital technologies to enhance synergy, capabilities and competitive edge



Business: SaaS Business (US Fintech - QFund)

2002: Commenced this business

Rationale: Explored information technology opportunities within the US alternative finance sector, targeting micro lending institutions addressing the credit requirements of US sub-prime customers

Business: IDC & IT services (KSoft)

2006: Started this business after acquiring KSoft

Rationale: Engaged with opportunities related to outsourcing IT solutions

Business: Healthcare

2016: Established a 350-bed facility in Hyderabad (currently expanded to 500 beds) and is in the process of constructing a 300-bed facility in Vizag scheduled for completion in FY 2024-25

Rationale: Addressed the demand for advanced, technology-driven healthcare services in India

Business: Payment & Credit Services (India Fintech - vCard)

2019: The Company introduced its Payment & Credit services division in India, providing partner financial institutions with its fintech platform vCard. This platform enables the disbursement of credit to underserved segments of the society and facilitates UPI based payments.

Rationale: Catering to the credit requirements of low-income individuals in India

HOW WE HAVE PROGRESSIVELY INVESTED IN OUR BUSINESS EFFECTIVENESS

First mover
Allocated resources to enhance data science techniques for analyzing clinical outcomes, among the few to be doing so in India

100% subsidiary
Virinchi Combinatorics & System Biology effectively cover 95% of previously unexplored dimensions

Annuity revenues
Utilising annuity surpluses from one business to seed and develop other businesses

Asset-light
Delivering healthcare services from a leased facility in Hyderabad over 30 years

Widening the market
Venturing into the unsecured credit industry to serve low-income customers, a large under-explored market

Liquidity
Establishing a business focused on clear visibility of substantial cash profits



THE FUNDAMENTAL DRIVERS OF OUR BUSINESS

Consultant of choice

- Helped enhance value for customers
- Enhanced product quality
- Deepened client engagements
- Worked with large QFund customers

People and practices

- Recruited or retained subject matter experts
- Facilitated personal and professional development
- Implemented superior talent appraisal
- Protected people retention

Responsible citizenship

- Engaged in business enhancing well-being and prosperity
- Engaged in sensitive CSR initiatives
- Addressed healthcare, education, sanitation and hygiene verticals
- Invested Rs. 33.75 Lakh in CSR (FY 2022-23)

Cost management

- Strengthened cost management
- Matched budgets with periodic outcomes
- Created a scalable foundation to reduce costs
- Invested in superior equipment, integration and stronger trade terms

Revenues pipeline

- Strengthened projects pipeline
- Multiple businesses create a more stable company
- Commissioned a brownfield hospital (leased) in just 14 months
- Commissioning cost Rs. 45 Lakh per bed (industry average Rs.60 Lakh per bed).

Creative thinking

- Invested in a new way of doing things
- Plan to deploy cutting-edge technologies, especially robotic process automation
- Reinforced QFund, the flagship lending management system
- Invested in machine learning underwriting tools



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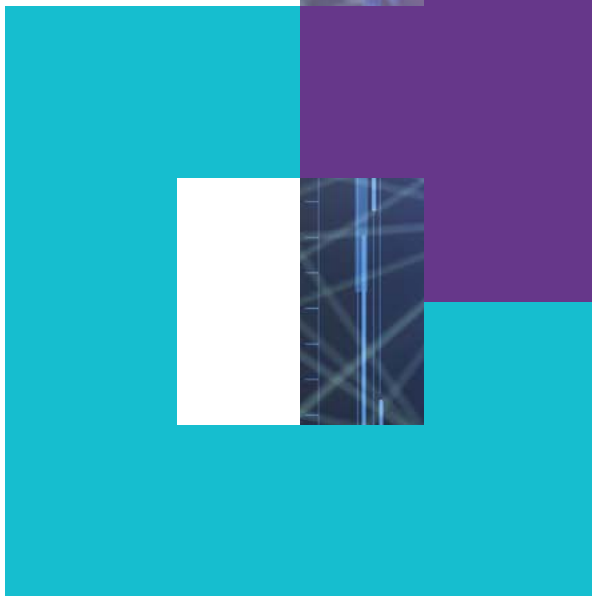
BUSINESS SEGMENT REVIEW

OUR HEALTHCARE BUSINESS



135.16
Rs Crore, Revenues in
FY 2022-23

-24.7
Revenue growth (%) in
FY 2022-23



42.8
Revenue as a share of
overall revenue (%) in
FY 2022-23

42.6
Share of company's
EBITDA (%) in
FY 2022-23



VISION

To provide healthcare services to one Billion patients within the span of ten year period

Oversee operational aspects of 600-bed establishments spread across three locations in Hyderabad.

Started constructing an oncology block in Banjara Hills, Hyderabad and a multi-speciality healthcare facility

in Vizag, which will accommodate 300 beds.

Strategically expand the capacity to encompass 5,000 beds within the next decade.

Solidify our reputation as a premier provider of HIS/EMR solutions, boasting over 100 successful implementations.

Deliver a mobility solution for the healthcare ecosystem.

Fuse technological expertise with healthcare acumen for integration into external medical facilities.

Forge a flexible and efficient healthcare delivery framework with minimal physical asset investment.

OVERVIEW

Initially, the promoter of the company invested in a 60 bed entity called the Bristlecone Hospitals Private Limited in Hyderabad, Telangana. The Bristlecone hospital was a specialty hospital which started off with eminent doctors and state-of-the-art facilities. Thereafter, Bristlecone Hospitals Private Limited acquired Titan hospital, which also proved successful. The success of the hospitals helped the company acquire a software company called Asclepius Consulting & Technologies Private Limited with a robust healthcare management and information systems platform that helped create data-driven solutions for the healthcare vertical. The Company was scouting for an opportunity to set up a large multi-specialty hospital designed for 600 beds in a super mall in the heartland of Hyderabad. The owners of the mall entered into a 30-year lease agreement with Virinchi. The project was conceptualised in 2015 and Virinchi Hospitals was inaugurated in 2016.

Virinchi Hospitals, Banjara Hills comprises 11 modular operational theatres and state-of-the-art three Tesla functional magnetic resonance imaging machine 128 slice dual energy CT scan and the latest medical devices. The hospitals have attracted talented surgeons and medical professionals, reinforcing the Virinchi brand for care and competence.

COMPETITIVE STRENGTHS

Focused approach: The Company possessed 35-plus departments focused on 'CONNECT' (Cardiology, Orthopaedics, Nephrology, Neurology, Emergency, Cancer and Transplant) specialties. The Company generated success in nurturing and developing competencies; Virinchi ran multiple innovations in terms of service.

Right to science: Science provides multiple treatment and investigation methods. Virinchi aims to leverage the fruits of science and innovation for patient welfare.

State-of-the-art infrastructure: The Company possesses state-of-the-art infrastructure and is designed in a manner that provides a unique experience to patients at every stage.

Transparency: The Company ensures that the entire counselling and treatment process remains transparent to the patient and family members.

Quality: The Company maintained superiority in terms of the quality of room infrastructure and housekeeping. The Company employed three dieticians to address nutrition requirements according to patient needs and preferences.

Wholesomeness: The Company provides a wholesome experience to employees and creates a comfortable hospitable environment.



BRINGING A CULTURE OF SEAMLESS INNOVATION

The Company emerged as the second in South India and the first in Telangana to have done a regenerative stem cell therapy for osteoarthritis for an orthopaedic patient. The stem cell preparation was injected on local anesthesia without the need for a surgery and the patient was discharged the same day, relief is expected within three months. The operation was undertaken for the first time in August 2022 and the company has been receiving repeated requests since. The Company attracted patients not only from India but countries like South Africa and the Gulf.

In renal transplants, Virinchi undertook an inter-State, inter couple kidney transplant for two patients in Chhattisgarh and Telangana. This paved the way for laying down procedures for similar transplants.

NEW HEALTHCARE PRACTICES

The Company implemented new healthcare practices in infertility treatment in terms of andrology and IVF treatment procedures to enable the less fortunate in natural conception. The Company created a dedicated facility for undertaking related procedures (IUI and IVF) with success. The Company will cross more than 50 IVF procedures

since December, 2021. The Company aims to focus on liver transplants as it obtained liver transplant accreditation for both liver donor as well as cadaver based transplants. The Company obtained necessary equipment and is prepared to conduct liver transplant surgeries.

The Company is setting up a dedicated team to make sure that those in need of this particular cure are channeled, counselled and treated. The Company seeks to address cancer and commenced building an oncology block expected to be completed by March 2024 and connected with a skyway to the main building. In the run up to the cancer care operations, the Company seeded the market and developed capabilities to treat cancer in all its forms (except radiation).

OFFERING BETTER CUSTOMER EXPERIENCES

The Company has been a comprehensively digitalised entity from the time it went into operations. It developed mobile-based applications for patients that provide access to doctors for all kinds of investigation reports and medical history. The Company has access to patient status reported on real time basis through mobile applications. The Company has a CEO dashboard which helps monitor clinical and non-clinical performances and evaluate the progress of all departments. The entire hospital runs on an electronic medical record solution called v-health along with mobile applications. These digital solutions have helped the hospital to provide improved customer experiences.

TAKING OUR BUSINESS AHEAD

The Company re-certified its NABH accreditation during the year under review. The Company undertook innovative methods of treatment such as regenerative stem cell therapy for osteoarthritis and inter-state, inter-hospital renal swap transplant. The Company obtained accreditation for undertaking liver transplants.

WAY FORWARD

The Company commenced its journey to start a cancer care establishment; the radiation therapy will be completely operational by April 2024. The Company plans to cover Telangana and adjoining States (Maharashtra and Andhra Pradesh). The Company's vision is to develop catchment areas near metropolitan areas to spread awareness of its services. The Company provides advanced life support vehicles in Telangana to extend the reach of its services. The Company intends to train more than 25 people per day to use these vehicles to widen societal impact.

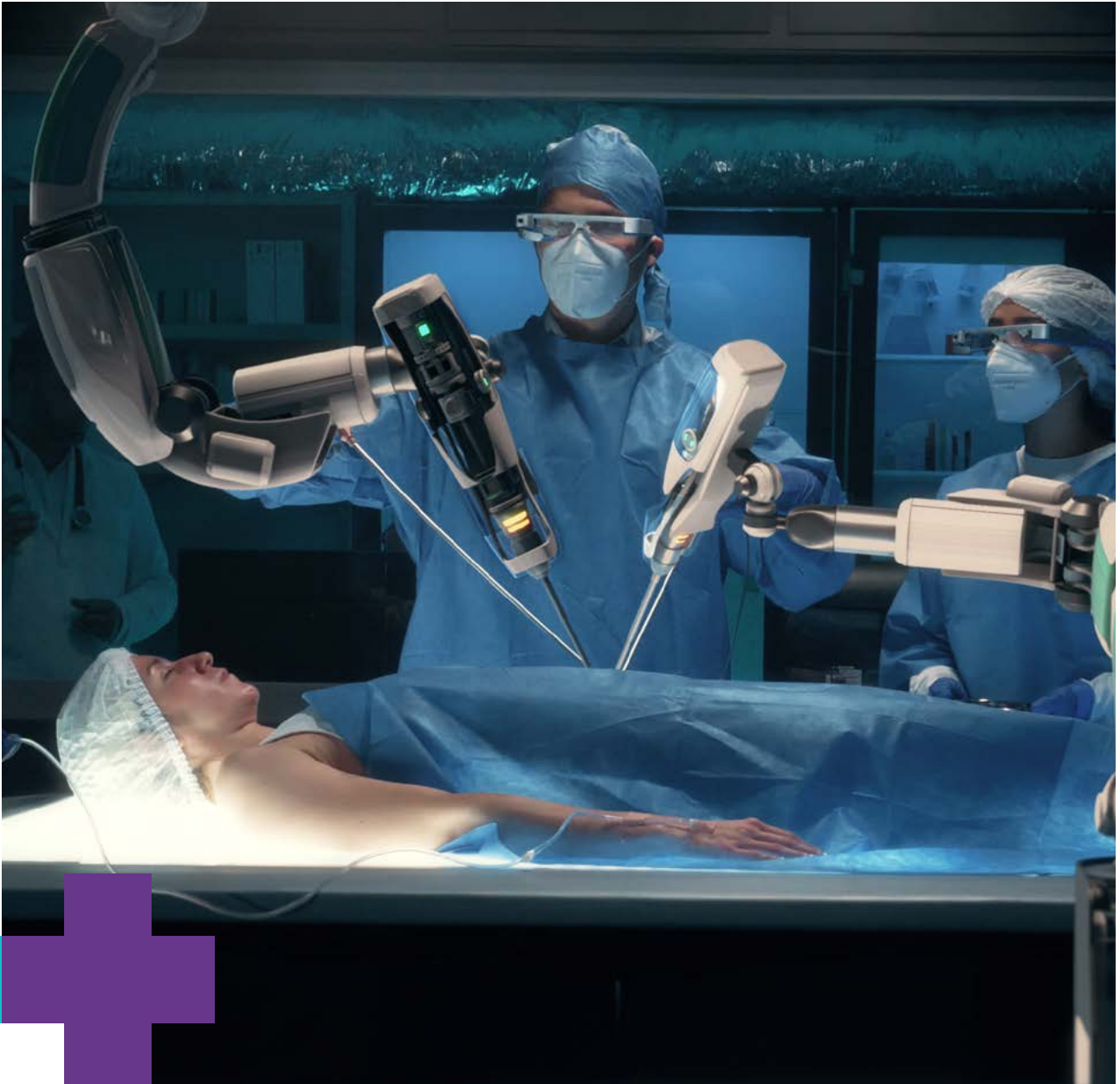
The outlook of the healthcare segment is positive and the business is poised to grow with the management working on multipronged strategy to improve utilisation levels and further enhance patient experience. As and when the radiation oncology block gets commissioned, the cross consultation opportunities would increase which would further improve patient footfalls in the main block.

Satyanarayana Vedula

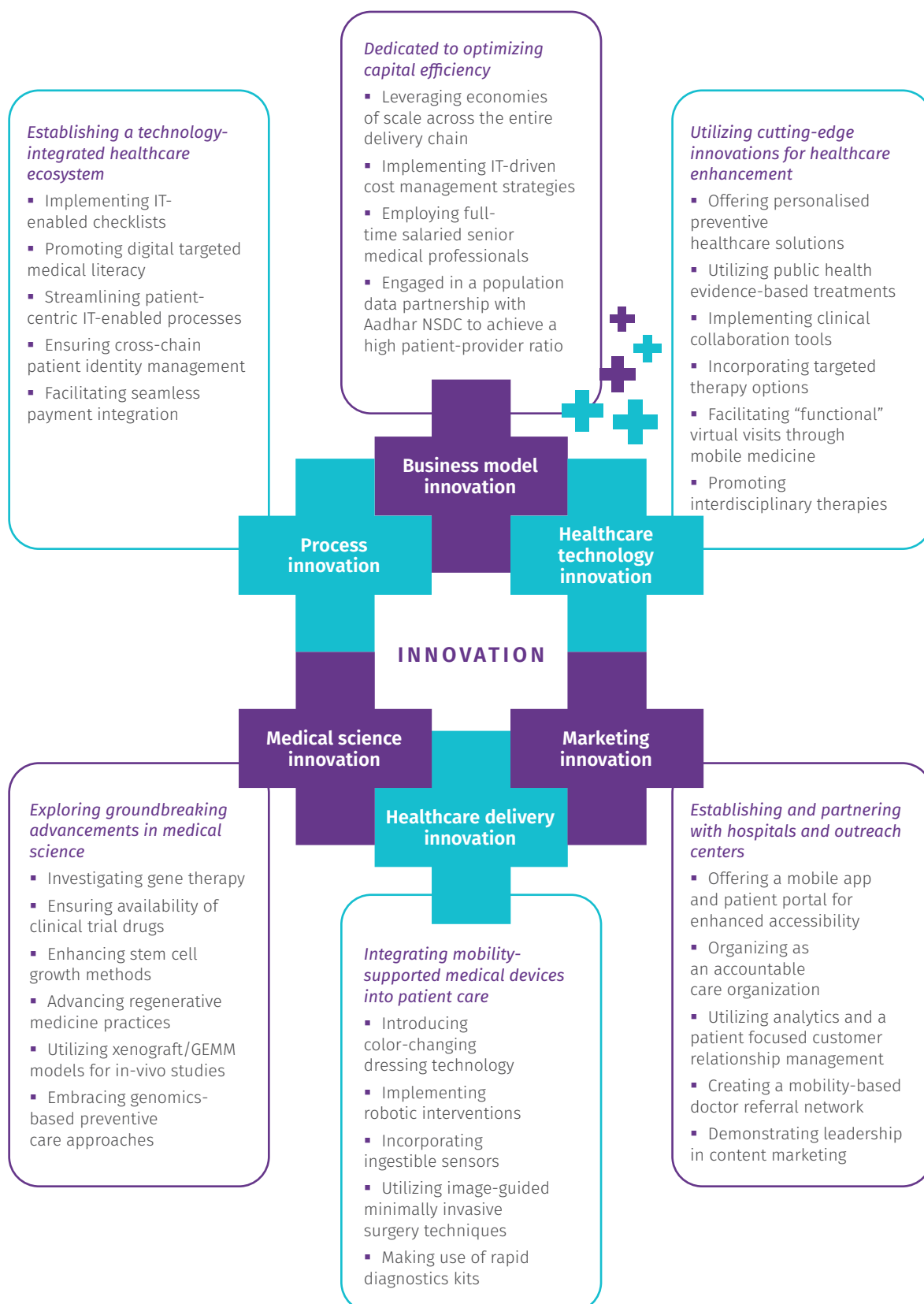
Vice Chairman & Executive Director

THE COMPANY'S HEALTHCARE PROFILE

Departments	Capabilities	Professionals employed	Experience profile	Qualifications/ knowledge capabilities
35	Each surgical and medical department can handle complex cases	100 full-time and 150 FFS (fee for service)	Department heads with average experience of 20 years	Hired from premier institutions (AIIMS, PGIMER Chandigarh, CMC Vellore, NIMS Hyderabad etc.)
			Other consultants with an experience of 10-15 years	Most department heads and consultants possessing postgraduate degrees (USA, UK and Australia)
			Junior doctors with an experience of 3-5 years	Physicians with familiarity in protocol-driven healthcare practices, seasoned in navigating the challenges of the Indian healthcare system.



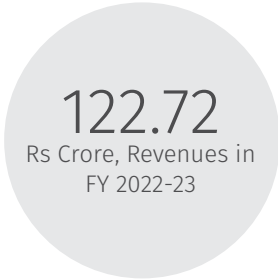
VIRINCHI HOSPITALS: CREATING A HEALTHCARE SHOWCASE DRIVEN BY INNOVATION



2

BUSINESS SEGMENT REVIEW

OUR SAAS BUSINESS (US FINTECH: QFUND)





VISION

To offer worldwide solutions

Strive to attain a dominant position in the lending management solution segment within the retail microcredit sector, aiming to capture approximately 5% of the total short-term lending market share in the United States.

Manage a volume exceeding 15 Million short-term loans,

encompassing payday loans, catering specifically to subprime borrowers.

Leverage our exclusive machine learning credit assessment tools to enhance underwriting processes.

Expand the scope of enterprise applications and nurture our digital presence through social, mobile, analytics and cloud (SMAC) initiatives.

OVERVIEW

Virinchi has established a strong foothold in the QFund business across two decades, making it a prominent leader. This business primarily serves the alternative finance industry in the United States, focusing on individuals with suboptimal credit histories who seek loans from both traditional banks and non-banking lenders. Approximately 10-15% of the US population falls within our target demographic. The Company's primary clientele includes the top four lenders among the top ten serving this segment.

The lending process commences with customers applying for loans at lenders' locations. The QFund Software Platform conducts essential eligibility checks on the applications, collaborates with credit rating and fraud check agencies to gather customer data and employ the Q Fund engine to assess and approve loans. The Company's involvement in the loan origination and disbursement process continues until customers receive the loan amount in their accounts.

Post-disbursement, Q Fund remains dedicated to servicing the loan. The Company supports customers as they make regular payments and provide assistance in collection management should customers miss payments, declare bankruptcy, or pass away during the loan period. Q Fund's operations encompass the entire lifecycle of the loan, offering customers various avenues to source & service loans—be it in-person, through an online portal or via an interactive voice response system.



COMPETITIVE STRENGTHS

Omni-channel capability: The Company's ability to support physical, online, mobile, text and voice response systems distinguish us significantly from competitors.

Diverse loan structures: QFund engages in various loan structures, including cash advances, installment loans, title loans and line of credit. The line of credit product stands out as a major differentiator in the industry.

Hosted software model: Our operations run on a hosted model, eliminating concerns for customers regarding server infrastructure.

Configuration flexibility: QFund offers complete configurability on its products, allowing customers to set up all loan attributes and parameters.

Payroll deduction: Our unique payroll deduction option streamlines loan repayment by partnering with customers' employers, reducing write-off risks.



HIGHLIGHTS, FY 2022-23

Modern user interface development:

QFund is overhauling its user interface with a multi-tier architecture, collaborating closely with customers. This new interface aims to provide a competitive edge through improved usability, a more appealing design and enhanced compliance features.

Expanded customer support: The Company expanded its customer support capabilities, enabling us to reach customers through an increased number of communication channels.

New product launches: The Company introduced the payroll deduction loan product and a script-based underwriting rule engine. Additionally, the company enhanced text-based payment options and extended touchless service capabilities, resulting in

the acquisition of a new client in FY 2023-24.

Supporting client acquisitions:

QFund actively supported one of the clients in a significant acquisition, effectively doubling their market size by providing expedited services for the additional stores.

WAY FORWARD

QFund is excited about the launch of QFund 11 in FY 2023-24, a revamped version of its flagship product. The Company is setting sights on acquiring large customers during this period, potentially adding USD2-3 Million in annual revenues. The Company is exploring entry into the Canadian market by replicating the loan management system for customers, an expansion opportunity.

Satyajeet Prasad
Chief Executive Officer

3

BUSINESS SEGMENT REVIEW

OUR PAYMENT & CREDIT SERVICES (INDIA FINTECH: vCard BUSINESS)





VISION

To improve and promote financial inclusion in India

Expand the market reach by connecting with customers with lower incomes.

Strengthen financial inclusion by offering responsible credit solutions.

Integrate data science to establish a large-scale, inclusive business model.

Engage in partnerships with prominent banks and non-banking financial companies (NBFCs) to foster collaboration.

OVERVIEW

vCard, our prominent Indian fintech venture stands out as one of the most exciting business within our Group.

Our vCard initiative has harnessed our deep knowledge in machine learning and extensive experience in fintech products. Leveraging these valuable insights, Virinchi introduced India's inaugural mobile-based credit card that can be downloaded. Historically, the credit card market in India has been dominated by large commercial banks. The launch of an indigenous credit card marks a milestone, aligning with the 'Make in India' initiative.

vCard addresses challenges that have constrained the Indian credit card market, resulting in a sub-5% penetration. Traditional credit cards have been restrained by high origination costs, expensive servicing, exorbitant expenses associated with collecting low-value transactions, supply limitations and prohibitive entry costs. On the merchant front, challenges have included a 2% toll fee without discernible consumer benefits, costly point-of-sale setup with substantial maintenance costs, focus on upselling to customers with minimal consumer engagement, compliance requirements and technologies that have gained little traction. The conventional credit card landscape has also grappled with limited market penetration, low point-of-sale acceptance, commoditised offerings, inadequate customer service and dearth of innovative solutions.

OUR VCARD CAPABILITIES

- To assess and approve customers lacking a credit bureau history.
- To deliver immediate, chat-based customer support without any physical contact.
- To customise customer service, aligning individuals with tailored merchant offers, payment choice and default risk mitigation strategies through ongoing cohort management.

UNIQUE VCARD PROPOSITION

- Offering a credit line with annual percentage rate ranging from 15% to 25%. This credit line can be utilised for transferring funds to one's own account and converting them into EMIs at personal loan interest rates, essentially providing an unsecured overdraft facility. The digital origination process involves multiple lenders, minimizing drop-offs, lowering origination costs, permitting credit limits as low as Rs. 5,000 and enabling eligibility checks through platforms like Facebook, WhatsApp or no touch origination.
- Employing advanced mobile engagement techniques and AI-driven merchant matching to provide locally relevant rewards, moving beyond traditional reward points and spam offers. An accomplished team from the Indian Institute of Technology (IIT) is dedicated to zero-touch customer support and meaningful gratification.
- Capable of central origination for SMEs and corporates through a unique QR source.
- Facilitating the categorization of all UPI and card payments as either personal or corporate expenses with a requirement for invoice or bill copies for documentation.
- Integration of an expense reporting system and an approval/reimbursement workflow, adaptable to partner-specific workflows. vCard has successfully piloted this business, onboarding approximately 1,000 installations per month through its credit card banking partner and NBFC partner.



OUR KEY STRENGTHS

Compliance

Operating as an 'Acceptance network independent' credit platform utilizing UPI rails for transaction finalization, backed by PCI DSS certification audited by independent assessors.

Technology

Employing a credit decisioning system driven by a sophisticated machine learning-based multi parametric model.

Solution

Offering a fully digitised loan lifecycle encompassing origination, onboarding, disbursements, collections, servicing, regulatory compliance and reporting.

Product range

Featuring two distinct product variants - co-branded credit cards in partnership with banks and credit lines extended by NBFCs.

Experience

Virinchi boasts a robust history in fintech IT products, having processed accounts for approximately 15 Million customers in the USA, assessing more than 10 parameters.

Revenue generation

Virinchi is strategically positioned to generate cash-accretive revenues through customer origination, usage fees and renewals.

Inclusivity

Leveraging technology to significantly reduce the cost of credit card origination, making it one of the most accessible entry points for a credit card globally.

Security

Virinchi's security and customer data protection systems are PCI DSS certified. In addition, the partner financial institutions carry out regular audit of the vCard security, data protection systems and protocols.

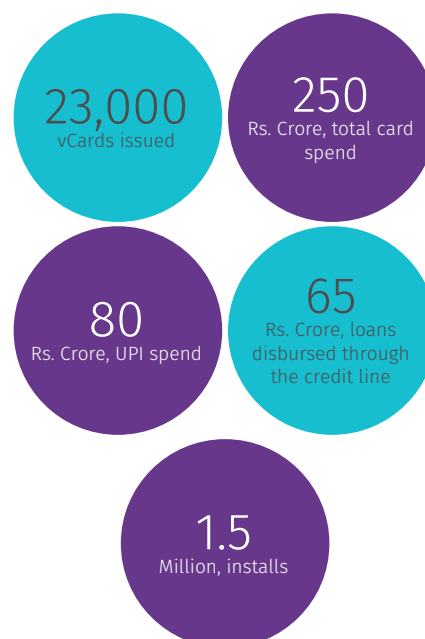
Economic efficiency

Virinchi harnesses technology to facilitate cost-effective money transfers, eliminating transaction costs.

Ecosystem

vCard's ecosystem comprises regulatory agencies and various partners, including technology providers, customer service teams collection agencies and customer acquisition entities. This cohesive structure enables paperless instant credit limit activation, merchant payments and AI-driven origination, servicing and collection processes.

BIG NUMBERS



PRESIDENT STATEMENT

“OUR GOAL IS TO EXPAND OUR CUSTOMER BASE FROM AROUND 25,000 CUSTOMERS TO CLOSE TO 50,000 CUSTOMERS IN 2023-24”

A conversation with **Satyajeet Prasad**, President

OVERVIEW

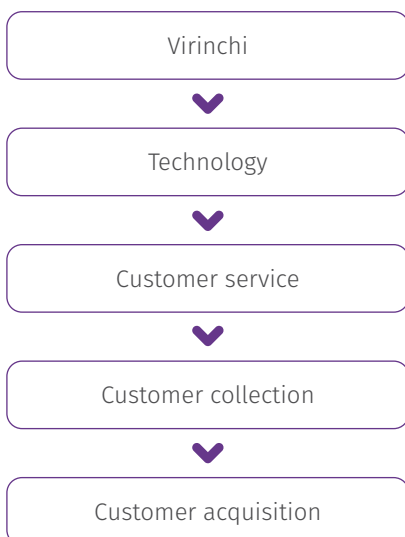
Virinchi operates the vCard business with a focus on addressing the growing credit needs of India. vCard is India’s pioneer mobile-based credit application, offering financial products through collaborations with prominent banks and non-banking financial companies (NBFCs).

Our vCard capabilities

Customer sourcing and servicing model: In this model, Virinchi plays a crucial role in assisting partner banks in customer sourcing. Once customers are sourced, the partner bank independently conducts underwriting activities and manages disbursements. Subsequently, Virinchi leverages the vCard platform to service customers. This involves ability to instantly transfer cash into bank account with easy EMIs, credit card statements that includes reviewing payments & other transactions history and overall credit card management.

Turnkey partnership model: Under this model, Virinchi collaborates with banks or NBFCs. Virinchi offers a comprehensive turnkey solution to its partner financial institutions. Virinchi handles client acquisition, provides technical and operational support, manages the Know Your Customer (KYC) process, initiates loan disbursements, and oversees the servicing and collection processes in close collaboration with the partner bank or NBFC.

These business models allow Virinchi to provide services within the Indian financial landscape, facilitating both customer-focused servicing and turnkey solutions for its partner financial institutions.

THE VIRINCHI ECO SYSTEM

CHALLENGES FACED AND RESPONDED

The Company has encountered challenges when dealing with payment processing & disbursements. This particularly is related to lower transaction success rate, leading to customer dissatisfaction. However, the Company has been actively working to address this issue in collaboration with its processing partners, and these efforts have been yielding positive results.

To mitigate reliance on any single processor and enhance transaction efficiency, the Company is

diversifying its payment processing options. This approach ensures that multiple payment processors are available to facilitate the same set of transactions.

Recent updates in digital guidelines by the Reserve Bank of India (RBI) present challenges and opportunities. According to these updated guidelines, RBI discourages the direct transfer of funds from a lender's account to a merchant's account for non-card-based businesses. Instead, RBI mandates that funds should be transferred to the customer's account first.

In response to these guidelines, the Company has adapted its platform. Now, when a transaction occurs, the customer receives the funds from the lender directly into their own bank account. From there, they can transfer the funds to the merchant's UPI linked bank account via the UPI intent process. This adjustment aligns with RBI's digital lending guidelines and ensures compliance with the regulatory framework.

The Company has been successful in adapting to and remaining in compliance with RBI's evolving regulations. These changes not only pose challenges but also offer opportunities to conduct business in a regulated and transparent manner, reinforcing the Company's commitment to do things the right way.

SECTORIAL OPPORTUNITIES

The potential within the vCard business is virtually boundless, particularly as we target the card-based credit segment in India. Currently, approximately 5-7% of the Indian population holds credit cards, while the majority use debit cards. However, there is a notable shift in behavior underway in India, with more people gravitating towards credit-based financial solutions. In 2023, about 86 Million credit cards are in usage in India with individuals holding multiple cards, marking a significant trend.

Virinchi recognises that there is substantial room for growth, even without necessarily adding new cardholders. By replacing existing debit cards and tapping into the expanding adoption of card-based financial transactions, coupled with the ongoing digitization efforts and India's vast population of 1.42 Billion, we anticipate a substantial increase in the number of credit card users. This projection depends on the proactive stance of the fintech industry. The industry has already witnessed substantial growth in the payment technology sector and is poised to experience significant expansion in the lending technology (lend tech) and insurance technology (insurance tech) segments.

Looking ahead, the Company has set a target of acquiring a Million new customers within the next five to seven years. Importantly, the market's potential is not a limiting factor; our growth trajectory will be driven by the quality of offerings and customer trust.

CAPITALIZING ON THE OPPORTUNITY

The Company has established a significant partnership with a prominent private sector bank based in Mumbai, India. This strategic collaboration underscores our commitment to expanding our reach and providing top-tier financial services. Additionally, we are actively exploring opportunities to partner with other banks, a move aimed at attracting a broader customer base.

In a noteworthy development, one of Virinchi's QFund customers' in the United States invested USD2 Million through a convertible debenture vehicle in one of our subsidiaries approximately 18 months ago. The trust in Virinchi to set up and operate a turnkey business in conjunction with a local NBFC is a testament to our capability. Our position stems from having a longstanding partner in one of Virinchi's QFund customers who has close to three decades of lending experience and Virinchi has over three decades of experience in the technology sector. This invaluable knowledge exposure places us on a trajectory that aligns with our vCard business objectives.

Currently, the Company boasts a substantial customer base of 25,000 customers that constitute both credit line and credit card customers sourced for the bank. The credit line business has an ongoing book of USD1 Million. In the credit line business, we have successfully disbursed of more than USD6 Million and when considering our banking customers, this figure increases to more than USD50 Million in total disbursements. Our strong foundation, reinforced by strategic partnerships, cutting-edge technology tools and deep industry knowledge, positions us exceptionally well to capitalise on

the burgeoning growth opportunities within our reach.

Over the past two years, we have pursued a controlled growth strategy, initially launching the credit line business within a machine learning model. The behavioral insights garnered from the initial 25,000 customers have proved invaluable in shaping the business model and targeting new customers. This proactive approach has not only reduced the likelihood of bad loans but also enhanced viability, ensuring a sustainable and prosperous future.

THE vCard USP

vCard offers a range of advantages, including user-friendly instant cash withdrawal options and detailed monthly statements. Customers can convert their expenditures into EMIs through the co-branded program and credit line program, adding flexibility and convenience.

vCard provides interest-free supplements, making it possible for users to avail themselves of interest-free credit for purchases (Rs. 1,000 to Rs. 5,000) within the credit line program. This opens a world of possibilities, as it creates a 24x7 operating system that enables fund transfers using a simple cell phone. The innovative features and capabilities of vCard make it a versatile and user-centric financial solution.



TECHNOLOGICAL DEVELOPMENTS, FY 2022-23

In terms of technological advancements, Virinchi's journey in vCard business has been organic, considering the short span of the vCard's existence. Virinchi initiated its vCard operations as a mobile-first credit platform and has since been actively expanding its network of partners. These partnerships encompass a diverse range of entities including credit rating agencies like TransUnion, payment processors like Cashfree and providers specializing in customer verification processes such as IDfy, Bureau, SurePass.

The inclusion and seamless integration of these strategic partners marked milestones in vCard's growth. These developments, coupled with the implementation of a machine learning model, played a pivotal role in enhancing the company's technological landscape and capabilities. vCard continues to evolve and adapt, leveraging technology to remain at the forefront of the financial services industry.

ACHIEVEMENTS, FY 2022-23

- The Company crossed more than 25,000 customers in the vCard segment between both its partners.
- The Company improved the business credit line model and updated itself with digital lending guideline issued by the Reserve Bank of India.
- The Company completed successful disbursements of more than USD 6 Million in the credit line segment and USD 50 Million of cumulative disbursements in the two segments as on March 31, 2023.

- The Company initiated the process to attract increased investments from the existing US based partners.
- The vCard platform demonstrated resilience, with its machine learning algorithms contributing to a reduction in non-performing assets over the course of the year.
- The Company continued the digital marketing outreach through multiple channels.

WAY FORWARD

The Company is committed to boost investments from US partners in the vCard business. The goal is to expand the customer base from 25,000 customers to 50,000 customers by the end of 2023-24.

This significant growth in our vCard and banking partner customer bases is expected to generate a ripple effect on our outstanding balance of the credit line business segment. This substantial increase in outstanding balances is poised to have a multi-fold effect on our revenues.



WHAT MAKES VCARD SPECIAL

Instant credit activation

Risk-based credit pricing

Small ticket credit limits

Alternate credit metrics

Bank and NBFC aggregation

Aadhar-based eKYC

Video KYC

Instant bank account analysis

Understanding of machine learning tools

The increasing optimism of our vCards business

144.3

Million, number of smartphones sold in India in 2022

86

Million, number of credit card holders in India as on April 2023

100

Million, expected number of credit card holders in India by early 2024

1.35

Billion, Number of Aadhar card holders as on January 2023

945

Million, Number of debit cards as on January 2023

8.6

Billion, Number of UPI transactions as of March 2023



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BUSINESS SEGMENT REVIEW

OUR IDC & IT SERVICES BUSINESS



45.07
Rs. Crore, Revenues in
FY 2022-23

-18.5
% Revenue growth in
FY 2022-23

26.2
Revenue as a % of IT
revenues



OVERVIEW

The United States dominates the global advanced software and information technology (IT) market, holding a significant one-third share, reinforcing its position as the world's largest technology hub. In 2023, the United States IT services market is estimated at USD 217.23 Billion which

could grow to USD 306.10 Billion by 2028, a compounded annual growth rate of 7.10% between 2023 and 2028.

To advance digital service delivery, the United States government enacted the 21st Century Integrated Digital Experience Act (21st Century

IDEA) in December 2018, which has established a regulatory framework mandating improvements and streamlining of digital services across all federal agencies. Furthermore, the United States allocated a substantial IT budget exceeding USD 58 Million in 2022, facilitating significant enhancements in the IT services landscape.

Virinchi, through its wholly-owned U.S. subsidiary KSoft Systems Inc., offers an extensive array of consulting and technology services. The company's IT services encompass enterprise applications and SMAC (Social, Mobility, Analytics, Cloud), drawing upon expertise in social media, mobility solutions, data analytics, cloud computing, package product services and application services. Virinchi's clientele primarily hails from the technology, telecom and banking sectors, contributing to more than 80% of its total revenues.



OUR CORE STRATEGY

Global expansion: The Company strategically leverages offshore resources in India, particularly for its mobility and application development capabilities, expanding its international reach.

Expertise in specialised domains: The Company boasts proficiency in cutting-edge technologies such as chatbots, machine learning, big data analytics and enterprise mobility. This expertise acts as a shield against market pricing fluctuations, ensuring the overall solution's resilience.

Consistent performance: The Company demonstrates unwavering

stability across its projects, customer relationships, revenue streams and profit margins, underpinning its reliability in the industry.

Client-centric approach: The Company's unwavering commitment to providing top-notch services results in enduring client partnerships, bolstering recurring revenues.

Innovative service portfolio: The Company offers technology-driven service solutions that propel its clients' businesses forward, making it an attractive choice for tech-savvy organizations.



OUR KEY STRENGTHS

The service division boasts a rich tapestry of industry exposure, complemented by its adeptness in various service delivery domains. These encompass ERP, mobility solutions, cloud services, digital marketing and custom application development, among others. The service division was designed to cater to a spectrum of project types including onsite, offshore and hybrid models.

Moreover, the captive internet data center capabilities serve as a robust foundation for venturing into the establishment of third-party data centers. Besides, the team's proficiency in mobile technologies

and analytics positions it favorably for the growth and expansion of this particular business segment.

WAY FORWARD

As COVID-19 diminishes, there is a growing anticipation of increased demand for on-site resources within the United States. The surge in consumer spending in the US has led to heightened lending by financial institutions which is expected to provide a significant boost to the data center industry as they play a pivotal role in supporting the operations of US Fintech Software as a Service (SaaS) business.

OUR DOWNSTREAM CLIENT PORTFOLIO

Banking

Consumer products

Engineering and construction

Education

Healthcare and life science

HR solutions

Insurance

Manufacturing

Mobility

NGO

Oil and Gas

Power

Retail/ apparel/ footwear

Technology

Telecommunications

Transportation & logistics

Utilities, consumer durables

Banking integration

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

Overview: The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about

6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 Trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

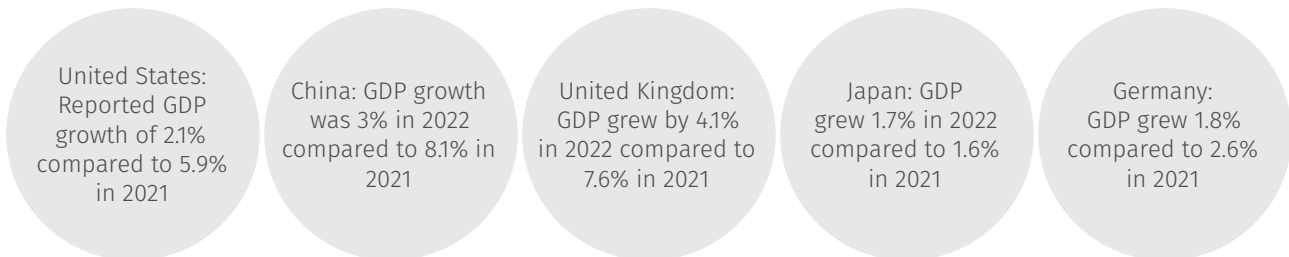
Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to USD55.3 Billion in April-December. The decline was even

sharper in the case of FDI inflows as equity: these fell 15% to USD36.75 Billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR(Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies



(Source: PWC report, EY report, IMF data, OECD data)

Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK and South Korea are not in a

recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession, and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved

global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

INDIAN ECONOMY

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity

market. India's economic growth is estimated at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become

the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 2019-20	FY 2020-21	FY 2021-22	FY2022-23
Real GDP growth (%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY 2022-23	Q2FY 2022-23	Q3FY 2022-23	Q4FY 2022-23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY 2023-24; Economy Projections, RBI projections)

India reported 8% higher rainfall over the long-period average in 2022. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 Million metric tons (MMT) in FY 2022-23 from 107 MMT in the preceding year. Rice production at 132 Million metric tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 Million hectares from 28 Million hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 Lakh hectares in FY 2021-22 to 109.84 Lakh hectares in FY 2022-23.

India's auto industry grew 21% in FY 2022-23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 Million units in FY 2022-23, crossing 3.2 Million units in FY19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3FY 2022-23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY 2022-23 was expected to be 4.2%

and a further drop is predicted to 3.8% in FY 2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY 2022-23 was estimated at 16.5% to USD714 Billion as against USD613 Billion in FY 2021-22. India's merchandise exports were up 6% to USD447 Billion in FY 2022-23. India's total exports (merchandise and services) in FY 2022-23 grew 14% to a record of USD775 Billion in FY 2022-23 and is expected to touch USD900 Billion in FY 2023-24. Till Q3 FY 2022-23, India's

current account deficit, a crucial indicator of the country's balance of payments position, decreased to USD18.2 Billion, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ Rs. 17.55 Lakh Crore and 6.4% of GDP for the year ending March 31, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from USD74.01 Billion in 2021 to a record USD84.8 Billion in FY 2021-22, a 14% Y-o-Y increase, till Q3FY 2022-23. India recorded a robust USD36.75 Billion of FDI. In FY 2022-23, the government was estimated to have addressed 77% of its disinvestment target (Rs. 50,000 Crore against a target of Rs. 65,000 Crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately USD70 Billion in 2022, primarily influenced by rising inflation and interest rates. Starting from USD606.47 Billion on April 1, 2022, reserves decreased to USD578.44 Billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from Rs. 75.91 to a US dollar to Rs. 82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY 2022-23, as measured by the Index of Industrial Production or IIP, grew

5.1% year-on-year as against a growth of 11.4% in FY 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8%.

In FY 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in RE 2022-23.

The total gross collection for FY 2022-23 was Rs. 18.10 Lakh Crore, an average of Rs. 1.51 Lakh a month and up 22% from FY 2021-22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to Rs. 1.6 Lakh Crore. For FY 2022-23, the government collected Rs. 16.61 Lakh Crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6% more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to Rs. 172,000 during the year under review, a rise of 15.8% over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of USD2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3% in FY 2022-23.

Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5% in April 2023.

India is expected to grow around 6-6.5% (as per various sources) in FY 2023-24, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could

revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in FY 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

UNION BUDGET FY 2023-24 PROVISIONS

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to Rs. 10 Lakh crores, equivalent to 3.3% of GDP and almost three times the FY 2019-20 outlay, through various projects like PM Gatishakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing

of Investments. An outlay of Rs. 5.94 Lakh Crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly Rs. 20,000 crores was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of Rs. 1.97 Lakh Crore was announced for production linked incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in

FY 2023-24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services

GLOBAL IT INDUSTRY REVIEW

The global information technology market enhanced from USD8,179.48 Billion in 2022 to USD8,852.41 Billion in 2023 at a compound annual growth rate (CAGR) of 8.2%. The increased IT spending along with widespread adoption of software-as-a-service and increased cloud-based offerings, reflecting the demand for IT services in the industry. An improved IT infrastructure has enhanced the threats related to data breaches, which is increasing the demand for advanced security solutions over the traditional ones. With the trend gaining momentum in the market, companies have initiated investments in resources increasing their advanced security offerings. The global information technology market is expected to grow to USD

11,995.97 Billion in 2027, growing at a CAGR of 7.9%.

With nearly 80% of digital components manufactured in Asia, the reliability and swift supply of parts and components pose a huge risk for US tech companies in the current market environment. In light of the supply chain threat posed by China's Covid issues and ongoing trade tensions, tech leaders are expected to consider exploring additional countries for manufacturing and sourcing of their products. The manufacturer's that possess a lion's share of the technology market are expected to explore other Southeast Asian countries and perhaps near shoring for sourcing components and assembling their products.

Worldwide IT spending is expected to reach USD4.7 Trillion in 2023, an increase of 4.3% from 2022. As CIOs continue to lose the competition for IT talent, they are shifting spending to technologies that enable automation and efficiency to drive growth at scale with fewer employees. Over the next five years up to 2025, global data creation is projected to grow to more than 180 zettabytes. In line with the strong growth of the data volume, the installed base of storage capacity is forecast to increase, growing at a CAGR (compound annual growth rate) of 19.2% over the forecast period from 2020 to 2025. In 2020, the installed base of storage capacity reached 6.7 zettabytes.

(Source: Globenewswire, Gartner)

VIRINCHI'S SERVICE OFFERING

The Company is a major leader in offering IT solutions to the retail micro lending in the USA. Over the years, the Company provided strategic end-to-end solutions in the areas of business analytics, artificial intelligence and enterprise mobility.

The Company handles end-to-end projects for various US clients across industries in the field of healthcare and financial technology. Moreover, the Company has expanded in the field of IT backed healthcare delivery in the recent years. Virinchi Hospitals

is a distinctive company through an exclusive and ultra-modern flexibility-backed patient care, assuring a consistent patient-doctor experience.

INDIAN HEALTHCARE INDUSTRY REVIEW

Healthcare is among India's largest sectors comprising hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The healthcare sector is picking up momentum due to increased coverage, improved services and enhanced expenditure by public as well as private players.

In India, the revenue in the healthcare market is projected to reach USD516.60m in 2023. The CAGR of the market is expected to be 10.36% from 2023-27, resulting in a projected market volume of USD766.40m by 2027. India's health

insurance sector is witnessing a remarkable expansion with a projected market size of USD 30,291.2 Million and a CAGR of 11.55% by 2030. The country's health insurance penetration remains low as NITI Aayog's survey revealed that only 18% of individuals in urban areas and 14% in rural regions have any form of health insurance coverage, making India join the countries with the lowest health insurance penetration rates globally, with a mere 0.4% compared to 4.1% in the U.S and 2.7% in France.

The preventive healthcare market in India was valued at Rs. 3.71 Trillion

in 2019 and is expected to reach Rs14.58 Trillion by 2025, expanding at a compound annual growth rate (CAGR) of 27.30% during 2020-25. Preventive healthcare refers to the branch of medicine that helps in the early detection of diseases, allowing patients access to prompt treatment. The digital healthcare market in India was valued at Rs. 524.97 Billion in 2021 and is expected to reach Rs. 2,528.69 Billion by 2027, expanding at a CAGR of 28.50% during the forecast period. (Source: Research and Markets, globenewswire, Market watch)

UNION BUDGET 2023-24

- The health sector has been allocated Rs. 89,155 Crore, a hike of around 13% over Rs. 79,145 allocated in FY 2022-23
- The government announced to set up 157 nursing colleges, providing a strong impetus to the robust healthcare ecosystem.
- The government announced to launch a mission to eliminate sickle cell anemia by 2047.
- The Indian government will invest Rs. 36,785 Crore in the National

Health Mission (NHM) during the FY 2023-24

- The government enhanced the allocation for Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) to Rs. 7,200 Crore, while Rs. 646 Crore has been allocated for the Ayushman Bharat Health Infrastructure Mission (PM-ABHIM).
- The budget allocation for National AIDS and STD control programme is expected to increase to Rs. 3,079.97 Crore during FY 2023-24, compared

to the revised estimate of Rs. 2,182.01 Crore for the year FY 2022-23.

- The government allocated Rs. 341.02 Crore as compared to Rs. 140 Crore allocated as per the revised estimate of FY 2022-23
- The All India Institute of Medical Sciences (AIIMS), New Delhi has been allocated Rs. 4,134.67 Crore under Budget 2023-24 as against Rs. 4,400.24 Crore under the revised estimate of 2022-23. (Source: Times of India, pharma biz.com)

GROWTH DRIVERS OF THE INDIAN HEALTHCARE SECTOR

Population: India's population has surpassed China in 2023 and is expected to reach 1.51 billion by 2030. Population growth is expected to catalyse the demand of Indian healthcare segment.

Increasing disposable income: India's per capita net national income increased by 35.12% to reach Rs. 272.41 Lakh in FY 2022-23 compared to Rs. 203.27 Lakh in FY 2021-22.

Increasing elderly population: A growing aging population is an emerging concern for both the countries. India's elderly population is expected to increase from 10.1% in 2021 to 13.1% in 2031, catalysing the needs of increased healthcare focus

in the coming decades. (Source: the citizen.in)

Medical tourism: Around 2 Million patients from 78 countries visit India every year for medical, wellness and IVF treatments. This generates USD6 Billion for the industry which is expected to reach USD13 Billion by 2026, receiving full support by the government's Heal in India initiative.

Robotic process automation: The demand for Robotic Process Automation (RPA) in India will increase at a CAGR of more than 20% in the next 6 years. It will help minimise the risk of human error and ensure that regulatory compliance requirements are met in clinical

trials, insurance claims and supply chain management.

Growing medical colleges: Until last year 2022, India had 648 medical colleges with a whopping 96% increase in the number of Government Medical Colleges (GMC) alone and a 42% increase in the private sector. The government approved 50 more medical colleges (30 government and 20 private) in 2023.

Healthcare insurance: India's health insurance market is expected to be USD 122.11 Billion in 2022 and is expected to reach USD 198.45 Billion by 2027, growing at a CAGR of 10.2% (Source: research and markets)

COMPANY'S OVERVIEW

Incorporated in 1990, the headquarters of Virinchi Limited is located in Hyderabad (India). Over the years, the Company has grown into a major global fintech,

technology services and healthcare company. With increased expertise in analytics, mobility and healthcare delivery business, the Company comprises three operating hospitals

with a pan-India healthcare mobility solution. The Company plans to expand its presence across North America.

Opportunities

- Government's proactive support for the healthcare sector
- Blockchain-as-a-Service used for decentralised and scalable IT infrastructure
- Growing number of IT companies moving workload to private and public clouds
- Adopting to ESG-driven clean technologies
- Companies adopting strict cyber security
- Technology being the cornerstone of the business

Threats

- Increasing cyber attacks
- Growing attrition of the IT industry
- Technological obsolescence

RISK MANAGEMENT

Customer risk: The Company might lose its customers due to inefficient services

Mitigation: The Company is focused to develop a customer-centric business environment. The Company addressed more than 25 Million customers in fintech in the US and more than 20 customers in the IT services space in FY 2022-23. The Company emerged as a market leader in the fintech space for the retail micro-credit industry.

Competition risk: Entry of new competitors might affect the company's market share

Mitigation: The Company incorporated best-rated technologies and developed facilities, ensuring them to offer quality services to its patients at a reasonable cost

Compliance risk: The Company might not be able to comply with the regulatory norms, resulting on penalties being levied.

Mitigation: Virinchi invests in people engagement initiative, increasing ownership and empowerment within the organisation. Moreover, the Company updated itself with the latest regulatory and compliance norms proposed.

Employee risk: Inability to maintain a safe work environment might affect people retention

Mitigation: The Company's employee strength stood at 460 as on March 31, 2023 while talent retention stood at 85% for FY 2022-23

Financing risk: The Company's inability to obtain funds at

competitive costs might hamper margins.

Mitigation: The Company's net worth stood at Rs. 407.10 Crore and total debt stood at Rs. 193.75 Crore as on March 31, 2023. The Company's gearing stood at 0.48 during FY 2022-23

Geographic risk: Overdependence on a specific geography might create an adverse impact on the financial health of the company.

Mitigation: The Company services clients across North America and generated 53.8% of its total revenues from exports in FY 2022-23

FINANCIAL OVERVIEW

Analysis of the Profit & Loss statement

Revenues: Revenues from operations reported a 14.3% decrease from Rs. 364.01 Crore in FY 2021-22 to Rs. 311.94 Crore in FY 2022-23. Other income of the Company accounted

for a 1.2% share of the Company's revenues, reflecting the Company's dependence on core operations.

Expenses: Total expenses of the Company decreased by 22.2% from Rs. 264.34 Crore in FY 2021-22 to Rs. 205.71 Crore in FY 2022-23.

Administrative expenses accounting for a 42.4% share of the Company's revenues, decreased by 33.4% from Rs. 131.02 Crore in FY 2021-22 to Rs. 87.24 Crore in FY 2022-23, owing to reduction in fixed costs of the Company.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased by 10.2% from Rs. 545.37 Crore as on March 31, 2022 to Rs. 600.85 Crore as on March 31, 2023 owing to a Rs. 36.54 Crore increase in net worth and Rs. 18.94 Crore increase in total debt. Return on capital employed, a measurement of returns derived from every rupee invested in the business, decreased by 66 basis points from 10.05% in FY 2021-22 to 9.38 % in FY 2022-23 .

Net worth and details of any change in Return on Net worth compared to the immediately preceding financial year

The net worth of the Company increased by 9.9% from Rs. 370.56 Crore as on March 31, 2022 to Rs. 407.10 Crore as on March 31, 2023, owing to an increase in reserves and surplus. Long-term debt of the Company increased by 8.6% to Rs. 120.42 Crore as on March 31, 2023 due to increase in borrowings for the construction of the oncology block.

Long-term debt-equity ratio of the Company stood at 0.30 in FY 2021-22 compared to 0.30 in FY 2022- 23. Finance costs of the Company increased by 26.2% from Rs. 26.21 Crore in FY 2021-22 to Rs. 33.09 Crore in FY 2022-23. The Company's interest cover stood at a comfortable 3.32 x in FY 2022-23 (3.91x in FY 2021-22).

Applications of funds

Fixed assets (Net) of the Company increased by 16.4% from Rs. 489.59 Crore as on March 31, 2022 to Rs. 569.94 Crore as on March 31, 2023. Depreciation and amortisation increased by 16.2% from Rs. 48.27 Crore FY 2021-22 to Rs. 56.07 Crore in FY 2022-23.

Investments

Non-current investments, loans and advances and other non-current assets decreased by 43.9% from Rs. 19.01 Crore in FY 2021-22 to Rs. 10.65 Crore in FY 2022-23.

Working capital management

Current assets of the Company increased by 5.8% from Rs. 194.67

Crore as on March 31, 2022 to Rs. 206.04 Crore as on March 31, 2023 owing to increase in short term loans and advances. The Current and Quick Ratios of the Company stood at 1.81 and 1.74, respectively in FY 2022-23, compared to 1.95 and 1.80, respectively in FY 2021-22. Inventories including raw materials, work-in-progress and finished goods among others decreased by 38.9% from Rs. 14.27 Crore as on March 31, 2022 to Rs. 8.71 Crore as on March 31, 2023 owing to an decrease in healthcare operations. Trade receivables decreased by 12.7% from Rs. 75.77 Crore as on March 31, 2022 to Rs. 66.18 Crore as on March 31, 2023. All receivables were secured and considered good. The Company's debtors' turnover cycle increased to 77.44 days of turnover equivalent in FY 2022-23 compared to 75.98 days in FY 2021-22. Cash and bank balances of the Company decreased by 16.1% from Rs. 36.60 Crore as on March 31, 2022 to Rs. 30.71 Crore as on March 31, 2023.

Key ratios and numbers

Particulars	FY 2022-23	FY 2021-22
EBITDA/Turnover (%)	34.8	27.9
EBITDA/Net interest ratio	3.32	3.91
Debt-equity ratio(x)	0.48	0.47
Return on equity (%)	3.27	3.78
Book value per share (Rs.)	48.67	46.72*
Earnings per share (Rs.)	1.56	1.84
Debtors' turnover (days)	83.05	76.60
Interest coverage ratio (x)	3.32	3.91
Current ratio (x)	1.81	1.95
Operating profit margin (%)	17.04	14.81
Net profit margin (%)	4.03	3.85

*There was a 1:1 bonus issue during the previous year

INTERNAL ECOSYSTEMS AND THEIR ADEQUACY

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational

structure of the Company and the Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the

Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board appointed Statutory Auditors.

HUMAN RESOURCES

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges

employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages

individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas.

CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain

assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of

external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent developments

Notice of Annual General Meeting

NOTICE is hereby given that the **34th Annual General Meeting** of the Members of the Company will be held on **Saturday, the 30th day of September, 2023, at 12.30 PM IST** through Video Conferencing / Other Audio Visual Means ("VC/OAVM") to transact the following business

ORDINARY BUSINESS:

Item# 1 To receive, consider and adopt:

- (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

Item# 2 To appoint a Director in place of Mr. M. V. Srinivasa Rao (DIN: 00816334) who retires by rotation, and being eligible, offers himself for re-appointment.

Explanation: Based on the terms of appointment, office of executive directors and the non-executive & non independent chairman are subject to retirement by rotation. Mr. M.V. Srinivasa Rao, who was appointed initially on 12th November, 2018, whose office is liable to retire at the ensuing AGM, being eligible, seeks re-appointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his re-appointment.

The members are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. M.V.Srinivasa Rao (DIN:00816334) who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation.

SPECIAL BUSINESS:

Item# 3 Re-appointment of Mr. Viswanath Kompella, Advisor of the Company

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

"RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and pursuant to Sections 179, 184, 188 of the Companies Act, 2013 ("Act") and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and on recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Viswanath Kompella, as Advisor of the Company, w.e.f 10th November, 2023 on the terms & conditions as detailed in the explanatory statement, annexed hereto and forming part of this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby severally authorized to perform and execute all such acts deeds and things as may be necessary including delegating such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental hereto."

Item#4

Re-appointment of Mr. M.V. Srinivasa Rao as Whole Time Director & CFO of the Company.

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and Regulation 17 of SEBI (LODR) Regulations, 2015 and as approved by the Nomination and Remuneration Committee and Audit Committee, consent of members be and is hereby accorded for re-appointment of Mr. M.V.Srinivasa Rao (DIN:00816334) as the Whole Time Director & CFO of the Company for a period of Five years w.e.f 12th November, 2023 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee.

“RESOLVED FURTHER THAT Mr. M.V. Srinivasa Rao, Whole Time Director & CFO will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges as any from time to time, be available to other Senior Executives of the Company.”

“RESOLVED FURTHER THAT during the tenure of 5 years of Mr. M.V.Srinivasa Rao (DIN No. 00816334), as Whole Time Director & CFO of the company, he shall be entitled to a remuneration including commission not exceeding 5% of net profit in financial year as may be decided by the Board from time to time in terms of the provisions of Section 197 read with 198 of the Companies Act, 2013.

“RESOLVED FURTHER THAT in the event in any financial year during his tenure, the Company does not earn any

profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay, remuneration in accordance with the limits as per the provisions of Schedule V of Companies Act, 2013”

Date: 30/08/2023

Place: Hyderabad

Virinchi Limited

Registered Office:

8-2-672/5&6, 4th Floor,

Road#1, Banjara Hills,

Hyderabad-500034

Telangana

CIN: L72200TG1990PLC011104

Email: investors@virinchi.com

Website: www.virinchi.com

**By Order of the Board
For Virinchi Limited**

**K. Ravindranath Tagore
Company Secretary**

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular No. 11/2022 Dated 28th December, 2022, 2/2022 dated 5th May, 2022, 02/2021 dated 13th January, 2021 read with General circulars No's 20/2020 dated 5th May, 2020, 17/2020 dated 13th April, 2020, 14/2020 dated 8th April, 2020 and also SEBI Circular dated 5th January, 2023, 13th May, 2022, January 15, 2021 and 12th May, 2020 (collectively referred hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 34th AGM of the Company is being held through VC.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2023. Members seeking to inspect such documents can send an email to investors@virinchi.com.
4. The relevant details as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, of directors proposed for appointment and seeking re-appointment is annexed hereto.
5. The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 24th September, 2023 to 30th September 2023 (both days inclusive).
6. Members holding shares in physical form may write to the Company/Company's R&T agents for any change in their address and bank mandates. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants.
7. Members are requested to send all communication relating to shares to the Company's R&T Agents (Physical and Electronic) at the following address: M/s. Aarthi Consultants Private Limited, Unit: Virinchi Limited, 1-2-285, Domalguda, Hyderabad-500 029 Email- info@arthiconsultants.com.
8. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, be transferred to the IEPF. The company has transferred the unpaid dividend for the year 2004-05, 2005-06, 2006-07, 2009-10, 2010-11, 2011-12 to IEPF.
9. The Certificate from the Secretarial Auditors of the Company under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended, will be available for inspection by the shareholders and is also available on the website of the Company at www.virinchi.com
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN and other details to the company's R&T Agents in accordance with SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018.
11. Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the R&T Agent of the company for assistance in this regard.
12. Pursuant to section 72 of the Act, shareholders are entitled to make a nomination in respect of shares held by them. Shareholders desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13, to the R&T Agent of the company. Further, shareholders desirous of cancelling/varying nomination pursuant to the rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the R&T Agent of the company.
13. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the Electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail.

14. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (“e-voting”) facility provided by the Central Depository Services India Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. G. Vinay Babu, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
15. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
16. Any person who acquires shares of the Company and becomes a Member of the Company after dispatching of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
17. In compliance with the Circulars, the Annual Report 2022-23, the Notice of the 34th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
18. The Scrutinizer will submit his report to the Chairman of the Company (‘the Chairman’) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the stock exchanges, CDSL, and RTA and will also be displayed on the Company’s website, www.virinchi.com
19. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
20. **CDSL e-Voting System – For Remote e-voting and e-voting during AGM:**
 - a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) by the Companies (Management and Administration) Amendment Rules, 2015 and Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 under Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 34th AGM. For this purpose, the Company has entered into an agreement with M/s. Aarthi Consultants Private Limited and Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 - b. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - c. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 - d. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

- e. In line with the Ministry of Corporate Affairs (MCA) Circular No. 11/2022, Dated 28th December, 2022, 2/2022, Dated 5th May, 2022, 17/2020 dated April 13, 2020, the Notice calling the 34th AGM has been uploaded on the website of the Company at www.virinchi.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

21. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The e-voting period commences on Tuesday, September 26, 2023 (9:00 a.m. IST) and ends on Friday, September 29, 2023 (5:00 p.m. IST). During this period, members holding share either in physical or dematerialized form, as on cut-off date, i.e. as on September 23, 2023 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 23, 2023.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities

are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdsindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for the relevant <Virinchi Limited > on which you choose to vote.
- x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING THE MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@virinchi.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@virinchi.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same

shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Note for Non – Individual Shareholders and Custodians-Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@virinchi.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill

Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Date: 30/08/2023

Place: Hyderabad

Virinchi Limited

Registered Office:
8-2-672/5&6, 4th Floor,
Road#1, Banjara Hills,
Hyderabad-500034
Telangana

CIN: L72200TG1990PLC011104

Email: investors@virinchi.com

Website: www.virinchi.com

**By Order of the Board
For Virinchi Limited**

**K. Ravindranath Tagore
Company Secretary**

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

Item# 3

Mr. Viswanath Kompella founded the Company in 1990 and served as Chairman & Managing Director. He stepped down from the Board of the Company in the year 2015 and continuing as Chairman Emeritus.

Under Mr.Viswanath Kompella's leadership, the Company transformed into the fastest growing, highest value creating entity by establishing long standing relationships across its wide spectrum of stakeholders with a reputation for trust, ethical standards and a passion for growth. The company is diversified into healthcare and established a multispecialty hospital in Hyderabad.

Owing to his deep business insight, relationships with global majors, the Company is keen on extending his services. Accordingly, the Board has requested him to extend his services as an advisor and guide the Company in future course of action to which Mr. Viswanath Kompella agreed.

The scope of the advisory services to be provided by Mr. Viswanath Kompella shall include advising the Board

and the Management with broad strategic aspects of the business, supporting in establishing and enabling relationships with external forums like industry chambers, institutions, government and other agencies on policy matters and in brand and image building of the Company apart from advising the Company's board on any other areas that the Board/ Management may seek his advice.

In terms of Section 188 of the Companies Act, 2013 read with Rules made thereunder, appointment to any office or place of profit in the Company at a monthly remuneration exceeding Rs. 2.50 Lakhs is subject to prior approval of the members. The Audit Committee in its meeting held on 30th August, 2023, has approved the proposal for re-appointment of Mr. Viswanath Kompella, Chairman Emeritus, as an Advisor of the Company and the same has also been discussed and approved by the Board in its meeting held on 30th August, 2023, subject to the approval of the members.

The Board recommends the same to the members for their approval by means of a Special Resolution

Information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of the Boards and its Powers) Rules, 2014:-

a)	Name of the Related Party	Mr. Viswanath Kompella
b)	Name of the Director or Key Managerial	No Director and KMP's are related to Mr. Viswanath Kompella
c)	Personnel who is related, if any:	Mr. Viswanath Kompella is the founder promoter of the company and forms part of the promoter group.
d)	Nature of Relationship	<p>Nature, material terms, monetary value of the contract or arrangement:- Nature of the Arrangement</p> <p>Mr. Viswanath Kompella shall advise/ suggest the Board/Company Management on:</p> <p>a) Matters of Corporate Strategy, new business opportunities.</p> <p>b) Be the sounding board for the Company on Company policies/ initiatives</p> <p>c) Representing and/or creating strong linkages for the Company on various trade and industry bodies, govt. and semi govt. organizations and other to promote Company's business.</p> <p>d) Building the Company's image and brand equity.</p> <p>e) Advice the Company's Board in any other areas that the Board/ Company Management may seek from time to time.</p> <p>Material Terms</p> <p>The re-appointment, if approved by members, shall be effective from 10th November, 2023 for another period of 5 years, renewable by the Board from time to time.</p> <p>The appointment can be terminated by either party by giving a 6 months, prior notice in writing to other party.</p>

		<p>Monetary Terms</p> <ol style="list-style-type: none"> 1. Payment of Fixed Fee/ Remuneration: Rs15,00,000/- (Fifteen Lakhs Only) per month(subject to statutory deductions and exclusive of applicable taxes). 2. Variable pay at 0.50% on consolidated turnover of the Company. 3. Reimbursements: All the expenses incurred on travelling, boarding, lodging etc. while performing advisory services for and on behalf of the Company shall be reimbursed on actual basis. 4. Facilities: Mr. Viswanath Kompella shall be provided requisite office facilities, chauffeur driven car and communication facilities to effectively perform his official duties for the Company.
e)	Any other information relevant or important for the members to take a decision on the proposed resolution	As required under the SEBI (LODR) Regulations, 2015, all persons belonging to promoters and persons acting in concert with promoters are termed as Related Parties and therefore, shall abstain from voting on the resolution.

Board Recommendation to shareholders:

None of the other Directors or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in this resolution, except to the extent of their respective shareholding in the Company, if any.

Draft Copy of the Appointment Letter to be issued in this regard will be available for inspection by the members at the registered office of the Company on all working days during business hours up to Saturday, 30th September, 2023.

Item#4

Mr. M V Srinivasa Rao is appointed initially as an Executive Director of the Company on 12th November, 2018. In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors and subject to approval of the members and in compliance with section 196 & 197 of Companies act, 2013 read with rules thereof and Schedule V of the Companies Act, 2013, Regulation 17 of the SEBI(LODR) Regulations, 2015, proposed for the re-appointment of Mr. M. V. Srinivasa Rao as Whole Time Director & CFO of the company for a period of 5 years from 12th November, 2023 to 11th November, 2028 on the remuneration, terms and conditions as recommended by the Nomination & Remuneration Committee. Your Directors recommend that the said resolution may be passed as a Special resolution. The details of remuneration payable to Mr. M V Srinivasa Rao and the terms and conditions of the appointment are given below:

Salary: Rs 4,83,333 /- per month. Upon approval by the members, a separate agreement to give effect to the above

terms will be executed by and between the Company and Mr. M V Srinivasa Rao.

The Board of Directors recommends the resolution in relation to the re-appointment of Whole Time Director & CFO, for the approval of the members of the Company. Notice has been received from member signifying their intention to propose appointment of Mr. M V Srinivasa Rao as Whole Time Director & CFO of the Company.

The disclosure under SEBI (LODR) Regulations, 2015 is provided at Annexure to this Notice. Except Mr. M V Srinivasa Rao and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4

Your Board recommends the resolution set out in Item No. 4 for approval of the members as Special resolution

Date: 30/08/2023

Place: Hyderabad

Virinchi Limited

Registered Office:
8-2-672/5&6, 4th Floor,
Road#1, Banjara Hills,
Hyderabad-500034
Telangana

CIN: L72200TG1990PLC011104

Email: investors@virinchi.com

Website: www.virinchi.com

**By Order of the Board
For Virinchi Limited**

**K. Ravindranath Tagore
Company Secretary**

Annexure

Details of the Directors retiring by rotation and seeking re-appointment / appointment at the Annual General Meeting pursuant to (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are as under:

Details of Directors proposed to appoint / re-appoint:

Name of the Director	M.V.Srinivasa Rao
Director Identification No	00816334
Date of Birth	08-04-1968
Age(Years)	55
Qualification	B.E (ECE), MBA, IIM, Ahmedabad
Brief Resume	31 years of experience in Management Consulting and Industry. Worked with Deloitte Touche Tohmatsu India Private Limited for 18 years and was in-charge of the Management Consulting practice for Hyderabad market for 11 years. Worked with Best & Crompton Engineering Projects Limited, an EPC company for 5 years in the area of corporate finance. Working with Virinchi Limited in the corporate group for close to two years. Experience spans across various verticals such as IT/ITES, Steel, Fertilizer, Cement, Pharmaceutical, Media & Entertainment, Healthcare and Education. Experience on horizontals spans across corporate finance and strategy & operations. Corporate finance experience includes corporate restructuring for value unlocking, mergers & acquisitions, business and brand valuations, equity & debt fund raising and corporate debt restructuring. Strategy & operations experience includes business strategy formulation and implementation, total cost management through shop floor workflow management, and supply chain management and performance improvement through streamlining of organizational systems and procedures and implementation of performance assessment & monitoring systems
Nature of expertise in specific functional areas;	Accounts, Finance, MIS, Planning and Budgeting and Audit/Assurance.
Disclosure of relationships between directors inter-se;	There is no relationship with other directors inter-se
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	No Directorships in listed Companies
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable
shareholding of directors in the listed entity, including shareholding as a beneficial owner	Not Applicable

Date: 30/08/2023

Place: Hyderabad

Virinchi Limited

Registered Office:

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CIN: L72200TG1990PLC011104

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Website: www.virinchi.com

**By Order of the Board
For Virinchi Limited**

**K. Ravindranath Tagore
Company Secretary**

Board's Report

Dear Members,

Your Directors have pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'Virinchi'), along with the audited financial statements, for the financial year ended March 31, 2023. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

FINANCIAL SUMMARY OR HIGHLIGHTS

The summarized standalone and consolidated financial results of your Company and its subsidiary are given in the table below:

Particulars	Rs. In Lakhs			
	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Total Income	31557.38	36693.92	13677.73	13249.75
Profit before finance Cost, Depreciation & Amortization, Taxation & Exceptional Item	10986.01	10260.16	3813.86	3637.38
Less: Finance Cost	3309.46	2621.45	806.99	542.51
Depreciation and Amortization Expenses	5607.36	4827.40	1616.05	1791.23
Profit before Tax & Exceptional items	2069.19	2811.31	1390.82	1303.64
Less: Exceptional items	0.00	0.00	0.00	0.00
Profit Before Tax	2069.19	2811.31	1390.82	1303.64
Less: Tax Expenses	797.60	1399.43	147.84	66.93
Profit before minority interest	1271.58	1411.88	-	-
Less: Minority Interest	(13.32)	(18.66)	-	-
Profit After Tax	1284.90	1430.54	1242.97	1236.71

SUMMARY OF OPERATIONS, STATE OF COMPANY'S AFFAIRS & FUTURE OUTLOOK

SUMMARY OF OPERATIONS:

CONSOLIDATED REVENUES:

The total consolidated income of the Company for the FY 2022-23 is Rs. 31557.38 Lakhs as against Rs. 36693.92 Lakhs in FY 2021-22.

STANDALONE REVENUES:

The total income of the Company for the FY 2022-23 is Rs.13677.73 Lakhs as against Rs. 13249.75 Lakhs in FY 2021-22.

CONSOLIDATED PROFITS:

Profit before Tax (PBT) stood at Rs. 2069.19 Lakhs as against Rs. 2811.31 Lakhs for the previous year.

Profit after Tax (PAT) stood at Rs.1284.90 Lakhs as against Rs. 1430.54 Lakhs for the previous year.

STANDALONE PROFITS:

Profit before Tax (PBT) stood at Rs.1390.82 Lakhs as against Rs. 1303.64 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs. 1242.97 Lakhs as against Rs. 1236.71 Lakhs for the previous year.

There have been no material changes and commitments, which affect the financial position of the Company which

have occurred between the end of the financial year (March 31, 2023) to which the financial statements relate and the dates of this report (August 30, 2023).

During the year under review, there is no change in nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

FUTURE PROSPECTS AND OUTLOOK

AMOUNTS TRANSFERRED TO RESERVES

The Board of the company has decided to carry Rs. 1242.97 Lakhs to its Reserves.

DIVIDEND

Your directors did not recommend any dividend on shares for this year

PERFORMANCE OF SUBSIDIARIES INFORMATION

Virinchi Healthcare Private Limited

Virinchi Healthcare Private Limited (VHPL) has three units in Hyderabad with a total operating bed capacity of 600 which can be enhanced to 800. The flagship hospital at Banjara Hills, Hyderabad with bed capacity of 400, delivers therapeutic care over 35 specialties. Virinchi has

a dedicated clinical team pursuing MoUs and medical partnerships with globally reputed institutions in the US, UK, China, Israel and other countries to deliver a unique 'Right to Science' program to make global medical innovations available to Indian patients to treat previously incurable conditions.

The flagship hospital is led by leading doctors in the country offering the best of therapeutic and diagnostic care through some of the Industry Leading Medical Infrastructure including 3T fMRI, Ceiling Mounted IVUS Cath Lab, Dual Energy 128 Slice CT, 11 Fully Equipped Operation Theatres & widest range of in-house diagnostic capabilities.

All three units obtained the license from ICMR to screen RNA based viruses and the license to treat Covid-19 patients from the District Medical & Health Office, Hyderabad.

FY 2022-23 was completely a non-Covid year with all the revenues coming from regular medical therapeutic streams. The revenue and EBIT were Rs. 135.16 crores and Rs. 24.39 crores respectively. While the healthcare revenue and EBIT in FY 2021-22 were Rs. 179.83 crores and Rs. 31.09 crores respectively. The revenue and EBIT in FY 2022-23 were low compared to FY 2021-22 as Q1FY22 had Covid income of Rs. 71.33 crores, while the average income per quarter the last six to seven quarters has been around Rs. 35 Cr.

Virinchi Learning Private Limited

We have successfully trained and placed 200 students under NSDC program this year. We are planning to partner NSDC on few more training programs to increase the training potential so that rural youth can make the most out of this program. We have developed training material for 10 courses, of which 7 courses are approved by NSDC and 3 are awaiting approval. There is a dedicated learning portal for the students who enroll in our training programs. We have partnered with reputed hospitals to provide placements to the candidates trained under our NSDC program. Our next year plan is to soon expand the program across Andhra Pradesh and Telangana, attain more number of placement partners, and train as many aspirants as possible.

KSoft Systems Inc

M/s. KSoft Systems Inc., is in the business of software development through on-shore/off-shore model, IT Consulting services and Internet Data Centers. M/s. KSoft Systems Inc., provides IT Consulting services to various clients in the US in the domains of SAP, Oracle and other technologies.

For the year under review the total income is Rs. 79.12 crores as against Rs. 71.35 crores in 2021-22 and the PAT is Rs. 9.77 crores as against Rs.9.05 Crores in 2021-22.

Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited (BSE). During the financial year 2023-24 we were listed on NSE also with effect from 3rd May, 2023. During the year under review, 1,00,00,000 Convertible Warrants were allotted to the promoters and 10,00,000 Convertible Warrants were allotted to public under the Chapter V of the SEBI (ICDR) Regulations, 2018 and 43,18,500 shares allotted to the employees of the company under various esop plans. Consequently, the Equity Share Capital of your Company increased from 7,93,20,468 Equity shares of Rs.10/-each to 8,36,38,968 Equity shares of Rs.10/- each

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares				
Share capital				
(a) Authorised Equity Shares of Rs.10/-each	15,00,00,000	150,00,00,000	15,00,00,000	150,00,00,000
(b) issued Subscribed and fully paid up: Equity Shares of Rs. 10/-each	8,36,38,968	83,63,89,680	7,93,20,468	79,32,04,680
	8,36,38,968	83,63,89,680	7,93,20,468	79,32,04,680

Reconciliation of Shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares				
Shares outstanding at the beginning of the year	7,93,20,468	79,32,04,680	3,69,93,567	36,99,35,670
Add: issued and allotted during the year				
i. Allotment of shares pursuant to VESOS,2016 &2018	43,18,500	4,31,85,000	14,00,000	1,40,00,000
ii. Allotment of shares under preferential issue guidelines	-	-	12,66,667	1,26,66,670
iii. Issue and allotment of Bonus Shares	-	-	3,96,60,234	39,66,02,340
Less; Shares bought Back during the year	-	-	-	-
Shares outstanding at the end of the year	8,36,38,968	83,63,89,680	7,93,20,468	79,32,04,680

Terms/Rights and restrictions attached to the Equity Shares:

The Company has only one class of Equity Shares having a face value of Rs.10/- . Each Shareholder is eligible for one vote per every share held.

Preferential Issue of Shares

During the year the company has taken approval from Shareholders to issue 2,00,00,000 warrants to Promoters and various strategic investors under the SEBI(ICDR) Regulations, 2018. The Company has applied to stock exchange for the in-principle approval and the same is received from them. On March 31, 2023, allotted 1,00,00,000 Convertible Equity Warrants to the promoters and on April 14, 2023 allotted 10,00,000 Convertible Equity Warrants to the Public Shareholder.

Composition of the Board as on March 31, 2023 and Details of Board meetings:

Sl. No	Name	Designation
1	M.V.Srinivasa Rao	Chairman & Whole Time Director, CFO
2	V. Satyanarayana	Vice-Chairman & Executive Director
3	K. Sri Kalyan	Non-independent and Non-Executive Director
4	K. Kalpana	Independent Director
5	K. Sunder	Independent Director
6	J. Suresh	Independent Director

Number of Board Meetings

During the year under review, 10 (Ten) Board meetings were held. The details are as under:

Sl. No	Date of Board Meeting	No. of Directors attended
1	May 20, 2022	6
2	July 12, 2022	6
3	July 25, 2022	6
4	August 29, 2022	6
5	October 20, 2022	6
6	November 9, 2022	6
7	November 23, 2022	6
8	January 27, 2023	6
9	February 8, 2023	6
10	March 31, 2023	5

Committees of the Board

The details of the Committees of the Board viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Stakeholders Relationship Committee are reported in the Report on Corporate Governance which forms part of the Board's Report.

Meeting of Independent Directors

The details of the Separate meeting of the Independent Directors are reported in the Report on Corporate Governance which forms part of the Board's Report.

Familiarization Programme for Independent Directors

The details of the familiarization programme for the Independent Directors are reported in the Report on Corporate Governance which is attached to the Board's Report.

DECLARATION BY INDEPENDENT DIRECTORS

K. Kalpana, K. Sunder, J. Suresh are independent directors on the board of your company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149(6) of the Companies Act, 2013 ("the Act") and the Rules made thereunder, and under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 about their status as Independent Directors of the Company.

Registration of Independent Directors with the Databank in the portal of Indian Institute of Corporate Affairs

Pursuant to notification dated 22nd October, 2019 of Ministry of Corporate Affairs all the Independent Directors have registered themselves as Independent Director in the portal of Indian Institute for Corporate Affairs (IICA).

Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year

During the year no independent directors are appointed. With regard to the proficiency, all the independent directors are exempted from taking the online assessment test as per the exemptions given by the Ministry of Corporate Affairs.

Changes in Directors and Key Managerial Personnel

Appointments:

During the year under there were no appointments made in the Board. However Ms. Kunda Kalpana, independent Director whose First Term expired on 27th August, 2022 has been re-appointed for another five years i.e till 27th August, 2022.

Cessations:

During the year under review Mr. Sundar Kanaparthi Resigned to the Office of Director and the cessation is effective from 1st April, 2023

Key Managerial Personnel

Mr.M.V.Srinivasa Rao, Whole Time Director & CFO, Mr. V. Satyanarayana, Vice Chairman & Executive Director and Mr. K. Ravindranath Tagore, Company Secretary are the Key

Managerial Personnel (KMP) of the company in terms of the provisions of the Act.

Retirement of Directors:

In accordance with the provisions of Section 152 (6) of the Act and the Company's Articles of Association, Mr. M.V. Srinivasa Rao, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Nomination and Remuneration Committee and the Board recommend his re-appointment for the approval of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. M.V.Srinivasa Rao has been given in the Notice convening the Annual General Meeting.

Policy on Directors Appointment and Remuneration

The details of Policy on Directors appointment and Remuneration (i.e. Nomination and Remuneration Policy), criteria for determining qualifications, positive attributes, independence of directors are included in Report on Corporate Governance forming part of the Board's Report.

The details of the remuneration paid to the whole Time and Executive Directors are given in the Corporate Governance Report.

Transfer of unpaid/unclaimed dividend and corresponding equity shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, dividend which remain unpaid or unclaimed for a period of 7 consecutive years will be transferred to the Investor Education and Protection Fund of the Central Government.

K. Ravindranath Tagore, Company Secretary is the nodal officer for the purpose of IEPF Rules.

Transfer of Shares to IEPF

As per Section 124(6) of the Companies Act 2013 all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund of the Central Government. The shareholders, whose shares are transferred to IEPF, can make an application to IEPF for the credit of shares to their account.

Annual Return:

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at www.virinchi.com

Particulars of Loans, Guarantees Or Investments By the company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to Financial Statements forming a part of this annual report.

Contracts or arrangements with Related Parties

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. The materially significant related party transactions with the Company's Promoters, Promoter Group, Directors, Senior Management Personnel or their relatives, which could have had a potential conflict with the interests of your Company have been carried out after the necessary approvals from shareholders. Please see the details of the same in form AOC-2 which is annexed as **Annexure-4**

Further all Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval for normal company transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal company transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

Your Directors have on the recommendations of the Audit Committee, adopted a policy to regulate transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The Company formulated the Policy on dealing with Related Party Transactions. The policy is placed at the Company's website: www.virinchi.com.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the board has carried out evaluation of its own performance, the performance of committees of the Board, namely Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee and also the Directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned out in the report on corporate Governance.

Corporate Social Responsibility Committee

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, the

Board of Directors of your Company have constituted a CSR Committee.

Composition as on March 31, 2023

Sl. No	Name	Designation	Chairman/ Member
1	K. Sunder*	Independent Director	Chairman
2	K. Sri Kalyan	Non-Executive Director	Member
3	M.V. Srinivasa Rao	Whole Time Director & CFO	Member
4	K. Kalpana**	Independent Director	Chairman

*Resigned with effective from 1st April, 2023

**Appointed with effective from 1st April, 2023

Terms of Reference

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

CSR Policy

The Company's CSR Policy is disseminated on the Company's website at www.virinchi.com. During the year 2022-23, 2 (Two) meetings of the Corporate Social Responsibility Committee were held.

CSR Expenditure during the year 2022-23

As per the Section 135(5) of the Companies Act, 2013, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial Year 2022- 23, the amount to be spent towards CSR activities works out to 33.37 Lakhs. The Company has spent Rs.33.75 Lakhs towards the CSR activities in the financial year 2022-23. The detailed Report, on the CSR Activities is annexed to Board's Report at **Annexure-2**.

Material Subsidiary

Virinchi Health Care Private Limited and KSoft Systems Inc., are the Material subsidiaries of the company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website at <http://virinchi.com/pdf/materialityPolicy.pdf>

Sexual Harassment Policy

The company as required under the provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 has framed a policy on Prohibition, Prevention and Redressal of

Sexual Harassment of women at workplace and matters connected therewith or incidental thereto. Internal complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, temporary, trainees) are covered under this policy.

- number of complaints filed during the financial year - NIL
- number of complaints disposed of during the financial year -NIL
- number of complaints pending as on end of the financial year - NIL

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

There are no applications made or any proceeding pending to report under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

During the year there is no one time settlements done with the Banks to report.

Governance Policies

At Virinchi, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Whistle Blower Policy
- Code of Conduct for Board of Directors and Officers of Senior Management
- Policy for determining materiality for disclosure
- Document Retention and Archival Policy
- Sexual Harassment Policy
- Policy for Determining material subsidiary

The link for accessing the above policies is <http://corporate.virinchi.com/policies.php>

Vigil mechanism / Whistle blower policy:

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. In staying true to

our values of Strength, Performance and Passion and in line with our vision, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board. Whistle Blower Policy is posted on company's website under following link <http://virinchi.com/pdf/whistleBlowersPolicy.pdf>

Risk Management Policy

Risk Management

Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks are being identified by a detailed study. Senior Management are analyzing and working in mitigating them through co-ordination among the various departments. Insurance coverage and personal accident coverage for lives of all employees are also being taken.

Your company puts in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Presentation to the Board of Directors and the Audit Committee is made on risk management. The Board and the Audit Committee provides oversight and review the risk management policy.

Internal Control Systems and Adequacy

Your company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies. The Company has a well-defined delegation of power and defined limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances.

Internal audit

In terms of Section 138 of the Companies Act, 2013 and the relevant Rules, the Company appointed M/s. K.L.V S Prasad Rao & Co Chartered Accountants as an Independent

Internal Auditor. The Internal Auditor directly reports to the Audit Committee.

Independent Auditors, their Report and Notes to Financial Statements

M/s. P. Murali & Co., Chartered Accountants, (ICAI firm Registration Number :007257S) were appointed as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 33rd Annual General Meeting (AGM) held on 28th September, 2022 until the conclusion of 38th AGM of the company to be held in the year 2027.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

Auditor's Certificate on Corporate Governance

As required under Regulation 34 (3) read with schedule V (E) of the SEBI (LODR) Regulations, 2015, Auditor's certificate on corporate governance is enclosed as **Annexure-7** to Board's Report.

Compliance with Secretarial Standards

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Secretarial audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. G.Vinay Babu, Practicing Company Secretary, to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure - 5**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended March 31, 2023, on compliance of all applicable SEBI Regulations and circulars / guidelines, issued by M/s. G. Vinay Babu., Practicing Company Secretary, was submitted to BSE Limited and NSE Limited.

Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited. The Annual Listing fee for the year 2023-24 has been paid to the stock exchange.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, based on the representations received

from the Operating Management, and after due enquiry, confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards had been followed and there are no material departures.
- b) The directors have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) We have prepared the annual accounts for the financial year ended March 31, 2023 on a going concern basis.
- e) The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended March 31, 2023.

Expiry of 3,50,00,000 convertible equity warrants

The company passed a special resolution for an issue of 3,50,00,000 convertible equity warrants of Rs.150/- (Face Value Rs.10 and Premium of Rs.140) through postal ballot and the process is successfully completed on 18th February, 2022 and the resolutions are approved by the shareholders with thumping votes. The BSE issue in-principle approval for the preferential allotment of convertible equity warrants. However Due to Russia's invasion triggered huge worries about global growth and inflation. The market conditions at the time of issue of Warrants and at the time of exercise is completely different and the proposed investors sent letters requesting for extension of time to subscribe the warrants as the market conditions are not suitable for them to raise the necessary funds. The company sent necessary application to BSE for the grant of extension of time . However the company has not received any extension of time and the said warrants expired on 6th April, 2022.

Significant and Material Orders Passed by the Regulators

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

Names of companies which have become or ceased to be, its Subsidiaries, joint ventures or Associate companies:

No company have become or ceased to be Subsidiary during the year. The company don't have any Joint Ventures & Associate companies to report.

Public Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Consolidated Financial Statements

Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013, the consolidated financial statements prepared as per companies Act, 2013 and applicable Accounting Standards, duly audited forms part of the Annual Report.

Consolidated financial statements incorporating the operations of the company, its subsidiaries are appended. As required under the provisions of the Act, a statement showing the salient features of the financial Statements of the subsidiaries is enclosed to this report.

The financial statements of the subsidiary companies will be made available to the members of the company and its subsidiary companies on request and will also be kept for inspection in the registered office of the company.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/Joint Ventures is given in Form **AOC-1** as **Annexure-3** which forms an integral part of this Report.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

Details about Employees Stock Option Scheme

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website and can be accessed at www.virinchi.com

Maintenance of Cost Records

The maintenance of Cost Records as specified by the Central Government under section 148(1) of Companies Act, 2013 is not applicable.

Report on Corporate Governance

Corporate Governance Report is set out as separate Annexure to this Report.

Management Discussion and Analysis Report

Management's Discussion and Analysis report for the year under review as stipulated under Regulation 34(2) (e) SEBI (LODR) Regulation, 2015 of the Listing Agreement with the stock exchanges is presented in a separate section forming part of the Annual report.

Statutory Information And Other Disclosures

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure -6** and forms an integral part of this Report. The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure '1'** and forms an integral part of this Report. A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The above Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members

who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

Acknowledgments

Your directors would like to place on record their appreciation of support, co-operation and assistance received from the company's clients, Central Government authorities, bankers, shareholders and suppliers. The board wishes to convey its appreciation for hard work, solidarity, cooperation and support put in by the company's employees at all levels in enabling such growth.

For Virinchi Limited

M.V. Srinivasa Rao

Chairman & Whole Time Director

DIN:00816334

Date: 30/08/2023

Place: Hyderabad

Annexure-1

Statement of Disclosure of Remuneration

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Director	Ratio(In X Times)
		M. V. Srinivasa Rao	8.08:1
		V. Satyanarayana	5.15:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of the Director	% increase in Remuneration
		M. V. Srinivasa Rao	Nil
		V. Satyanarayana	50.41%
		K. Ravindranath Tagore-Company Secretary	20.26%
3	The percentage increase in the median remuneration of employees in the financial year.	During FY 2022-23, the percentage Decrease in the median remuneration of employees as compared to previous year was approximately 3.17%	
4	The number of permanent employees on the rolls of Company.	There were 537 employees as on March 31, 2023.	
5	a) The Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year	a) Average increase in remuneration is 2.71% for Employees other than Managerial Personnel.	
	b) its comparison with the percentage increase in the managerial remuneration	b) There is no increase in the managerial remuneration during the year under review.	
	c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	c) Not Applicable	
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, It is confirmed.	

Note: The Independent Directors in the company does not receive any remuneration from the company apart from the sitting fees for attending board and committee meetings

For Virinchi Limited

M.V. Srinivasa Rao

Chairman & Whole Time Director

DIN:00816334

Date: 30/08/2023

Place: Hyderabad

Annexure-2

The Annual Report on CSR Activities For Financial Year Ended March 31, 2023

(Pursuant to Section 135 of the Act & Rules made there under)

1. Brief outline on CSR Policy of the Company.

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programmes / activities, excluding activities in its normal course of business.

2. Composition of CSR Committee: As on March 31, 2023

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sunder Kanaparthi*	Chairman/ Independent Director	2	2
2	M.V.Srinivasa Rao	Member/Whole Time Director	2	2
3	K. Sri Kalyan	Member/Non Independent-Non executive Director	2	2
4	K. Kalpana**	Chairman/ Independent Director	-	-

*Resigned with effect from 1st April, 2023

**Appointed with effect from 1st April, 2023

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Company has constituted CSR committee, CSR policy in accordance with provisions of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended there to. The details of Committee, CSR policy are available at <https://www.virinchi.com/pdf/virinchi-csr-policy.pdf>

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2019-20	Not Applicable	Not Applicable
2	2020-21	14,12,496.63	Nil
3	2021-22	6,40,246	Nil
4	Total	20,52,742.63	Not Applicable

6. Average net profit of the company as per section 135(5)- Rs. 16,68,50,020

7. (a) Two percent of average net profit of the company as per section 135(5)-Rs.33,37,000
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- Nil
- (c) Amount required to be set off for the financial year, if any- Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c).- Rs. 33,37,000

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
33,75,000	Nil	Not Applicable	Not applicable	Nil	Not applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Not Applicable												
Total		Not Applicable										

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Education Sanitation and Health care	Promoting Education among children & providing Health Care	No	Andhra Pradesh,	East Godavari Dt	6,00,000	No	Viswanadha Foundation	CSR00005612
2.	Education Sanitation and Health care	Promoting Education among children & providing Health Care	Yes	Telangana,	Hyderabad	14,75,000	No	Lopa Mudra Charitable Trust	CSR00005613
3	Education	Promoting Education	Yes	Telangana,	Hyderabad	13,00,000	No	The ICFAI Foundation For Higher Education Trust	CSR00047519
Total						33,75,000			

(d) Amount spent in Administrative Overheads- Nil

(e) Amount spent on Impact Assessment, if applicable- Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- 33,75,000

(g) Excess amount for set off, if any-Rs.38,000

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	33,37,000
(ii)	Total amount spent for the Financial Year	33,75,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	38,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	38,000

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.				Not Applicable			
Total				Not Applicable			

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
Not Applicable								
Total								Not Applicable

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

- (a) Date of creation or acquisition of the capital asset(s).- Not applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset.- Not applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).-Not applicable

For Virinchi Limited

Date: 30/08/2023

Place: Hyderabad

M.V. Srinivasa Rao
Whole Time Director&CFO
DIN: 00816334

K. Kalpana
Chairman-CSR committee
DIN: 07328517

Annexure-3 Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

PART - A

STATEMENT SHOWING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED March 31, 2023:

Amount in Rs.

S. No	As on 31.03.2023	Ksoft Systems Inc	Ofund Technologies Private Limited	Tyohar Foods Private Limited	Virinchi Learning Private Limited	Virinchi Media & Entertainment Private Limited	Virinchi Infra & Reality Private Limited	Virinchi Health Care Private Limited	Virinchi Asclepius Consulting & Technologies Private Limited	Tensor Fields Consultancy Services Private Limited	Virinchi Combinatorics & Systems Biology Private Limited	V23 Medical Solutions Private Limited	Virinchi Capital Private Limited
1	Share Capital	45,91,087	1,00,000	1,00,000	19,50,000	1,00,000	1,00,000	5,43,59,780	58,82,360	1,00,000	1,00,000	1,00,000	5,00,00,000
2	Reserves & Surplus	98,52,37,114	70,62,743	(1,03,76,733)	(2,33,11,600)	(58,21,732)	9,72,805	30,44,90,615	(2,43,53,922)	(2,57,06,476)	(3,74,075)	(1,03,274)	(78,04,965)
3	Total Assets	1,32,99,96,911	10,12,79,775	75,59,245	87,10,021	1,50,00,682	10,78,976	4,12,39,15,553	5,17,15,400	99,16,835	17,52,884	5,91,804	19,22,33,945
4	Total Liabilities	34,01,68,711	9,41,17,032	1,78,35,979	3,00,71,621	2,07,22,415	6,171	3,76,50,65,157	7,01,86,961	3,55,23,311	20,26,960	5,95,078	15,00,38,910
5	Investments	1,19,35,838	-	-	-	-	-	97,88,290	-	-	-	-	-
6	Turnover	79,11,67,957	-	17,57,820	7,298	18,62,874	9,75,898	1,35,58,22,491	5,17,597	3,94,24,010	15,81,203	8,79,947	2,66,14,243
7	PBT	12,21,54,140	(1,00,59,572)	(9,97,442)	(69,61,948)	(29,70,754)	1,084	(4,90,03,449)	(38,29,092)	1,83,84,423	(9,02,738)	(26,444)	20,48,875
8	Tax	2,44,30,828	(2,28,100)	1,30,011	2,31,464	11,804	271	3,68,53,305	(11,10,918)	46,27,359	-	-	30,101
9	PAT	9,77,23,312	(98,31,472)	(11,27,454)	(71,93,412)	(29,82,558)	813	(8,58,56,754)	(27,18,174)	1,37,57,064	(9,02,738)	(26,444)	20,18,774
10	Dividend	-	-	-	-	-	-	-	-	-	-	-	-
11	% of shareholding	100%	100%	100%	100%	100%	100%	100%	51%	100%	100%	100%	100%

PART - B

JOINT VENTURE/ASSOCIATE COMPANIES:

There are no joint ventures/ associate companies to report.

Notes referred to above form an integral part of the financial statements

As per our report of even date

For P. Murali & Co
Chartered Accountants
FRN: 0072575

For and on behalf of the Board of Directors of Virinchi Limited

M V Joshi
Partner
M. No. 020085
UDIN: 23024784BGVPLF3550

M.V.Srinivasa Rao
CFO & Wholetime Director
DIN: 00816334

V. Satyanarayana
Vice Chairman & Executive Director
DIN: 09070986

K.Ravindranath Tagore
Company Secretary
M.No. A18894

Place : Hyderabad
Date: 15/05/2023

Annexure-4

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

1. Details of contracts or arrangements or transactions not at arm's length basis

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2022-23.

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

(a) Name(s) of the related party and nature of relationship

Sl. No	Name of the Company	Relationship
1	Virinchi Health Care Private Limited	Wholly Owned Subsidiary
2	Virinchi Learning Private Limited	Wholly Owned Subsidiary
3	QFund Technologies Private Limited	Wholly Owned Subsidiary
4	Tyohar Foods Private Limited	Wholly Owned Subsidiary
5	Virinchi Infra and Realty Private Limited	Wholly Owned Subsidiary
6	Virinchi Combinatorics and Systems biology Private Limited	Wholly Owned Subsidiary
7	KSoft Systems Inc.,USA	Wholly Owned Subsidiary
8	Virinchi Media & Entertainment Private Limited	Wholly Owned Subsidiary
9	Tensor Fields Consultancy Services Private Limited	Wholly Owned Subsidiary
10	V23 Medical Solutions Private Limited	Wholly Owned Subsidiary
11	Virinchi Capital Private Limited	Wholly Owned Subsidiary
12	Asclepius Consulting & Technologies Private Limited	Subsidiary
13	Vivo Bio Tech Limited	Common Promoter and Director
14	Viswanath Kompella	Founder and Promoter Advisor Cum Chairman Emeritus

(b) Nature of contracts/arrangements/transactions

- Software Development, IDC Infrastructure, Cloud Hosting and consulting services with M/s. KSoft Systems Inc and Virinchi Capital Private Limited
- Loans & Advance to remaining subsidiaries.
- Contract with Mr. Viswanath Kompella, promoter and a shareholder holding more than 10% shareholding in the company

The scope of the advisory services to be provided by Mr. Viswanath Kompella shall include advising the Board and the Management with broad strategic aspects of the business, supporting in establishing and enabling relationships with external forums like industry chambers, institutions, government and other agencies on policy matters and in brand and image building of the Company apart from advising the Company's board on any other areas that the Board/ Management may seek his advice.

(c) Duration of the contracts/arrangements/transactions

The Contracts with M/s. KSoft Systems Inc and Virinchi Capital Private Limited are ongoing and will be perpetual.

Inter-company agreements entered into with subsidiary companies, as amended and ongoing. The lease agreement extended for another 11 months.

The appointment of Mr. Viswanath Kompella as advisor shall be effective from 10th November, 2018 initially for a period of 5 years, renewable by the Board from time to time.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

To provide IT Services to the client/customers as per agreement.

- The payment terms of each project as per the intercompany agreements entered with the respective subsidiaries.

2. The payment terms are like 25,000 per month for the leasing of Premises at Banjara Hills, Hyderabad and the value of the contract for the software development is Rs. 5 Crores.
3. Monetary Terms with Mr. Viswanath Kompella
 - a. Payment of Fee/ Remuneration: Not Exceeding Rs.5,00,00,000/- (Rupees Five Crores Only) per annum (subject to statutory deductions and exclusive of applicable taxes) which is payable as follows:
 - a) Fixed monthly Fee/Remuneration of Rs.15,00,000 (Rupees Fifteen Lakhs Only)
 - b) an annual variable incentive of 0.50% only on the consolidated revenues of the company.
4. Reimbursements: All the expenses incurred on travelling, boarding, lodging etc. while performing advisory services for and on behalf of the Company shall be reimbursed on actual basis.
5. Facilities: Mr. Viswanath Kompella shall be provided requisite office facilities, chauffeur driven car and communication facilities to effectively discharge his duties.

(e) Date(s) of approval by the Board, if any:

1. Not applicable as these are at arms' length basis and in the ordinary course of the business.
2. 20th August, 2020 is the date of board meeting on which the transaction of software development and consulting services with Vivo Bio Tech Limited is approved.
3. The Audit Committee in its meeting held on November 12, 2018, has approved the proposal for appointment of Mr. Viswanath Kompella, Chairman Emeritus, as an Advisor of the Company and the same has also been discussed and approved by the Board in its meeting held on November 12, 2018, and subsequently has been approved by the members through postal ballot. The company through postal ballot Notice dated 12th July, 2022 obtained approval of the members for revision in the remuneration limits.
4. **Amount paid as advances, if any:** Nil

For Virinchi Limited

M.V. Srinivasa Rao

**Chairman & Whole Time Director
DIN:00816334**

**Date: 30/08/2023
Place: Hyderabad**

Annexure -5
Secretarial Audit Report of Virinchi Limited
For The Financial Year Ended On March 31, 2023
Form No MR-3

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Virinchi Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Virinchi Limited. (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 my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year ended on March 31, 2023 (the audit period) 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing.
 - 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2021 ;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
- g. 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;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);**
- vi. Other laws applicable specifically to the Company namely:
 - a. Information Technology Act, 2000 and the rules made thereunder

- b. Software Technology Parks of India rules and regulations
 - c. Copyright Act, 1957
 - d. The Patents Act, 1970
 - e. The Trade Marks Act, 1999
2. During the year the Company has conducted 10 Board Meetings, 8 Audit Committee Meetings, 3 Independent Director's Meeting, 9 Nomination and Remuneration Committee and 2 Stakeholders Relationship Committee Meeting and 2 Corporate Social Responsibility Committee meetings . We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on meeting of the Board of Directors and General Meeting.
3. I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
4. I further report that the Compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals
5. I 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.
6. The Company has framed various policies and displayed the same on the company's website i.e., www.virinchi.com
 - Policy on Preservation of Documents
 - Whistle Blower Policy
 - Related Party Transaction Policy
 - Familiarization programme for Independent Directors
7. We further report that:-
 - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b. Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - c. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
 - d. 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.
 - e. We further report that during the year under report, the Company has not undertaken any event/ action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592E000888855

Place: Hyderabad
Date: 30/08/2023

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

Annexure to Secretarial Audit Report

To,
The Members,
Virinchi Limited
8-2-672/5&6, 4th Floor, Estate Road No.1,
Banjara Hills Hyderabad,TG 500034 IN

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

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

Place: Hyderabad
Date: 30/08/2023

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592E000888855

Secretarial Audit Report of Virinchi Health Care Private Limited

For The Financial Year Ended March 31, 2023

FORM NO MR 3

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
M/s. Virinchi Health Care Private Limited
Hyderabad.

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Virinchi Health Care Private Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2023 generally 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:

1. I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended March 31, 2023 ("Audit Period") according to the provisions of:
 - 1.1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - 1.2. The Secretarial Standards on the Meetings of the Board of Directors, Committees (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
2. I report that during the period under review the Company has substantially complied with Secretarial Standards on Board Meeting issued by the Institute of Company Secretaries of India.
3. In my opinion and as identified and informed by the Management, the Company has adequate systems to monitor and ensure compliance (including the process of renewal/fresh/pending applications with Government Authorities), the following laws are specifically applicable to the Company.
 - i. Atomic Energy Act, 1962
 - ii. Birth and Death and Marriage Registrations Act, 1886
 - iii. The Air (Prevention and Control of Pollution), Act, 1981
 - iv. The Water (Prevention and Control of Pollution), Act, 1981
 - v. Gas Cylinder Rules, 2016
 - vi. The Dentists Act, 1948
 - vii. Drugs and Cosmetics Act, 1940 and Rules made thereunder
 - viii. Epidemic Diseases Act, 1897
 - ix. ICMR Guidelines
 - x. Excise Permit (For Storage of Spirit) under Central Excise Act, 1956
 - xi. Legal Metrology Act, 2009
 - xii. Legal Metrology Rules, 2011
 - xiii. Medical Termination of Pregnancy Act, 1971
 - xiv. NACO Guidelines
 - xv. Narcotic Drugs and Psychotropic Substances Act, 1985
 - xvi. Hazardous Waste and other Wastes (Management and Transboundary Movement), Rules, 2016
 - xvii. Pharmacy Act, 2015

- xviii. Food Safety and Standards Act, 2006 and Rules made thereunder
- xix. Poisons Rules (State specific)
- xx. Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994
- xxi. Prevention of Illicit Traffic in Narcotics Drugs Act, 1988
- xxii. Prohibition of Smoking Act, 2008
- xxiii. The Static and Mobile Pressure vessels (Unfired) (Amendment), Rules, 2018
- xxiv. The Bio Medical Waste (Management and Handling) (Amendment), Rules, 2018
- xxv. Transplantation of Human Organs and Tissues Act, 1994 and Rules made thereunder
- xxvi. Clinical Establishments and Registration Act, 2010
- xxvii. National Building Code
- xxviii. Indian Medical Council Act 1956
- xxix. Fire Services Act 1999
- xxx. Minimum wages Act 1948
- xxxi. Employee Provident Fund Act 1952
- xxxii. Employee State Insurance Act 1948

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Acts, Rules, Regulations and Guidelines, as mentioned above.

4. We further report that:

- 4.1 Mr. Ravindranath Tagore Kolli, Company Secretary of the Company is also holding the position of Company Secretary & Compliance Officer in the holding Company M/s Virinchi Limited under Section 203 of the Companies Act 2013
- 4.2 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors physically to schedule the Board Meetings.

- 4.3 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- 4.4 Decisions at the meetings of the Board of Directors of the Company were taken unanimously. It is to be noted that for the Audit Period the following events not applicable:
 - i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
 - ii. Redemption / buy-back of securities
 - iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
 - iv. Merger / amalgamation / reconstruction, etc.
 - v. Foreign technical collaborations
- 4.5 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and advised the company to ensure the compliance of Secretarial Standards with true spirit.
- 5. I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except as stated above and in the Audit Report.

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592E000888943

Place: Hyderabad
Date: 30/08/2023

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

Annexure to Secretarial Audit Report of Virinchi Health Care Private Limited

To
The Members,
M/s. Virinchi Health Care Private Limited
Hyderabad.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 30/08/2023

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592E000888943

Annexure-6

Particulars of Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outflow Required Under Companies (Accounts) Rules, 2014

Conservation of Energy:

Company's operations require electrical energy for its use in air conditioning the premises, for power supply to computer systems and lighting which are not energy intensive. However, adequate measures have been taken to reduce energy consumption, wherever possible.

To decrease the carbon footprint, company transportation is extended to associates from different parts of the city; the occupation is 100% in all the buses on all the working days. Also, to conserve the natural resources, STP plan is installed and the waste water and solid material emitted out, after processing is being used for landscaping. The company has adopted laudable practices like reducing the carbon foot prints, maximizing the utilization of natural light and reducing the electric light fittings, reduction of size of work station partitions. use of recycled material for the work stations' wood boards, provision of task lights for every work station to minimize the power consumption, central control switch for entire work station and automated water control taps in the rest rooms. As part of energy conservation, LED lighting is being use for the new areas, which are undergoing interior renovation works.

Research and Development

Your company will continue to focus and invest in its R & D activities in software engineering, technologies and products. Your company leverages its excellence in technology for producing World Class Products and solutions. The continual exposure to new technologies has helped maintain high motivation levels in employees and to generate higher levels of productivity, efficiency and quality. Your company continues to give due importance to research and development to maintain its leadership in the field of leading edge technologies.

Foreign Exchange Earnings and Outgo:

Most of your Company's earnings are from the export of Computer Software and Services. In order to promote product sales and services, your Company participated in various exhibitions and carried product promotion activities.

Details of foreign exchange earnings and outgo during the year as follows:

Particulars	(Rs. in Lakhs)	
	FY 2022-2023	FY 2021-2022
Foreign Exchange Earnings	8019.12	6703.45
Foreign Exchange Outgo	Nil	Nil

Technology Absorption, Adaptation and Innovation

Your company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

To support its growth plans, the company continues to invest in global solutions that are configured consistently for its core business processes.

For Virinchi Limited

Date: 30th August, 2023
Place: Hyderabad

M.V. Srinivasa Rao
Chairman & Whole Time Director
DIN:00816334

Report on Corporate Governance

1. Company's Philosophy:

The Company believes that corporate governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for the effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders. Through its processes and independence of functioning, the Board of Directors of the Company provides effective leadership to the Company and its management for achieving sustained prosperity for all the stakeholders.

The Company is in compliance with the requirements of revised guidelines on Corporate Governance stipulated under SEBI (LODR) Regulations, 2015.

2. Board of Directors:

Composition and Category of Directors:

The Company has an Executive Chairperson cum Whole Time Director and one more Whole Time Director, and

to have a more professional outlook your company is having 3 Non- Executive Independent Directors and one Non-Independent and Non- Executive Director which composition is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

10 Board Meetings were held during the Financial Year 2022-23 and the gap between two Meetings did not exceed 120 days. **The dates on which the said meetings were held are as follows:**

May 20, 2022, July 12, 2022, July 25, 2022, August 29, 2022, October 20, 2022, November 9, 2022, November 23, 2022, January 27, 2023, February 8, 2023, March 31, 2023 The necessary quorum was present for all meetings.

Attendance of each Director at the Board Meetings and the last AGM and their Category

Name of the Director	Category	No. of Board Meetings Attended	Whether attended last AGM	No of Other Director - ships#	Committee Member-Ships	Committee Chairman -ship
M.V.Srinivasa Rao	Chairman & Whole Time Director	10	Yes	0	0	0
V. Satyanarayana	Vice Chairman & Executive Director	10	Yes	0	0	0
K. Sri Kalyan	Non Independent Non-Executive Director	10	Yes	1	2	0
K.Kalpana	Independent Non-Executive Director	10	Yes	1	4	-
J. Suresh	Independent Non-Executive Director	10	Yes	0	0	0
Sunder Kanaparthi	Independent Non-Executive Director	10	Yes	1	0	4

Directorships in other listed companies.

The following directors have Directorships in other Listed companies.

Ms. K. Kalpana is an Independent Non-executive Director in Vivo Bio Tech Limited.

Mr. Sunder Kanaparthi is an Independent Non-executive Chairman & Director and in Vivo Bio Tech Limited.

Mr. K. Sri Kalyan is a Whole Time Director & CFO in Vivo Bio Tech Limited

None of the directors are related to any other director on the board.

During the financial year 2022-23, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, has been placed before the Board for its consideration.

The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, section 8 companies, private limited companies, wholly owned subsidiaries.

In accordance with SEBI (LODR) Regulations, 2015, memberships/chairmanships of only the Audit Committee and Stakeholders Relationship Committees of all Public Limited Companies (Including Virinchi Limited) have been considered.

None of the directors on the board is a member of more than 10 committees or Chairman of more than 5 committees, across all companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the directors. All independent directors have provided an affirmation of their independence as required under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board also confirms that the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Training of board members

Non-executive directors who are inducted on the board are given an orientation about the company, its operations, services, details of subsidiaries and joint ventures, board procedures and processes and major risks and risk management strategies. The company ensures that directors are inducted through a familiarization process comprising, inter alia, their roles and responsibilities.

On their appointment, Independent directors are familiarized about the Company's operations and business. Interaction with the Business Heads and key executives of the company is also facilitated. Detailed Presentations on the business of each of the Processes are made to the directors. Direct Meetings with the Chairperson are further facilitated for the new appointee to familiarize about the company/its businesses and the group practices.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Newly inducted directors spend approximately a week at the time of their induction and interact with the Chairman, Whole Time Director & CFO, and other members of the senior management. They interact with the heads of all business units and other functional heads. They are provided a walk through among some of the centres of excellence and given a detailed understanding of the business and its operations. Directors are regularly updated on changes in

policies and programmes, laws and the general business environment. Details of the familiarization programme for Non-Executive Directors and their letter of appointment are published on the website of the company

Accordingly, your Company arranged technical sessions to familiarize the Independent Directors, the details of which are disclosed on the website of the company at <http://virinchi.com/pdf/familiarisation-programme-to-independent-directors.pdf>

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on July 25, 2022, November 23, 2022 to approve the scheme of amalgamation with Shri Shri Resorts Private Limited. They met on March 27, 2023, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

Details of skills/ expertise/ competence available with the Board

The Board comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the board and its committees.

The following skills/expertise /competencies have been identified for the effective functioning of the company and are currently available with the Board.

- Industry Knowledge & experience
- Corporate Finance, Taxation,
- Strategic Planning
- Legal & Risk Management
- Corporate Restructuring & Corporate Governance
- Global Business
- Leadership/operational experience.

Board of Directors	Industry Knowledge	Corporate Finance & Taxation	Strategic Planning	Legal & Risk Management	Corporate Restructuring & Corporate Governance	Global Business	Leadership/ Operational Experience
M.V.Srinivasa Rao	√	√	√	√	√	√	√
V. Satyanarayana	√	√	√	√	√	√	√
K.Sri Kalyan	√	√	√	√		√	√
Sunder Kanaparthy	√	√	√	√	√	√	√
K.Kalpana	√		√	√	√	√	√
J.Suresh	√	√	√	√	√	√	√

Resignation of Independent directors during the year

Mr. Sunder Kanaparthu Resigned from the Board and will be effective from 1st April, 2023

3. AUDIT COMMITTEE:

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations

During the year under review Eight (8) meetings were held for approval of Unaudited Financial Results and Audited results and to approval other matters. The constitution of the Committee and the attendance of each member of the Committee are given below:

Meeting Dates: 15th April, 2022, 20th May, 2022, 12th July, 2022, 25th July, 2022, 29th August, 2022, 9th November, 2022, 23rd November, 2022, 8th February, 2023,

Name of the Director	Designation	Nature of Directorship	Committee Meetings attended
K. Sunder	Chairman	Independent Non-Executive Director	8
K Sri Kalyan	Member	Non Independent Non Executive Director	8
K.Kalpana	Member	Independent Non-Executive Director	8

The Meetings of Audit Committee were also attended by the representatives of Statutory Auditor as Invitees. The Un-audited financial results for each quarter are recommended by the Audit Committee before passed on to the Board of Directors for approval and adoption.

Mr. Ravindranath Tagore Kolli is the Secretary of the Committee.

The primary responsibilities of the Audit Committee are to

- Financial reporting process
- Draft financial statements and auditor's report (before submission to the Board) Accounting policies and practices

- Internal controls and internal audit systems
- Risk management policies and practices
- Internal audit reports and adequacy of internal audit function.
- Oversee the Vigil Mechanism
- Oversee the implementation of Prohibition of insider trading Regulations

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan and fixation of audit fee and also approval of payment of fees for any other services.

In addition to the above, the detailed role of the Audit committee and review of information by audit committee is mentioned in the Part C of Schedule II of SEBI(LODR) Regulations, 2015.

4. Nomination and Remuneration Committee:

The terms of reference of the remuneration committee are as follows:

- 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.
- shall 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
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOPs, Pension Rights and any Compensation Payment.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.
- Recommend to the board, all remuneration, in whatever form, payable to senior management

In addition to the above, the detailed role of the Nomination and Remuneration committee and review of information by committee is mentioned in the Section A, Part D of Schedule II of SEBI(LODR) Regulations, 2015.

Meeting dates: 20th May, 2022, 16th June, 2022, 4th July, 2022, 12th July, 2022, 20th July, 2022, 3rd August, 2022, 29th August, 2022, 20th October 2022, 4th January, 2023.

The Nomination and Remuneration Committee is constituted as follows.

Name of Director	Designation	Nature of Directorship	Meetings attended
Sunder Kanaparthi	Chairman	Independent Non-Executive	9
K.Kalpana	Member	Independent Non-Executive	9
J.Suresh	Member	Independent Non-Executive	9

Remuneration policy:

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of Selection of Board of Directors and CEO & Managing Director and their remuneration.

This Policy is accordingly derived from the said Charter.

1. Criteria of Selection of Non-Executive Directors

- i. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of Technology, marketing, finance, taxation, law, governance and general management.
- ii. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of Independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties Effectively.
- iii. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- iv. The N&R Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Director:
 - a) Qualification, expertise and experience of the Directors in their respective fields;
 - b) Personal, Professional or business standing;
 - c) Diversity of the Board.
- v. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level

During FY 2022-23, the Board had also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the context of the business and sector applicable to the Company and those actually available with the Board. The Company has also mapped each

of the skills, expertise and competencies against the names of the Board Members possessing the same.

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

Board member Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees and executive/ non-executive/ independent directors through a peer evaluation, excluding the director being evaluated.

Independent directors have three key roles - Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- The Ability to contribute to and monitor our corporate governance practice.
- The ability to contribute by introducing international best practices to address business challenges and risks
- Active participation in long term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities, these include participation in Board and committee meetings.
- To improve the effectiveness of the Board and its Committees, as well as that of each individual director, a formal and rigorous Board review is internally undertaken on an annual basis.

Remuneration of Directors

Details of remuneration paid to the Directors during the financial year 2022-23 are as follows:

a. Executive Directors

Name	Salary	Benefits (perquisites)	Bonus	Pension	Commission	TOTAL
M.V.Srinivasa Rao	45,61,200	3,72,000	-	-	-	49,33,200
V. Satyanarayana	71,61,204	-	-	-	-	71,61,204
TOTAL						120,94,404

b. Non-Executive Directors

There were no pecuniary transactions with any Non-Executive Director of the Company

Non-Executive Independent Directors are paid sitting fee for attending the Board and Committee meetings. During the year, the sitting fees paid was as follows

Sl.No	Name of the Director	Sitting Fees	Shares held as on March 31,2023
1	Ms. K. Kalpana	1,20,000	Nil
2	Mr. J. Suresh	1,20,000	Nil
3	Mr. Sunder Kanaparthu	1,80,000	Nil

5. Stakeholders Relationship Committee:

- a) The Board constituted a stakeholders Relationship committee which looks into shareholders and investors grievances under the Chairmanship of Sunder Kanaparthu who is an Independent and Non- Executive director. He resigned due to personal reasons and the resignation will be effective from 1st April, 2023. There after the board appointed Ms. Kunda Kalpana as the Chairman of the committee. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The committee looks into shareholders complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- b) Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- c) The Board of Directors has delegated the power of approving transfer of securities to M/s. Aarthi Consultants Private Limited.

In addition to the above, the detailed role of the Stakeholders Relationship committee and review of information by committee is mentioned in the Section B, Part D of Schedule II of SEBI(LODR) Regulations, 2015.

Composition of the Committee:

Dates of Meetings: May 20, 2023, March 31, 2023

Name	Designation	Category	Attendance
Sunder Kanaparthu	Chairman	Independent Non-Executive Director	2

Name	Designation	Category	Attendance
K Sri Kalyan	Member	Non Independent Non Executive Director	2
K.Kalpana	Member	Independent Non-Executive Director	2

The total No. of Complaints received and complied during the year were; Opening: 0 Complaints

Received: 0 Complied:- 0 Pending: 0

The Complaints had been attended to within seven days from the date of receipt of the complaint, as communicated by our Registrars and Share Transfer Agents M/s. Aarthi Consultants Private Limited.

The outstanding complaints as on March 31, 2023 were: NIL

Name & Designation of the Compliance officer:

Mr.K.Ravindranath Tagore

Company Secretary, Chief Investor Relations & Compliance Officer

8-2-672 / 5 & 6, 4th Floor

Illyas Mohammed Khan Estate,

Road No. 1, Banjara Hills

Phone# 040-48199999 Email:investors@virinchi.com, www.virinchi.com

6. Corporate Social Responsibility Committee (CSR)

Corporate Social Responsibility (CSR) is an integral part of our culture and constantly seeks opportunities to give back to the society and hope to make a difference to the lives of people by sharing our business success with them.

The main objective of the CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable development of the environment and the society in which Virinchi operates in particular

and the overall development of the global community at large.

The role of the Corporate Social Responsibility Committee is as follows:

- i. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the company;
- ii. Recommending the amount of expenditure to be incurred on CSR activities of the company;
- iii. Reviewing the performance of the Company in the area of CSR;
- iv. Providing external and independent oversight and guidance on the environmental and social impact of how the company conducts its business;

v. Monitoring CSR policy of the company from time to time;

vi. Monitoring the implementation of the CSR projects or programs or activities undertaken by the company.

The CSR Committee comprises of three Directors viz.,

During the financial year 2022-23, the CSR Committee met Two times and all the members were present for the meeting.

Sl. No	Name of the Director	Designation	Attendance
1	K. Sunder	Chairman	2
2	K. Sri Kalyan	Member	2
3	M.V.Srinivasa Rao	Member	2

7) Details of Annual General Meetings:

a) Location and time of the last three AGM's.

Financial Year	Date & Time	Venue	Special Resolutions Passed
2021-22	28/09/2022 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34(VC/OAVM)	Yes
2020-21	28/09/2021 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34(VC/OAVM)	No
2019-20	28/09/2020 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34 (VC/OAVM)	Yes

b) Extraordinary General Meeting:

During the year the company has not conducted any EGM's.

c) Postal Ballot.

During the year, the Company approached shareholders three times through postal ballot to pass the following resolutions:

Special Resolutions passed on 13th August, 2022:

Description	No of votes polled	Votes cast in favour	Votes cast against	Invalid/abstain votes
Alteration of objects in the MOA	56,34,731	55,83,197	51,534	-
Re-appointment of Ms. Kunda Kalpana as Independent Director of the Company	57,94,731	55,78,937	2,15,794	-
Revision in Remuneration of Mr. Viswanath Kompella, Advisor of the company	38,62,457	36,75,559	1,86,898	-

Special Resolutions passed on 20th November, 2022

Description	No of votes polled	Votes cast in favour	Votes cast against	Invalid/abstain votes
Reclassification of status from "Promoter Group" Category to "Public" Category	13,00,740	12,44,508	56,232	-

Special Resolutions passed on 28th February, 2023

Description	No of votes polled	Votes cast in favour	Votes cast against	Invalid/abstain votes
Issue of 2,00,00,000 convertible equity warrants on preferential basis to certain identified promoter/ promoter group and non-promoter/ public persons and entities:	21,55,852	17,67,526	3,88,326	-

Mr. Naga Vivek Anand Tadimeti, Chartered Accountant in Practice was appointed as scrutinizer for the 1st Postal Ballot ended on 13th August, 2022 and for the remaining postal ballots, Mr. G. Vinay, Company Secretary in Practice was appointed as scrutinizer.

d) Procedure for postal ballot

Company conducts a postal ballot, where required, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and applicable regulations.

8. Means of Communication

i. Publication of Results

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the Company were generally published in Financial Express, national level English newspaper(s) and Nava Telangana, regional language newspaper circulating in the state of Telangana.

ii. Website and news release

The quarterly, half-yearly & nine months un-audited financial results and annual audited results are available on the website of the Company i.e. "www.virinchi.com". Official news releases, detailed presentations made to media, analysts, institutional investors, etc are available on the website of the Company i.e. www.virinchi.com. Official media releases are sent to BSE Limited. Your Company also make timely disclosure of necessary information to BSE Limited in terms of the Listing Regulation and other rules and regulation issued by the Securities and Exchange Board of India.

Further following information is available on the website of the Company i.e. www.virinchi.com:

- Details of business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various Committees of Board of Directors;
- Code of Conduct for Board of Directors and Senior Management Personnel;
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to Non-Executive Directors;
- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;

- Details of familiarization programs imparted to Independent Directors;
- Policy for determination of materiality of events.

Annual Report:

The Annual Report containing, inter alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to members and others entitled thereto.

Disclosures to Stock Exchanges:

The Company informs BSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

E-voting

Pursuant to the requirements of the Companies Act, 2013, and the SEBI Listing Regulations, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Dedicated e-mail ID

Investors@virinchi.com

9. General Shareholder Information :

Annual General meeting

Date: September 30, 2023

Time: 12.30 P.M

Venue: Not Applicable as the meeting is conducted through Video Conferencing / Other Audio Visual Means (VC)

Financial Calendar: Financial year April 1 to March 31

Tentative calendar for declaration of financial results in Financial Year 2023-24

Tentative calendar for declaration of financial results in Financial Year 2023-24

Results for the quarter ended June 30, 2023	on or before August 14, 2023
Results for the quarter ended September 30, 2023	on or before November 14, 2023
Results for the quarter ended December 31, 2023	on or before February 14, 2024
Results for the year ended March 31, 2024	on or before May 30, 2024

Book Closure dates:

The dates for book closure are from 24th September, 2023 to, 30th September, 2023 (both days inclusive).

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jee jee bhoj Towers, Dalal Street, Mumbai - 400 001

The listing fee for the financial year 2023-24 has been paid to the above stock exchange.

Stock Code & ISIN

Trading scrip code on BSE : 532372

International Securities Identification Number (ISIN)

ISIN is a unique identification number of traded scrip. The Company's' ISIN for equity shares is INE539B01017.

Market Price Data :

The Monthly high and low prices of your company's share at BSE for the year ended March 31, 2023 are as under:

Month	Highest (Rs.)	Lowest (Rs.)	Volume of Shares traded
April, 2022	63.80	42.30	29,25,696
May, 2022	43.25	30.05	42,08,209
June, 2022	38.85	24.75	28,36,656
July, 2022	46.40	33.10	67,37,485
August, 2022	55.15	39.50	69,83,804
September, 2022	55.45	42.50	63,11,448
October, 2022	49.00	35.00	24,86,481
November, 2022	51.60	35.30	38,70,101
December, 2022	49.30	35.10	1,21,62,702
January, 2023	42.95	31.90	87,63,009
February, 2023	42.80	34.10	55,63,693
March, 2023	39.48	31.25	93,13,998

Share price performance in comparison to broad based indices – BSE Virinchi Share Price Vs BSE

Particulars	Share price	BSE Sensex
As on April 1, 2022	61.30	59,276.69
As on March 31, 2023	37.49	58,991.52
Change (%)	-38.84	-0.48

Registrar and Share Transfer Agents, Share Transfer System

All queries and requests relating to share transmissions may be addressed to our Registrar and Transfer Agent. As regards transmission of shares held in physical form the transfer documents can be lodged with M/s. Aarthi Consultants Private Limited. Share transmission, if documents are found to be in order, are registered and returned within stipulated time from the date of receipt of the documents.

M/s. Aarthi Consultants Private Limited (Unit : Virinchi Limited)

1-2-285, Domalguda, Hyderabad Phone# 040-2763 4445, 2763 8111 Email: info@arthiconsultants.com

Distribution of Shareholding as on March 31, 2023

Sl. No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 – 5000	11661	67.42	18,12,946	1,81,29,460	2.17
2	5001 – 10000	2276	13.16	18,38,609	1,83,86,090	2.20
3	10001 - 20000	1394	8.06	22,28,547	2,22,85,470	2.66
4	20001 - 30000	481	2.78	12,45,818	1,24,58,180	1.49
5	30001 - 40000	326	1.88	12,05,227	1,20,52,270	1.44
6	40001 - 50000	197	1.14	9,24,502	92,45,020	1.11
7	50001 - 100000	447	2.58	33,42,303	3,34,23,030	4.00
8	100001 & Above	515	2.98	7,10,41,016	71,04,10,160	84.94
	Total:	17297	100	8,36,38,968	83,63,89,680	100.00

Dematerialisation of Shares and liquidity

The Company's shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31 2023, 8,34,59,610 equity shares forming part of 99.79% of the share capital are in demat form and 1,79,358 equity shares forming 0.21% of the share capital are in physical form. Dematerialization of shares is done through M/s. Aarthi Consultants Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Shareholding Pattern as on March 31, 2023

Sl. No	Description	No. of Shares	% of Total Capital
1	Promoter / Promoter group	3,46,45,465	41.42
2	Foreign Institutional Investors	3,00,000	0.36
3	Banks / Mutual Funds / NBFC	Nil	Nil
4	Bodies Corporate	92,61,684	11.07
5	Individuals / HUF	3,66,87,014	43.86
6	Directors and KMP	5,56,660	0.67
7	Non Resident Indians	17,83,635	2.13
8	Foreign Bodies	81,290	0.10
9	Central Government	2,49,094	0.30
10	Clearing Members / Trusts	74,126	0.09
	TOTAL	8,36,38,968	100.00

Dematerialisation of Shares and Liquidity as on March 31, 2023

Particulars	No. of Shares	% of Total
NSDL	6,09,52,712	72.88
CDSL	2,25,06,898	26.91
Physical	1,79,358	0.21
Total	8,36,38,968	100.00

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The company has allotted 1,00,00,000 convertible equity warrants on March 31, 2023 to promoters and 10,00,000 warrants to public on April 14th, 2023. They can be converted into equity shares with 18 months from the date of allotment. If all the warrants are exercised by the promoters within 18 months, the promoter holding will be increased from present 41.42% to 47.17%

Commodity Price Risk or foreign exchange risk and hedging activities.

The commodity price risk is not applicable to the company as it is the business of export of services.

Foreign exchange risks are tracked and managed within the Risk Management framework. Short-term foreign currency asset – liability mismatch is continuously monitored and hedged. The foreign exchange market is highly regulated and the Company ensures compliance with all the regulations

Plant Locations

The Company has Software Development facilities, the particulars of which are as follows:

City/Country	Address
Hyderabad/India	<ol style="list-style-type: none"> 1. <u>Sy.No</u> 121, Behind Hakimpet Airforce Academy, Pothaipally, Hakimpet, Hyderabad-500014 2. 8-2-672/5&6, , 1st to 7th Floors, Ilyas Mohammed Khan Estate, Road No.1, Banjara Hills, Hyderabad-500034
USA	<ol style="list-style-type: none"> 1. Green House, 7 South Main street , Suite E, Marlboro, NJ-07746 2. 145 N. CHURCH STREET, SUITE 124, SPARTANBURG, SC 29306 3. 400 Sugar Camp Dr, Dayton, OH, USA-45409

Address for Correspondence:

For queries relating to shares	For queries relating to Financial Statements and other contents of Annual Report
M/s. Aarthi Consultants Private Limited (Unit-Virinchi Limited) 1-2-285, Domalguda, Hyderabad. Phone # 040-27634445 / 27638111 Email : info@arthiconsultants.com	M/s. Virinchi Limited., 8-2-672/5 & 6, 4 th Floor, Ilyas Mohammed Khan Estate Banjara Hills, Road # 1, Above Kotak Mahindra Bank, Hyderabad - 500034. Phone # 040-48199999 Email : investors@virinchi.com

List of all credit ratings obtained by the entity along with any revision thereto:

Credit Rating of Virinchi limited is done by Acuité Ratings & Research Limited. They have assigned ACUITE BB+/Stable (Downgraded) for Long Term Loans availed and ACUITE A4+ (Downgraded) for short term borrowings and the same is valid till December 19, 2023.

Other Disclosures:

Related party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.virinchi.com.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions

are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

Disclosures on materially significant related party transactions, which may have potential conflict with the interest of the Company at large: There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. However, the other related party transactions form part of the financial statements. The related party transactions policy is available on the website of the Company at <http://www.virinchi.com/pdf/policyofRelatedPartyTransaction.pdf>

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

Year	Compliance Requirement	Deviations	Remarks
2022-23	Nil	Nil	Nil
2021-22	Nil	Nil	Nil
2020-21	Nil	Nil	Nil

Details of establishment of Vigil Mechanism (Whistle Blower policy)

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about

unethical behavior. No person has been denied access to the Chairman of the audit committee.

The Vigil Mechanism Policy is available on the website of the Company i.e. <http://www.virinchi.com/pdf/whistleBlowersPolicy.pdf>

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

Policy on Material Subsidiaries

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries.

The company has a material Indian subsidiary company viz. M/s. Virinchi Health Care Private Limited and has complied with the necessary compliances. However the company has M/s. KSoft Systems Inc. which is located in USA as its material unlisted foreign subsidiary company and is required to appoint Independent Director on the Board of its material subsidiary. Pursuant to regulation 16(1)(c) and Regulation 24 of the SEBI(LODR) Regulations, 2015 the Company has appointed Mr. Sunder Kanaparthi on the Board of Ksoft Systems Inc., and also Virinchi Health Care Private Limited as on March 31, 2023.

The financial statements of the subsidiaries are reviewed by the Audit Committee. The minutes of the meetings of the subsidiaries are placed before the Board of Directors of the Company, and the Board has periodically noted and reviewed all significant transactions entered into by the subsidiaries. Investment proposals beyond threshold values are executed by the subsidiary companies only after positive recommendation by the Board/ Executive Committee of the Company.

The policy for determining 'material' subsidiaries is available on <http://corporate.virinchi.com/policies.php>

Details of Utilisation of funds raised through preferential allotment.

During the year the company raised Rs10,50,00,000 (Ten Crores Fifty Lakhs Only) through the allotment of 1,00,00,000 Convertible Equity Warrants of Rs.10/- at

a premium of Rs.32/-. The proceeds of the preferential issue received by the company on the last day of March 31, 2023.

The Proceeds have been used in the year 2023-2024 for the purposes which are mentioned in the objects of the issue in the explanatory statement to the Resolution.

Recommendations of Committees of the Board

There were no instances during the financial year 2022-23 wherein the Board had not accepted the recommendations made by any Committee of the Board.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

During the year ended March 31, 2023, fees paid to the Statutory Auditors (P. Murali &CO) and its network firms are as follows:

Amount in Lakhs

Fees(Including Taxes)	Virinchi Limited to Statutory Auditors	Virinchi Limited to network firms of Statutory Auditors	Subsidiaries of Virinchi Limited to Statutory Auditors and its network firms
Statutory Audit	2.36	-	1.77
Certification and other attestation services	-	-	-
Non Audit Services	-	-	-
Outlays and Taxes	-	-	-

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013:

- Number of complaints filed during the financial year: Nil
- Number of complaints disposed of during the financial year: Nil
- Number of complaints pending as on end of the financial year: Nil

Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sl. No	Requirement	Status of Implementation
1	A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not applicable as the company has an executive chairman
2	A half-yearly declaration of financial performance including summary of the significant events in last six-months, maybe sent to each household of Shareholders	The Company is in the process of Implementing
3	The listed entity may move towards a regime of financial statements with unmodified audit opinion	The company has constantly endeavoured towards this and until now the company's audit reports are all 'clean reports/ unmodified opinions
4	The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer.	The offices of Executive Chairman and Managing Director & CEO are different
5	The internal auditor may report directly to the audit committee.	The Internal auditor directly makes a presentation to the Audit Committee and the internal auditor has the direct access to the Audit Committee

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

EQUITY SHARES IN DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015, the Company reports that No Equity Shares are lying in the suspense account as on March 31, 2023

CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company gave certification on financial reporting and internal controls for the financial year 2022-23 to the Board of Directors at their meeting held on May 15, 2023 , as required under regulation 17(8) of SEBI Listing Regulations. See **Annexure-8**.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them wherever applicable.

For Virinchi Limited

M.V. Srinivasa Rao
Chairman & Whole Time Director
DIN:00816334

Date: 30/08/2023
Place: Hyderabad

Annexure-7

Independent Auditors Certificate on Corporate Governance

To
The Members of
Virinchi Limited.

1. We, P.Murali & Co, Chartered Accountants, the Statutory Auditors of Virinchi Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes

issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2023.

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

Restrictions on Use

9. This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For P. Murali & Co
Chartered Accountants
FRN: 007257S

M.V.Joshi
Partner

M.No: A20592

Membership No:020085

UDIN: 23024784BGVPTR2994

Place: Hyderabad

Date: 30/08/2023

Annexure-8**Certification as required under Regulation 17(8) SEBI (LODR) Regulations, 2015**

**To
The Board of Directors
Virinchi Limited**

We, M.V.Srinivasa Rao, Whole Time Director & CFO, V. Satyanarayana, Vice Chairman & Executive Director of Virinchi Limited to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
 - b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
 - c) We accept responsibility for establishing and maintaining internal controls for financial reporting
- and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Statutory Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Virinchi Limited

**Place: Hyderabad
Dated: 15/05/2023**

**M.V. Srinivasa Rao
Whole Time Director & CFO
DIN: 00816334**

**V. Satyanarayana
Vice Chairman & Executive Director
DIN: 03137506**

Annexure-9

Certificate of Non-Disqualification Of Directors

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

To,
The Members of
Virinchi Limited
8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate
Road #1, Banjara Hills, Hyderabad-500034

I G. Vinay Babu, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Virinchi Limited having CIN L72200TG1990PLC011104 and having registered office at 8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate, Road#1, Banjara Hills, Hyderabad-500034 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sl. No	Name of the Director	DIN	Date of appointment in Company
1	Mr. M.V.Srinivasa Rao	00816334	12-11-2018
2	Mr. K.Sri Kalyan	03137506	12-08-2013
3	Mr. V. Satyanarayana	09070986	22-02-2021
4	Ms.K.Kalpana	07328517	28-08-2017
5	Mr.Sunder Kanaparthi	00914869	26-06-2020
6	Mr. J. Suresh	08369715	28-02-2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

G. Vinay Babu
Company Secretary in Practice
M.NO: A20592
CP.NO: 20707
UDIN: A020592E000888921

Place: Hyderabad
Date: 30/08/2023

Declaration regarding compliance with the code of conduct and ethics

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Virinchi Limited Code of Business Conduct and Ethics for the year ended March 31, 2023.

For Virinchi Limited

M.V.Srinivasa Rao
Whole Time Director & CFO
DIN: 00816334

Place: Hyderabad
Date: 30/08/2023

Financial Statements

Independent Auditor's Report

To
The Members of
VIRINCHI LIMITED

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Virinchi Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on

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

Key Audit Matters

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

Depending on the facts and circumstances of the entity and the Audit, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>The Company has obtained leasehold Building by entering into lease agreement with individual parties attracting the adoption of Ind AS 116 "Leases".</p> <p>Significant judgement is required in the assumptions and estimates used in order to apply the definition of lease, application of discount rate, and lease term for computation of ROU asset and lease liability.</p> <p>We considered this a key audit matter due to the inherently judgmental nature to determine the lease liabilities.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the Company's adoption of Ind AS 116 and identified the internal controls including entity level control adopted by the Company for accounting, processes and systems under the accounting standard; ▪ Assessed the discount rates applied in determining lease liabilities; ▪ We assessed and evaluated the reasonableness of lease terms used for computation of lease liabilities and right-of-use assets; ▪ We obtained the company's quantification of ROU assets and lease liabilities. We agreed the inputs used in the quantification to the lease agreements and performed re-computation of lease liabilities and ROU asset in accordance with the lease registration documents; ▪ We assessed whether the related presentations and disclosures within the financial statements are appropriate in compliance with the requirements of Ind AS 116 "Leases".

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), Cash Flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's

report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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**, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company have pending litigations, the liabilities in respect of which are disclosed as contingent liabilities - Refer Note 36 of the Notes on accounts to the standalone financial statements. The Company has disclosed the impact of pending litigations

- on its financial position in its standalone financial statements;
- ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - vii. The company has not declared or paid any dividend during the year.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

M V Joshi
Partner

Place: Hyderabad
Date: 15/05/2023

M.No: 024784
UDIN: 23024784BGVPLT9267

Annexure “A” To the Independent Auditor’s Report

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

i. In respect of the Company’s Property, Plant & Equipment and Intangible assets:

(a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.

2. The company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, PPE have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment or intangible assets during the period under review.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

ii. (a) The Company is in the business of providing software services and does not have any physical inventories.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been sanctioned working capital limits in excess of Rupees five crores, in aggregate, from its banker on the basis of security of Current assets. The quarterly returns/statement filed by the Company with the bank is in agreement with the books of account of the Company.

iii. (a) According to the information and explanations given to us and on the basis of our examination of the records the company, during the year the company has not made, except as stated below, any investments in, provided any guarantee or security or granted any loans or advances in

the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties

The Details of loans granted during the year and balance outstanding as at the balance sheet date of such loans is as under

(Rs. in Lakhs)	
Particulars	Loans
Aggregate amount granted/ provided during the year (Net) - Subsidiaries	3,407.66
Balance outstanding as at the Balance sheet date in respect of the above cases	18,501.28

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company, are not prejudicial to the interest of the Company

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) There are no Loans or advance in the nature of loan granted which has fallen due during the year which has been renewed or extended or fresh loans are granted to settle the overdue of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company had small delay in depositing the undisputed statutory

dues, including Provident Fund, Income-Tax (TDS), and other material statutory dues, as applicable, with the appropriate authorities.

- (b) There were undisputed amounts payable in respect of Provident Fund, Income-Tax (TDS), and other material statutory dues in arrears as at March 31, 2023 for a period of more than 6 months from the date they became payable.

Nature of Due	(Rs. in Lakhs)
Tax Deducted at Source	71.10
Provident Fund	86.06
Professional Tax	4.04

- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Goods and Service Tax, Customs Duty, Excise duty which have not been deposited with appropriate authorities on account any dispute except Income Tax as given below.

S. No.	Nature	Assessment Year	Amount of Dispute (Rs. in Lakhs)	Amount Deposited (Rs. in Lakhs)	Forum where it is pending
1.	Income Tax	2017-18	572.91	40.00	CIT(A)
2.	Income Tax	2017-18	268.77	Nil	CIT(A)
3.	Income Tax	2019-20	405.03	Nil	CIT(A)
4.	Income Tax	2013-14	7.89	Nil	CIT(A)

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act.

- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. The Company has not issued any debentures.
- (b) The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- (c) According to the information and explanations given to us, the Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).

- (b) During the year the company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the order is not applicable.

- xi. (a) According to the information and explanations given to us, No fraud by the company or on the company has been noticed or reported during the course of our Audit.

- (b) No Report has been filed in form ADT-4 with the Central Government as prescribed under Sub section (12) of Section 143 of the companies Act, 2013

- (c) According to the information and explanations given to us, The Company has not received any Whistle-blower complaints during the year.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such

related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.

- xiv. (a) In our opinion the company has an adequate internal audit system which commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were duly considered by us in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, based on our knowledge of
- the Board of Directors' and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and company is capable of meeting its liabilities existing at the date of balance sheet.
- xx. In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified under sec 135 of Companies Act 2013.
- xxi. In our opinion and according to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

M V Joshi
Partner

Place: Hyderabad
Date: 15/05/2023

M. No: 024784
UDIN: 23024784BGVPLT9267

Annexure “B” To the Independent Auditor’s Report

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

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **VIRINCHI LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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.

Auditor’s Responsibility

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

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

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

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

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 Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 Ind AS Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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 March 31, 2023, 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 P. Murali & Co.,
Chartered Accountants
FRN: 007257S

M V Joshi
Partner

Place: Hyderabad
Date: 15/05/2023

M. No: 024784
UDIN: 23024784BGVPLT9267

Standalone Balance Sheet as at March 31,

(Rs. in Lakhs)

Particulars	Note No	2023	2022
ASSETS			
1) NON CURRENT ASSETS			
Property, Plant and Equipment	1	5,468.37	6,128.28
Right of Use Asset	1	2,246.67	2,521.24
Capital Work-In-Progress	1	1,093.63	1,091.63
Goodwill	1	4,142.16	4,142.16
Other Intangible Assets	1	2,320.14	2,949.20
Financial Assets			
Investments	2	6,755.43	6,475.43
Loans and Advances	3	18,690.75	15,289.16
Other Financial Assets	4	194.80	187.80
Other Non-Current Assets	5	47.93	60.75
Total Non Current Assets		40,959.87	38,845.65
2) CURRENT ASSETS			
Financial Assets			
Trade Receivables	6	3,166.09	2,236.85
Cash and Cash Equivalents	7	1,801.36	1,408.25
Loans and Advances	8	1,390.52	309.53
Other Current Assets	9	1,018.84	1,241.42
Total Current Assets		7,376.81	5,196.04
Total Assets		48,336.68	44,041.69
EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	10	8,363.90	7,932.05
Other Equity	11	25,900.61	22,662.64
Total Equity		34,264.51	30,594.68
Liabilities			
(2) Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	3,728.30	3,188.95
Lease Liability	13	3,213.47	3,385.47
Other Non current Liabilities	14	301.02	264.12
Deferred Tax Liabilities (Net)	15	165.93	430.97
Total Non-Current Liabilities		7,408.72	7,269.51
(3) Current Liabilities			
Financial Liabilities			
Borrowings	16	5,006.14	4,966.10
Trade Payables	17	66.42	63.76
Provisions	18	1,590.90	1,147.64
Total Current Liabilities		6,663.46	6,177.50
Total Equity and Liabilities		48,336.68	44,041.69

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Joshi

Partner

M. No. 024784

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN: 09070986

K. Ravindranath Tagore

Company Secretary

M. No. A18894

Place : Hyderabad

Date: 15/05/2023

Standalone Statement of Profit and Loss for the Year ended March 31,

(All amounts are in Rupees in Lakhs, except share & per share data, Unless otherwise stated)

Particulars	Note No	2023	2022
Revenue from Operations	19	12,696.65	12,616.48
Other Income	20	981.08	633.28
Total Income		13,677.73	13,249.75
Expenses:			
Purchases		-	181.46
Employee Benefit Expenses	21	4,422.23	4,286.17
Depreciation	1	1,603.79	1,778.97
Amortization Expense		12.27	12.27
Finance cost	22	806.99	542.51
Administrative and Other Operating Expenses	23	5,441.64	5,144.75
Total Expenses		12,286.92	11,946.11
Profit Before Tax		1,390.82	1,303.64
Tax expense:			
(a) Current Tax		412.89	359.42
(b) Deferred Tax		-265.05	-292.49
Profit for the period		1,242.97	1,236.71
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income		1,242.97	1,236.71
Earning Per Equity Share (Par value of Rs.10 Each)			
(1) Basic		1.51	1.59
(2) Diluted		1.51	1.59

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No. 007257S

M. V. Joshi

Partner

M. No. 024784

Place : Hyderabad

Date: 15/05/2023

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

K.Ravindranath Tagore

Company Secretary

M. No. A18894

V. Satyanarayana

Whole Time Director

DIN: 09070986

Standalone Cash Flow Statement for the Year Ended March 31

(Rs. In Lakhs)

Particulars	2023	2022
A. Cash Flow from Operating Activities:		
Net Profit before taxation and extraordinary items	1,390.82	1,303.64
Adjustments for:		
Depreciation & Amortization	1,616.05	1,791.23
Finance Cost	806.99	542.51
Changes in Deferred Tax Asset/Liability	-265.05	-292.49
Operating Profit before Working Capital Changes	3,548.81	3,344.89
Change in Assets & Liabilities		
Trade and Other Financial Assets	-1,781.83	5,565.26
Trade and Other Financial Liabilities	522.87	1,991.89
Cash Generated from Operations	2,289.85	10,902.03
Interest paid on working capital loans	-127.42	-62.02
Taxation for the year	-147.84	-66.93
Net Cash (Used in) / Generated from Operating Activities	2,014.59	10,773.08
B. Cash Flow from Investing Activities:		
Purchase/(Sale) of Fixed Assets (Net)	-54.51	-872.06
Payment for Investments	-280.00	-20.00
Loans & Advances (net)	-3,401.59	-10,203.29
Net Cash used in Investing Activities	-3,736.10	-11,095.35
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	2,426.85	705.00
Interest and Finance cost	-679.57	-480.49
Long Term Borrowings	367.35	1,080.11
Net Cash Generated from Financing Activities	2,114.62	1,304.62
Net increase in cash and cash equivalents	393.12	982.35
Cash and Cash equivalents as at Beginning of the Year	1,408.25	425.90
Cash and Cash equivalents as at End of the Year	1,801.36	1,408.25

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No.007257S

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Joshi

Partner

M. No. 024784

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN: 09070986

K. Ravindranath Tagore

Company Secretary

M. No. A18894

Place : Hyderabad

Date: 15/05/2023

Standalone Statement of Changes in Equity for the year ended March 31, 2023

a. Equity Share Capital

(All amounts in Lakhs, except Share data and where otherwise stated)

Particulars	No. of Shares	Amount
Balance as at 31 March 2022	7,93,20,468	7932.05
Balance as at 31 March 2023	8,36,38,968	8363.90

b. Other equity

Particulars	Reserves and Surplus						Total
	Securities Premium	Share Options Outstanding	Share Warrants Forefeiture	Money Received against Share warrants	Loss on Slump Sale	Retained Earnings	
At March 31, 2021	12,849.27	509.08	393.30	-	-1,194.21	12,269.51	2,4826.95
Additions for the year	-3,007.72	-	-393.30	-	-	1,236.71	-2,164.31
Re-measurement Gains/ (Losses) on Defined Benefit Plans, net of Tax							-
Income-tax effect							-
Less : Leases						-	-
Balance as of March 31, 2022	9,841.54	509.08	-	-	-1,194.21	13,506.22	22,662.64
Additions for the year	945.00	-	-	1050.00	-	12,42.97	3,237.97
Re-measurement Gains/ (Losses) on Defined Benefit Plans, net of Tax							-
Income-tax effect							-
Less : Leases							-
Balance as of March 31, 2023	10,786.54	509.08	-	1,050.00	-1,194.21	14,749.20	25,900.61

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No. 007257S

M. V. Joshi

Partner

M. No. 024784

Place : Hyderabad

Date: 15/05/2023

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

K. Ravindranath Tagore

Company Secretary

M. No. A18894

V. Satyanarayana

Whole Time Director

DIN: 09070986

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2023

1. Corporate Information

Virinchi Limited, India (“Virinchi”) is an IT Products & Services company offering customized solutions to companies across the globe since 1990. Virinchi is a publicly held company listed on the BSE Limited, one of India’s largest stock exchanges, since the year 2000. Virinchi has developed & retained IP in several software products operating in supply chain management, alternate financial services, however, has had limited success in offering most of the solutions barring the software product for financial services where Virinchi has reached leadership position considering the market share of this niche industry. The Organisation is led by First Generation IIT/IIM Entrepreneurs and operates out of its Corporate Office at Banjara Hills, Hyderabad, India & US Head Quarters at Marlboro, New Jersey.

2. Significant Accounting Policies

(a) Statement of Compliance

The Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of Preparation

These Standalone Financial statements have been prepared in Indian Rupee (Rs.) which is the Functional Currency of the Company.

These Standalone financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS), under historical cost convention on accrual basis, except for certain Financial Instruments which are measured at Fair Value or amortised cost at the end of each reporting Period, as explained in the Accounting Policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

The statement of cash flows has been prepared under indirect method.

(c) Use of Estimates & Judgements:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

- i) **Income Tax:** expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.
- ii) **Current Income Taxes:** The company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.

Standalone Notes and other explanatory information to financial statements for the year ended March 31, 2023

- iii) **Deferred Income Taxes:** Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.
- iv) **Useful Life of Property, Plant and Equipment:** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(d) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company's revenues are derived from sale of services and recognized as per IND AS 115.

i) **Sale of Services:**

Service income is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

- ii) **Interest income** is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(e) Cost Recognition

Cost and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised into employee benefit expenses, depreciation and amortisation expense, Finance Cost and Administrative and other Operating expenses. Employee benefit expenses include Salaries including bonus, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Administrative and Other Operating expenses include Power & Fuel, Fees to external consultants, facility expenses, travel expenses, etc.

(f) Foreign Currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(g) Financial assets and liabilities

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Standalone Notes and other explanatory information to financial statements for the year ended March 31, 2023

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and Deposits.

Cash and Cash Equivalents includes as at 31st Mar 2023 and 31st Mar 2022 restricted cash and bank balances of Rs. 930.51 Lakhs and Rs. 982.95 Lakhs respectively. These restrictions are primarily on account of bank balance held as marginal money deposit against guarantees

Bank borrowings for working capital not considered as a part of Cash and Cash Equivalents.

i) Financial Assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

iii) Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

iv) Financial Liabilities:

Financial liabilities are measured at amortised cost using the effective interest method.

(v) Equity instruments:

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

(i) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

List of Contingent Liabilities are given below:

- Corporate guarantee extended to wholly owned subsidiary namely Virinchi Healthcare Private Limited for an amount of Rs. 88.38 crores and the outstanding liability as on March 31, 2023 is amounting to Rs. 56.26 crores.

Disputed Income Tax Liabilities :

S. No.	Nature	Assessment Year	Amount of Dispute (Rs. in Lakhs)	Amount Deposited (Rs. in Lakhs)	Forum where it is pending
1.	Income Tax	2017-18	572.91	40.00	CIT(A)
2.	Income Tax	2017-18	268.77	Nil	CIT(A)
3.	Income Tax	2019-20	405.03	Nil	CIT(A)
4.	Income Tax	2013-14	7.89	Nil	CIT(A)

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2023

(j) Investments in subsidiaries

Investment in subsidiaries are measured at cost.

(k) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Buildings	30
Plant and Machinery	15
Furniture & fixtures, Electrical Equipment	10
Vehicles	10
Office equipment	5
Computers	3

Depreciation is not recorded on capital work-in-progress until construction and or installation is complete and the asset is ready for its intended use.

(l) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets purchased are measured at cost as on the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Product Development: Salaries and other cost paid to resources working on new products are capitalized as intangible asset under the head "Product Development". Management has estimated life of this product is about 10 years subject to certain improvements to the same product/source code.

Computer Software: The company amortizes Computer software using the straight-line method over a period of 6 years.

(m) Impairment

i) Financial assets (other than at fair value):

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets:

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Standalone Notes and other explanatory information to financial statements for the year ended March 31, 2023

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(n) Employee benefits

i) Defined contribution plans:

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

ii) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, Bonus, Earned Leave etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors

(p) Lease

Current year effect on Lease Accounting:

- (i) Financial Charges on Lease Rs 200.10 Lakhs
- (ii) Amortization cost on Right of Use Asset Rs 274.57 Lakhs

Notes to financial statements for the year ended March 31, 2023

Note No : 1 (1)

The changes in the carrying value of property, plant and equipment are as follows

(Rs. in Lakhs)

Property, Plant and Equipment	Land	Buildings	Plant & Machinery	Electrical Equipment	Office equipment	Computer Hardware	Furniture and Fixtures	Vehicles	Total
Cost									
As at March 31, 2021	1,229.19	4,049.40	299.66	457.58	534.76	4,168.45	2,589.44	613.95	13,942.44
Additions	-	-	1.68	8.76	26.26	68.23	155.06	-	259.99
Disposals	-	-	-	73.54	19.74	-	51.67	-	144.95
As at March 31, 2022	1,229.19	4,049.40	301.34	392.81	541.28	4,236.67	2,692.83	613.95	14,057.48
Additions	-	3.02	2.75	3.21	36.41	6.82	65.35	196.25	313.83
Disposals	-	-	-	-	-	-	280.00	-	280.00
As at March 31, 2023	1,229.19	4,052.43	304.10	396.02	577.69	4,243.49	2,478.18	810.21	14,091.30
Depreciation									
As at March 31, 2021	-	938.39	152.60	352.86	402.71	3,323.25	1,681.97	333.54	7,185.32
Charge for the period	-	127.72	21.05	8.28	36.50	294.05	241.48	36.52	765.60
Disposals	-	-	-	17.03	2.99	-	1.70	-	21.72
As at March 31, 2022	-	1,066.11	173.65	344.10	436.23	3,617.30	1,921.75	370.06	7,929.20
Charge for the period	-	127.80	19.74	7.08	36.65	226.02	229.31	47.14	693.74
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	1,193.92	193.38	351.19	472.87	3,843.32	2,151.06	417.20	8,622.94
Net Block									
As at March 31, 2023	1,229.19	2,858.51	110.71	44.83	104.82	400.17	327.12	393.01	5,468.37
As at March 31, 2022	1,229.19	2,983.29	127.69	48.70	105.06	619.37	771.08	243.89	6,128.28

Note No 1 (2) : Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

(Rs. in Lakhs)

Particulars	Category of ROU asset		
	Buildings	Computers	Total
Balance as at April 1, 2021	2,737.32	292.26	3,029.58
Additions	-	96.83	96.83
Deletion	-	-	-
Balance as at March 31, 2022	2,737.32	389.09	3,126.41
Additions			
Deletion			
Balance as at March 31, 2023	2,737.32	389.09	3,126.41
Depreciation as at April 1, 2021	178.52	52.59	231.11
Charge for the period	178.52	195.54	374.06
Depreciation as at March 31, 2022	357.04	248.12	605.16
Charge for the period	178.52	96.05	274.57
Depreciation as at March 31, 2023	535.56	344.17	879.73
Net Block as at March 31, 2023	2,201.75	44.92	2,246.67
Net Block as at March 31, 2022	2,380.28	140.97	2,521.24

Notes to financial statements for the year ended March 31, 2023

Note No 1 (3) : Capital Work in progress

(Rs. in Lakhs)

Particulars	Capital Work in progress
As at March 31, 2021	1,091.63
Additions	-
Disposals	-
As at March 31, 2022	1,091.63
Additions	2.00
Disposals	-
As at March 31, 2023	1,093.63
Depreciation	-
As at March 31, 2021	-
Charge for the period	-
Disposals	-
As at March 31, 2022	-
Charge for the period	-
Disposals	-
As at March 31, 2023	-
Net Block	-
As at March 31, 2023	1,093.63
As at March 31, 2022	1,091.63

Note No 1 (4) : Intangible Assets

(Rs. in Lakhs)

Intangible Assets	Brands or trademarks or Goodwill	Computer software	Product Development	Total
As at March 31, 2021	4779.31	2671.74	5593.88	13044.93
Additions	-	42.45	583.76	626.21
Disposals	-	-	-	-
As at March 31, 2022	4779.31	2714.19	6177.65	13671.14
Additions	-	6.41	-	6.41
Disposals	-	-	-	-
As at March 31, 2023	4779.31	2720.60	6177.65	13677.56
Depreciation	-	-	-	-
As at March 31, 2021	637.15	1715.07	3588.25	5940.47
Charge for the period	-	319.76	319.55	639.31
Disposals	-	-	-	-
As at March 31, 2022	637.15	2034.83	3907.80	6579.78
Charge for the period	-	275.62	359.86	635.48
Disposals	-	-	-	-
As at March 31, 2023	637.15	2310.45	4267.66	7215.26
Net Block	-	-	-	-
As at March 31, 2023	4142.16	410.15	1909.99	6462.30
As at March 31, 2022	4142.16	679.36	2269.85	7091.36

Notes to financial statements for the year ended March 31, 2023

Note No: 2 Investments

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
1) Investment in Subsidiaries		
a) Equity Shares - 100% Holding in :		
Ksoft Systems Inc	45.91	45.91
Qfund Technologies Private Limited	1.00	1.00
Virinchi Learning Private Limited	186.00	186.00
Virinchi Media & Entertainment Private Limited	1.00	1.00
Tyohar Foods Private Limited	1.00	1.00
Virinchi Infra & Realty Private Limited	1.00	1.00
Virinchi Health Care Private Limited	5,959.58	5,959.58
Tensor Fields Consultancy Services Private Limited	1.00	1.00
Virinchi Combinatorics & Systems Biology Private Limited	1.00	1.00
V23 Medical Solutions Private Limited	1.00	1.00
Virinchi Capital Private Limited	500.00	220.00
b) Equity Shares - 51% Holding in :		
Asclepius Consulting & Technologies Private Limited .	30.00	30.00
	6,728.49	6,448.49
2) Investment in Mutual funds		
Canara Robeco Mutual Funds	26.94	26.94
Total Investments in Mutual Funds	26.94	26.94
Total	6,755.43	6,475.43

Note No: 3 Loans and Advances

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Advances to Subsidiaries	18,690.75	15,289.16
Total	18,690.75	15,289.16

Note No: 4 Other Financial Assets

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Security Deposits	194.80	187.80
Total	194.80	187.80

Note No: 5 Other Non Current Assets

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unamortised Expenses	47.93	60.75
Total	47.93	60.75

Note No: 6 Trade Receivables

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unsecured, Considered Good		
Less than 6 Months	2,680.87	2,090.59
Other Receivables	485.22	146.26
Total	3,166.09	2,236.85

Notes to financial statements for the year ended March 31, 2023

Trade Receivables ageing schedule as on March 31, 2023 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,680.87	485.22	-	-	-	3,166.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as on March 31, 2022 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,090.59	146.26	-	-	-	2,236.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note No: 7 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
a) Balance with Banks		
On Current Accounts	846.63	420.82
b) Cash on hand	24.23	4.48
Sub Total	870.86	425.30
Other Bank Balances		
On Deposit Accounts	930.51	982.95
Sub Total	930.51	982.95
Total	1801.36	1408.25

Note No: 8 Loans and Advances

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unsecured, Considered Good		
With Others	1,390.52	309.53
Total	1,390.52	309.53

Note No: 9 Other Current Assets

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Travel & Other Advances	577.30	775.06
Deferred Financial Charges	33.57	34.40
Advance Tax & TDS Receivable	253.73	370.54
GST	154.22	61.41
Total	1,018.84	1,241.42

Notes to financial statements for the year ended March 31, 2023

Note No: 10 Equity Share Capital

Particulars	Nos.	Amount in Lakhs
Authorised:		
15,00,00,000 Equity Shares of Rs.10/- each. (15,00,00,000 Equity Shares in Previous Year)	15,00,00,000	15000.00
IssueAd Subscribed & Paid Up Share Capital:		
Subscribed & Fully Paid Up:		
As at 31st Mar 2021	3,69,93,567	3699.36
Add: Warrants Conversion	12,66,667	126.67
ESOP's Alloted	14,00,000	140.00
Bonus Issue	3,96,60,234	3966.02
As at 31st Mar 2022	7,93,20,468	7932.05
Add: ESOP's Alloted	43,18,500	431.85
Total As at 31st Mar 2023	8,36,38,968	8363.90

Reconciliation of Shares Outstanding at Beginning and End of the Reporting Year

Equity Shares	March 31, 2023		March 31, 2022	
	No's	Amount in Lakhs	No's	Amount in Lakhs
As at Beginning of the Year	7,93,20,468	7932.05	3,69,93,567	3699.36
ESOP's Allotted During the Year	43,18,500	431.85	14,00,000	140.00
Warrants Converted to Equity Shares	-	-	12,66,667	126.67
Bonus Issue	-	-	3,96,60,234	3966.02
As at End of the Year	8,36,38,968	8363.90	7,93,20,468	7932.05

Details of Share Holders Holding More than 5% Shares in the Company

Name of the Share Holder	March 31, 2023		March 31, 2022	
	Nos	% of Share Holding	Nos	% of Share Holding
Mr. Viswanath Kompella (Promoter)	1,36,68,350	16.34	1,36,68,350	17.23
Mr. Ramakrishna Paramahansa Kompella (Promoter)	43,41,250	5.19	43,41,250	5.47
Ms. Lopa Mudra Kompella (Promoter)	40,21,250	4.81	40,21,250	5.07
Ms. Kompella Modini (Promoter)	40,21,250	4.81	40,21,250	5.07
PKI Solutions Private Limited (Promoter)	40,00,000	4.78	52,71,210	6.65

Note No: 11 Other Equity

Amount in Lakhs

Particulars	Securities Premium	Share Options Outstanding	Share Warrants Forefeiture	Money Received against Share warrants	Loss on Slump Sale	Retained Earnings	Total
As At March 31 ,2021	12,849.27	509.08	393.30	-	-1,194.21	12,269.51	24,826.95
Additions for the Year	-3,007.72	-	-393.30	-	-	1,236.71	-2,164.31
As At March 31 ,2022	9,841.54	509.08	-	-	-1,194.21	13,506.22	22,662.64
Additions for the Year	945.00	-	-	1,050.00	-	1,242.97	3,237.97
As At March 31 ,2023	10,786.54	509.08	-	1,050.00	-1,194.21	14,749.20	25,900.61

Notes to financial statements for the year ended March 31, 2023

Note No: 12 Borrowings

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Secured Loans		
Vehicle Loans	291.46	129.42
Term Loans from banks	4,164.00	2,805.40
Term Loans from Institutions Other than banks	468.63	1,308.35
Less: Current Maturities	-1,195.79	-1,054.22
Total	3,728.30	3,188.95

Note No: 13 Lease Liability

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Buildings, Computers & Software	3,213.47	3,385.47
Total	3,213.47	3,385.47

Note No: 14 Other Non current Liabilities

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Gratuity	301.02	264.12
Total	301.02	264.12

Note No: 15 Deferred Tax Liability (Net)

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Opening Deferred tax Liability	430.97	723.46
Add: Deferred Tax for the year	-265.05	-292.49
Total	165.93	430.97

Note No: 16 Borrowings

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Secured Loans		
a) From Banks	1,734.36	1,264.10
b) Current maturities of Non current borrowings :		
i) from Banks	970.38	839.20
ii) from Institutions other than Banks	225.40	215.02
Unsecured Loans		
a) Loans from subsidiaries	2,076.00	2,647.79
Total	5,006.14	4,966.10

Note No: 17 Trade Payables

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unsecured Trade Payables		
Outstanding dues of Micro, Small and Medium enterprises		
Outstanding dues of creditors other than Micro, Small and Medium enterprises	66.42	63.76
Total	66.42	63.76

Notes to financial statements for the year ended March 31, 2023

Note No: 17 Trade Payables (Contd.)

Trade payables ageing schedule for the year ended as on March 31, 2023 :

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	66.42	-	-	-	66.42
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Trade payables ageing schedule for the year ended as on March 31, 2022 :

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	63.76	-	-	-	63.76
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Note No: 18 Provisions

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
a) Employee Benefits	523.02	362.12
b) Taxes	1,067.87	785.52
Total	1,590.90	1,147.64

Note No: 19 Revenue From Operations

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Revenue from Operations	12,272.32	10,912.73
(b) Other Operating Revenues	424.33	1703.74
Total	12,696.65	12,616.48

Note No: 20 Other Income

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Interest Income	757.45	426.48
(b) Other Non-Operating Income (Incl. Forex gain)	223.63	206.79
Total	981.08	633.28

Note No: 21 Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Salaries & Wages	4,123.55	4,068.98
(b) Contribution to Provident & Other Funds	172.63	154.23
(c) Staff Welfare Expenses	126.05	62.96
Total	4,422.23	4,286.17

Notes to financial statements for the year ended March 31, 2023

Note No: 22 Finance Costs

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Interest Expenses :		
- Interest on Term Loans and Working Capital Loans	583.75	314.18
- Interest on Vehicle Loans	23.13	13.89
- Finance Charge on Lease Liability	200.11	206.64
(b) Applicable net gain/loss on foreign currency translations	-	7.80
Total	806.99	542.51

Note No: 23 Administrative and Other Expenses

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Power & Fuel	199.95	123.77
(b) Rent	50.90	45.42
(c) Repairs & Maintenance	66.76	42.65
(d) Insurance	157.63	81.50
(e) Telephone, Postage and Others	94.62	62.15
(f) Business Promotion Expenses	291.80	223.20
(g) Office Maintenance	166.11	283.57
(h) Travelling and Visa Expenses	80.74	58.87
(i) Consultancy Charges and Subcontracting Expenses	4,006.99	3,913.92
(j) Other Administrative Expenses	142.10	150.02
(k) Rates & Taxes	115.07	99.93
(l) Bank Charges	62.21	55.54
(m) Audit Fees	6.76	4.22
Total	5,441.64	5,144.75

Note No: 24

Details of Primary and Collateral Securities (For Liabilities referred in Note No.12& 16)

Hypothecation of Plant and Machinery, Equipment (Movable Assets), Commercial Property and Company promoter's personal guarantee.

Hypothecation of Movable Assets:

- Hypothecation of Receivables and current assets to Canara Bank, Spl Mid corporate Branch, Hyderabad

Collateral Security:

- EMT on 875 sq yards open land at Road.No.1 Banjara Hills, Hyderabad-500034 in the name of Virinchi Limited given to ICICI Bank Limited
- EMT on 649 sq yards at Plot No 37, Nandagiri Hills, Shaikpet Village, Jubilee Hills, Hyderabad-500033 in the name of promoter Madhivilatha Kompella given to ICICI Bank Limited for Loans availed in Virinchi Limited.
- EMT of Land of extent Ac 2.0 and Building 46,590 Sq yards situated at Sy No. 15/A, 15B and 15/C, Suraram, Jeedemetla Industrial Area, Quthubullapur, in the name of the Virinchi Limited given to ICICI Bank Limited.
- EMT on property located at Flat No.608, Lingapur Plaza, Himayathnagar owned by Mr.Viswanath Kompella given to Canara Bank, Spl. Mid Corporate Branch, Hyderabad.
- EMT of Land & Building admeasuring 3 acres 36 Guntas situated at Sy.No. 121 Pothaipally Village, Shameerpet Mandal, RR District, Telangana in the name Virinchi Limited given to Canara Bank, Spl. Mid Corporate Branch, Hyderabad.
- EMT on property located at Flat No 608, Lingapur Plaza, Himayathnagar owned by promoter Mr. Viswanath Kompella given to Canara Bank, Spl. Mid Corporate Branch, Hyderabad
- EMT of factory land measuring 1 acre 36.5 guntas at Survey No.441, Hakimpet Village, in Shamirpet Mandal, R R Dist, Telangana in the name of Virinchi Limited given to Canara Bank, Spl. Mid Corporate Branch, Hyderabad.

Notes to financial statements for the year ended March 31, 2023

Personal Guarantee: Mr. Viswanath Kompella, Promoter of the company.

Note No: 25

(Rs. in Lakhs)

Particulars	Current year	Previous Year
Statutory Auditors Fee	4.72	2.36

Note No: 26

The Company has identified Business Segments which comprise Development of Computer Software and Services and IT Enabled Services.

Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

S. No	Particulars	Year Ended	
		31.03.2023	31.03.2022
I	Segment Revenue	(Rs. in Lakhs)	(Rs. in Lakhs)
	SAAS Business	12,272.32	12,260.67
	IT Enabled Services	424.33	355.81
	Net sales/income from Operations	12,696.65	12,616.48
II	Segment Result		
	SAAS Business	1,182.78	1,180.85
	IT Enabled Services	33.95	32.02
	Total	1,216.73	1,212.87
	Interest Expenditure	(806.99)	(542.51)
	Other un-allocable Income net of un-allocable Expenditure	981.08	633.28
	Total Profit Before Tax	1390.82	1,303.64

Note No: 27

Investments

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable. Provision for diminution in the value of investments is not created as it is not a permanent decline.

Details of Investments in Subsidiaries – for Investments referred in Note No. 2

→ Wholly Owned Subsidiaries :

(Rs. in Lakhs)

S No.	Name of the Subsidiary	No. of Shares	Face value	Share capital	Share Premium	Total Amount
1	Ksoft Systems Inc	1,00,100	USD 1	45.91	-	45.91
2	Q fund Technologies Private Limited	10,000	Rs.10	1.00	-	1.00
3	Virinchi Learning Private Limited	1,95,000	Rs.10	19.50	166.50	186.00
4	Virinchi Media & Entertainment Private Limited	10,000	Rs.10	1.00	-	1.00
5	Tyohar Foods Private Limited	10,000	Rs.10	19.50	-	1.00
6	Virinchi Infra & Realty Private Limited	10,000	Rs.10	1.00	-	1.00
7	Virinchi Health Care Private Limited	54,35,978	Rs.10	543.60	5415.98	5959.58
8	Tensor Fields Consultancy Services Private Limited	10,000	Rs.10	1.00	-	1.00
9	Virinchi Combinatorics & Systems Biology Private Limited	10,000	Rs.10	1.00	-	1.00
10	Virinchi Capital Private Limited	50,00,000	Rs.10	500.00	-	500.00
11	V23 Medical solutions Private Limited	10,000	Rs.10	1.00	-	1.00

Notes to financial statements for the year ended March 31, 2023

→ Other Subsidiaries – Controlling interest (51%)

(Rs. in Lakhs)

S No.	Name of the Subsidiary	No. of Shares	Face value	Share capital	Share Premium	Total Amount
1	Asclepius Consulting & Technologies Private Limited	3,00,000	Rs.10	30.00	-	30.00

Note No: 28 Earning per Share

The earnings considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

(Rs. in Lakhs)

Particulars	2022-23	1236.71
Profit available for the equity share holders	1242.97	1236.71
Weighted average number of shares for Basic EPS	8,23,47,798	7,76,42,289
Weighted average number of shares for Diluted EPS	8,23,47,798	7,76,42,289
Basic	1.51	1.59
Diluted	1.51	1.59

Note No: 29

Foreign Currency Outflow during the year of Rs. Nil. Previous Year Rs. Nil

Note No: 30

Foreign Currency Inflow during the year is Rs. 8019.12 Lakhs (Previous Year – Rs. 6703.45 Lakhs)

Note No: 31 Related Party Transaction

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

Related Party Disclosures

The followings are the list of related parties:

a) Subsidiary Companies:

1. Qfund Technologies Private Limited
2. KSoft Systems Inc
3. Virinchi Media & Entertainment Private Limited
4. Virinchi Learning Private Limited
5. Tyohar Foods Private Limited
6. Virinchi Infra & Realty Private Limited
7. Virinchi Health Care Private Limited
8. Tensor Fields Consultancy Services Private Limited
9. Virinchi Combinatorics & Systems Biology Private Limited
10. V23 Medical Solutions Private Limited.
11. Virinchi Capital Private Limited.
12. Asclepius Consulting & Technologies Private Limited – (controlling interest)

Notes to financial statements for the year ended March 31, 2023

Note No: 31 Related Party Transaction (Contd.)

b) Directors:

1. M.V. Srinivasa Rao
2. Sunder Kanaparthi
3. Sri Kalyan Kompella
4. Kunda Kalpana
5. Suresh Juthuga
6. Satyanarayana Vedula

c) Key Management Personnel:

S. No.	Name	Designation
1	M.V.Srinivasa Rao	CFO & WholeTime Director
2	V. Satyanarayana	Vice Chairman & Executive Director
3	K. Ravindranath Tagore	Company Secretary

d) Other Related Party:

1. Vivo Bio Tech Limited

The followings are the Related Party Transactions:

		(Rs. in Lakhs)	
Name of the related Party	Nature of transaction	Current Year	Previous Year
M V Srinivasa Rao	Remuneration	49.33	45.61
V Satyanarayana	Remuneration	71.61	47.61
SantiPriyaMyana	Remuneration	-	6.64
K. Ravindranath Tagore	Remuneration	35.61	29.61
Viswanath Kompella	Remuneration	284.00	180.00
K Soft Systems Inc	Consultancy charges received	3404.62	1525.56
Tensor Fields Consultancy Services Private Limited	Consultancy services rendered	-	171.60
Tensor Fields Consultancy Services Private Limited	Interest Income	10.29	13.74
Vivo Bio Tech Limited	Sale of software product	-	472.00
Asclepius Consulting & Technologies Private Limited	Interest Income	42.91	40.26
Virinchi Health Care Private Limited	Interest Income	573.52	304.73
Virinchi Health Care Private Limited	Sale of software product	-	944.00
Virinchi Media & Entertainment Private Limited	Interest Income	13.66	11.80
Tyohar Foods Private Limited	Interest Income	7.64	6.53
Virinchi Combinatorics & System Biology Private Limited	Interest Income	0.22	-
Virinchi Learning Private Limited	Interest Income	5.07	1.08
Qfund Technologies Private Limited	Interest Income	46.05	-
Virinchi Capital Private Limited	Manpower services provided	16.80	-
V23 Medical Solution Private Limited	Interest Income	0.37	0.35

Notes to financial statements for the year ended March 31, 2023

Note No: 31 Related Party Transaction (Contd.)

Details of Loans and Advances given to Related Parties:

(Rs. in Lakhs)

S. No.	Name of the Related Party	Relationship	Amount
1	Asclepius Consulting & Technologies Private Limited	Subsidiary – Controlling Interest	650.00
2	Virinchi Media & Entertainment Private Limited	100% Subsidiary	204.73
3	Tyohar Foods Private Limited	100% Subsidiary	120.21
4	Virinchi Health Care Private Limited	100% Subsidiary	16659.28
5	Tensor Fields Consultancy Services Private Limited	100% Subsidiary	46.97
6	Virinchi Learning Private Limited	100% Subsidiary	96.02
7	Virinchi Combinatorics & Systems Biology Private Limited	100% Subsidiary	4.58
8	Virinchi Capital Private Limited	100% Subsidiary	1.10
9	V23 Medical Solutions Private Limited.	100% Subsidiary	5.74
10	Q Fund Technologies Private Limited	100% Subsidiary	712.66
11	Tensor Fields Consultancy Services Private Limited	100% Subsidiary	189.46

Details of Loans and Advances received from Related Parties:

→ Short Term Borrowings 31/03/2023:

S. No.	Name of the Related Party	Relationship	Amount in Lakhs
1	Virinchi Infra & Realty Private Limited	100% Subsidiary	9.74
2	Ksoft systems Inc	100% Subsidiary	2066.26

Details of Trade Receivables from Related Parties amount outstanding as on 31/03/2023:

S. No.	Name of the Related Party	Relationship	Amount in Lakhs
1	Vivo Bio Tech Limited	Common Promoter	476.96

Details of Trade Payables to Related Parties amount outstanding as on 31/03/2023:

S. No.	Name of the Related Party	Relationship	Amount in Lakhs
1	PKI Solutions Pvt Ltd	Common Promoter	0.62

Notes to financial statements for the year ended March 31, 2023

Note No. 31 (A) Reclassification/ Regrouping of items in the balance sheet

Details of Reclassification/ Regrouping in notes to accounts for the year ended 31-03-2022

(Rs. In Lacs)

Particulars	Published in FY 2021-22 Annual Report	Re classified in FY 2022-23 Annual Report pertaining to FY 2021-2022	Remarks
Long Term Loans & Advances to Wholly Owned Subsidiaries	5,085.87	5,085.87	Refer Note No. 3, Page No. 112 of FY 2021-22 Annual report
Short Term Loans & Advances to Wholly Owned Subsidiaries	7,555.50	10,203.29	<p>The figures presented in Note No. 8, Page No.113 of FY 2021-22 Annual Report are net figures after setting off Loans and advances taken from subsidiary companies</p> <p>In the reclassified financials of FY 2021-22 presented in the Annual Report of FY 2022-23, the short term loans & advances given to wholly owned subsidiary companies are presented without setting off short term loans & advances taken from subsidiary companies</p> <p>Since, the short term loans & advances presented in Note No. 8, Page No.113 of FY 2021-22 Annual Report are long term in nature, they are reclassified as Long Term Loans & Advances</p>
Total Loans & Advances to WOS		15,289.16	
Short Term Borrowings			
Secured Loans from Banks	1,264.10	1,264.10	Refer Note No. 16, Page No. 115 of FY 2021-22 Annual report
Long Term Secured Loans payable during the year	1,054.22	1,054.22	
Loans & Advances from WOS	-	2,647.79	This figure was earlier set off against Loans and advances given as presented in Note No 8, Page No. 112 of FY 2021-22 Annual Report. This is now reclassified as Short Term Borrowings (Note No.16 in FY 2022-23 Annual Report)
Total Short Term Borrowings	2,318.32	4,966.10	

Notes to financial statements for the year ended March 31, 2023

Details of Reclassification/ Regrouping in notes to accounts for the year ended 31-03-2023

(Rs. In Lacs)

Particulars	As per Q4 & FY2023 Results published on 15/05/23 for FY 2022-23	Re classified figures in FY 2022-23 Annual Report	Remarks
Long Term Loans and Advances			
to WOS	5,280.57	18,690.75	Rs. 11,529 lakhs of Short term loans & advances to WOS have been reclassified as long term loans & advances to WOS + Rs. 2075.88 lakhs which was set off against inter company borrowings is reclassified as long term borrowings to WOS
Other Financial Assets		194.80	In Q4 & FY 2023 Results Rs. 194.80 lakhs was included in Long Term Loans & Advances and is now reclassified and shown separately as Other Financial Assets
Short Term Loans & Advances			
to WOS	11,528.88	-	Rs. 11,529 lakhs of Short term loans & advances to WOS have been reclassified as long term loans & advances to WOS
to Others	1,390.52	1,390.52	Retained in Short Term Loans & Advances
Total Short Term Loans & Advances	12,919.40	1,390.52	
Short Term Borrowings			
from Banks	2,930.14	2,930.14	Retained in Short Term Borrowings from Banks
from WOS		2,076.00	Rs. 2075.88 lakhs which was set off against inter company short term loans and advances is now being reclassified as short term borrowings
Total Short Term Borrowings	2,930.14	5,006.14	

Note No: 32 Warrants to Promoters

Company has allotted preferential allotment of convertible equity Warrants to promoter at Rs 42/- per warrant and received 25% of Rs. 42/-. Details of allottees are as follows :

S.No.	Name of the Allottee	No of Warrants	Amount Collected (Rs. in Lakhs)
1.	Gajwel Developers Private Limited	60,00,000	630.00
2.	Kompella Viswanath	40,00,000	420.00

Notes to financial statements for the year ended March 31, 2023

Note No: 33

Statement of ESOP Vested and Exercised during the Current Financial Year:

S. No	Description	Year ended March 31, 2023		
		VESOS. 2016	VESOS,2018	VESOS,2022
1	Number of Options Outstanding at the beginning of the year(Un-granted)	Nil	17,30,000	1,00,00,000
2	Number of options granted during the year	NA	19,40,000	1,00,00,000
3	Number of options forfeited/lapsed during the year	NA	2,10,000	
4	Number of options vested during the year	Nil	21,50,000	
5	Number of options exercised during the year	5,38,500	37,80,000	
6	Number of shares arising as a result of exercise of options	5,38,500	37,80,000	
7	Amount realized by exercise of options (Rs. in Lakhs)	53.85	1323.00	
8	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)(1-2)	Nil	-	
9	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	6,95,872	5,20,000	

Note No: 34 Amount spent on CSR activities

As per the Section 135(5) of the Companies Act, 2013, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial Year 2022- 23, the amount to be spent towards CSR activities works out to Rs. 33.37 and the Company had spent Rs. 33.75 towards the CSR activities in the financial year 2022-23.

Note No: 35 Additional Regulatory information

- The Company is in possession of immovable property and title deeds are held in the Name of the company.
- The Company has not revalued any of its Property, Plant and Equipment during the year.
- The Company has not granted any loans or advances in the nature of loans to directors, KMPs
- There are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

Note No: 36 Details of contingent Liabilities :

The company is having following pending litigations before Income Tax Authorities :

S. No.	Nature	Assessment Year	Amount of Dispute (Rs. in Lakhs)	Amount Deposited (Rs. in Lakhs)	Forum where it is pending
1.	Income Tax	2017-18	572.91	40.00	CIT(A)
2.	Income Tax	2017-18	268.77	Nil	CIT(A)
3.	Income Tax	2019-20	405.03	Nil	CIT(A)
4.	Income Tax	2013-14	7.89	Nil	CIT(A)

The above pending litigations will not effect the financial position of the company

Notes to financial statements for the year ended March 31, 2023

Note No: 37

The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

Note No: 38

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note No: 39

There are no significant events that occurred after the balance sheet date.

Note No: 40

The Company has not declared any dividend during the year.

Note No: 41

In the opinion of the management, the assets as shown in the financial Statements, have a value on realization in the ordinary course of business of at least equal to the amount at which they are stated in the balance sheet.

Note No: 42 Ratios

Particulars	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	1.11	0.84	31.62
Debt-Equity ratio (in times)	Debt consists of Total borrowings and lease liabilities*	Total Equity	0.35	0.38	7.56
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments*	1.80	2.45	26.30
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	3.83	4.17	8.09
Inventory Turnover Ratio (in times)	Cost of goods sold OR sales	Average Inventory	NA	NA	NA
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.70	4.95	4.98
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	61.56	46.83	31.45
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	17.80	-12.85	238.46
Net profit ratio (in %)	Profit for the year	Revenue from operations	9.79	9.80	0.13
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net Worth + Net Working Capital	6.28	6.23	0.79
Return on investment (in %) –Unquoted	Income generated from invested funds	Average invested funds in treasury investments	NA	NA	NA

Notes to financial statements for the year ended March 31, 2023

Note No: 43

Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.

Note No: 44

Previous figures have been regrouped wherever necessary and the figures have been rounded off to the nearest Lakhs.

Notes referred to above form an integral part of the financial statements.

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No. 007257S

M. V. Joshi

Partner

M. No. 024784

Place : Hyderabad

Date: 15/05/2023

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN:09070986

K. Ravindranath Tagore

Company Secretary

M. No. A18894

Independent Auditor's Report

To
The Members of
VIRINCHI LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **VIRINCHI LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated Profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Information Other than the Consolidated Ind AS financial statements and Auditor's Report Thereon:

- The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.
- Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter Paragraph:

We didn't audit the financial statements of one subsidiary, whose Financial Statements reflect Group's share of Total Assets of Rs.1922.33 Lakhs as at March 31, 2023, and Group's share of total revenue of Rs. 266.14 Lakhs and Group's share of total net profit after tax of Rs. 20.18 Lakhs and Group's share of Total comprehensive income of Rs.20.18 Lakhs for the period from 01-04-2022 to 31-03-2023, as considered in the Consolidated Ind AS financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of this entity have been furnished to us by the management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors of the company and its subsidiaries, none of the directors of the group companies is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the Auditor's reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have pending litigations as at March 31st, 2023 which would have impact on its consolidated financial position of the group.
 - ii. The group does not have any long term contracts, including derivate contracts and did not have any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or group companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or group companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The company or group companies has not declared or paid any dividend during the year.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S

M V Joshi
Partner

Place: Hyderabad
Date: 15/05/2023

M.No:024784
UDIN: 23024784BGVPLX2406

Annexure “A” To the Independent Auditor’s Report

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

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 (‘The Act’)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **VIRINCHI LIMITED** (herein after referred to as “Company”) and its subsidiary companies, which is incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies 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 P. Murali & Co.,
Chartered Accountants
FRN: 007257S

M V Joshi
Partner

Place: Hyderabad
Date: 15/05/2023.

M.No:024784
UDIN: 23024784BGVPLX2406

Consolidated Balance Sheet as at March 31,

(Rupees in Lakhs)

Particulars	Note No	2023	2022
ASSETS			
1) NON CURRENT ASSETS			
Property, Plant and Equipment	1	28,181.95	30,413.42
Right of Use Asset	1	10,305.57	8,592.77
Capital Work-In-Progress	1	10,992.75	1,091.63
Goodwill	1	4,142.16	4,142.16
Other Intangible Assets	1	3,371.45	4,718.06
Financial Assets			
Investments	2	244.18	188.68
Other Financial Assets	3	498.90	1,201.29
Other Non-Current Assets	4	322.47	510.58
Total Non Current Assets		58,059.42	50,858.59
2) CURRENT ASSETS			
Inventories	5	870.78	1426.57
Financial Assets			
Trade Receivables	6	6,618.10	7,577.47
Cash and Cash Equivalents	7	3,070.83	3,660.04
Loans and ICD's	8	7,426.24	4,754.85
Other Current Assets	9	2,618.10	2,048.29
Total Current Assets		20,604.05	19,467.21
Total Assets		78,663.47	70,325.80
EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	10	8,363.90	7,932.05
Other Equity	11	32,440.32	29,198.09
Non Controlling Interest		-90.51	-73.60
Total Equity		40,713.71	37,056.55
(2) Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	12,038.24	11,091.88
Lease Liability		12,321.63	10,127.48
Other Non Current Liabilities	13	527.09	465.15
Deferred Tax Liabilities (Net)	14	1,694.47	1,581.47
Total Non Current Liabilities		26,581.43	23,265.98
(3) Current Liabilities			
Financial Liabilities			
Borrowings	15	7,333.27	6,389.44
Trade Payables	16	507.79	930.30
Provisions	17	3,527.28	2,683.54
Total Current Liabilities		11,368.33	10,003.28
Total Equity and Liabilities		78,663.47	70,325.80

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No.007257S

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Joshi

Partner

M. No. 024784

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN: 09070986

K. Ravindranath Tagore

Company Secretary

M.No.A18894

Place : Hyderabad

Date: 15/05/2023

Consolidated Profit and Loss statement for the Year ended March 31,

(All amounts are in Rupees in Lakhs, except share & per share data, Unless otherwise stated)

Particulars	Note No	2023	2022
Revenue from Operations	18	31,193.51	36,400.56
Other Income	19	363.87	293.36
Total Revenue		31,557.38	36,693.92
Expenses:			
Purchase	20	1,416.26	2,970.62
Change in Inventory		555.79	-190.88
Employee Benefit Expenses	21	9,875.60	10,551.75
Depreciation	1	5,594.26	4,805.18
Amortization		13.10	22.23
Financial cost	22	3,309.46	2,621.45
Administrative and Other Operating Expenses	23	8,723.73	13,102.28
Total Expenses		29,488.19	33,882.62
Profit Before Tax		2,069.19	2,811.31
Tax expense:			
(a) Current Tax		703.47	641.82
(b) Deferred Tax		94.13	757.61
Profit for the period from continuing operations		1,271.58	1,411.88
Non Controlling Interest		-13.32	-18.66
Profit/(Loss) for the period		1,284.90	1,430.54
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income		1,284.90	1,430.54
Earning Per Equity Share: (par value of Rs.10/- each)			
(1) Basic		1.56	1.84
(2) Diluted		1.56	1.84

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No.007257S

M. V. Joshi

Partner

M. No. 024784

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN: 09070986

K.Ravindranath Tagore

Company Secretary

M.No.A18894

Place : Hyderabad

Date: 15/05/2023

Consolidated Cash Flow Statement for the Year Ended March 31

(Rs. In Lakhs)

Particulars	2023	2022
A. Cash Flow from Operating Activities:		
Net Profit before taxation and extraordinary items	2,069.19	2,811.31
Adjustments for:		
Depreciation	5,594.26	4,805.18
Amortised Expenses	13.10	22.23
Interest expenses	3,309.46	2,621.45
Operating Profit before Working Capital Changes	10,986.00	10260.16
Changes in Assets & Liabilities		
Trade and Other Receivables Including Inventory	-835.54	-1,319.90
Trade and Other payables	3,734.14	926.44
Cash Generated from Operations	13,884.60	9,866.70
Interest paid on working capital loans	-346.16	-252.32
Taxation for the year	-797.60	-1,399.43
Net Cash from Operating Activities	12,740.84	8,214.96
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	-1,3643.19	-3,215.51
Investment	-55.50	-152.41
Net Cash used in Investing Activities	-13,698.69	-3,367.92
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	2,385.58	831.67
Interest & Finance Cost	-2,963.30	-2,369.13
Foreign Translation and other non current reserves	-	-2,766.35
Net Proceeds from Long Term Borrowings	946.36	1,214.70
Net Cash Generated from/ (used in) Financing Activities	368.65	-3,089.12
Net increase/ (decrease) in cash and cash equivalents	-589.21	1,757.91
Cash and Cash equivalents as at Beginning of the Year	3,660.04	1,902.12
Cash and Cash equivalents as at End of the Year	3,070.83	3,660.04

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No.007257S

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Joshi

Partner

M. No. 024784

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN: 09070986

K. Ravindranath Tagore

Company Secretary

M.No.A18894

Place : Hyderabad

Date: 15/05/2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

a. Equity Share Capital

(All amounts in Lakhs, except Share data and where otherwise stated)

Particulars	No. of Shares	Amount
Balance as at March 31, 2022	7,93,20,468	7932.05
Balance as at March 31, 2023	8,36,38,968	8363.90

b. Other equity

Particulars	Reserves and Surplus							Total
	Securities Premium	Share Options Outstanding	Money Received against share warrants	Capital Reserves & Others	Foreign Exchange Transaction Reserve	Non Controlling Interest	Retained Earnings	
At March 31, 2021	12,849.27	509.08	393.30	-5,371.95	726.15	92.06	22,005.40	31,203.31
Additions for the year	-3,007.72	-	-393.30	-	-53.39	18.66	1,430.54	-2,005.22
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax								-
Income-tax effect								-
Less : Leases							-	-
Balance as of March 31, 2022	9,841.54	509.08	-	-5,371.95	672.76	110.72	23,435.94	29,198.09
Additions for the year	945.00	-	1,050.00	-	-37.67	13.32	1,271.58	3,242.23
Additions for the Year NCI Loss								-
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax								-
Income-tax effect								-
Less : Leases							-	-
Balance as of March 31, 2023	10,786.54	509.08	1,050.00	-5,371.95	635.08	124.04	24,707.52	32,440.32

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No.007257S

M. V. Joshi

Partner

M. No. 024784

Place: Hyderabad

Date: 15/05/2023

For and on behalf of the Board of Directors of

Virinchi Limited

M. V. Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

K. Ravindranath Tagore

Company Secretary

M.No.A18894

V. Satyanarayana

Whole Time Director

DIN: 09070986

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2023

1. Corporate Information

Virinchi Limited, India (“Virinchi”) is an IT Products & Services company offering customized solutions to companies across the globe since 1990. Virinchi is a publicly held company listed on the BSE Limited, one of India’s largest stock exchanges, since the year 2000. Virinchi has developed & retained IP in several software products operating in supply chain management, alternate financial services, however, has had limited success in offering most of the solutions barring the software product for financial services where Virinchi has reached leadership position considering the market share of this niche industry. The Organisation is led by First Generation IIT/IIM Entrepreneurs and operates out of its Corporate Office at Banjara Hills, Hyderabad & US Headquarters at Edison, New Jersey.

Virinchi together with subsidiaries and controlled companies is hereinafter referred to as “The Group”.

Virinchi Healthcare Private Limited and Ksoft Systems Inc are the material subsidiaries of Virinchi Limited and providing world class Health care services/Facilities and software development and services respectively.

The Group has presence in Learning, Media& Entertainment, Financial Services, Food Industry, Data science and Analysis, Reality and Infrastructure etc.

2. Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Company information

The consolidated financial statements of the Company includes subsidiaries listed in the table below:

Name of investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31/Mar/23	31/Mar/22
Ksoft Systems Inc	Software Development and Consulting	USA	100	100
Q fund Technologies Private Limited	Software Development and Consulting	India	100	100
Virinchi Learning Private Limited	Educational Services (e-governance project)	India	100	100
Virinchi Media & Entertainment Private Limited	Media and Entertainment	India	100	100
Tyohar Foods Private Limited	Catering Services	India	100	100
Virinchi Infra & Realty Private Limited	Infrastructure	India	100	100
Virinchi Health Care Private Limited	Healthcare Services	India	100	100
Tensor Fields Consultancy Services Private Limited	Financial consulting Services	India	100	100
Virinchi Combinatorics & Systems Biology Private Limited	Date science and Analysis	India	100	100
V23 Medical Solutions Private Limited	Pharmacy supply chain	India	100	100
Virinchi Capital Private Limited	Fintech	India	100	100
Asclepius Consulting & Technologies Private Limited	Software Development and Consulting	India	51	51

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2023

(c) Basis of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Company. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Company combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-Company assets, liabilities, income, expenses and unrealised profits/losses on intra Company transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

(d) Basis of Preparation

These Financial statements have been prepared in Indian Rupee (Rs.) which is the Functional Currency of the Group.

These financial statements have been prepared on a historical cost basis, except for certain Financial Instruments which are measured at Fair Value or amortised cost at the end of each reporting Period, as explained in the Accounting Policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

The statement of cash flows has been prepared under indirect method.

(e) Use of Estimates and Judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

- i) Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2023

- ii) Current income taxes: The Company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.
- iii) Deferred Income taxes: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.
- iv) Useful Life of property, plant and equipment The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(f) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group's revenues are derived from sale of goods and services.

i) Sale of Services:

Service income is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

ii) Sale of goods:

Revenue from sale of goods is recognized where control is transferred to the Company's customers at the time of shipment to or receipt of goods by the customers. There was no change in the point of recognition of revenue upon adoption of Ind AS 115.

iii) Revenue from Healthcare Services:

Revenue from patients is recognized when the company satisfies performance obligation by transferring promised goods and services to patients. Revenue is measured based on the transaction price which is the fair value of the consideration received /receivable net of discount/concession and GST. The Income by way of doctor's Consultancy fees and the consequent liability towards Doctor's Consultation charges are considered as accrued as and when the amounts are finalized and certainty of recovery from patients is established.

Revenue from dietary/pharmacy sales and other associates services is recognized at the point when the goods are sold or services are rendered.

- iv) Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(g) Cost Recognition

Cost and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation expense, Finance Cost and Administrative and other Operating expenses. Employee benefit expenses include Salaries,

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2023

incentives and allowances, contributions to provident and other funds and staff welfare expenses. Administrative and Other Operating expenses include Power & Fuel, Fees to external consultants, facility expenses, travel expenses, etc.

(h) Foreign Currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(i) Financial assets and liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

i) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash at bank and in hand. Deposits with banks subsequently measured at amortized cost through Profit & Loss Account.

Cash and Cash Equivalents includes as at 31st Mar 2023 and 31st Mar 2022 restricted cash and bank balances of Rs. 19.38 Crores and Rs. 30.92 Crores respectively. These restrictions are primarily on account of bank balance held as marginal money deposit against guarantees

Bank borrowings for working capital not considered as a part of Cash and Cash Equivalents.

ii) Financial Assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

iv) Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

v) Financial Liabilities:

Financial liabilities are measured at amortised cost using the effective interest method.

vi) Equity instruments:

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2023

(j) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

List of Contingent Liabilities are given below:

1. Corporate guarantee extended to wholly owned subsidiary namely Virinchi Healthcare Private Limited for an amount of Rs. 88.38 crores and the outstanding liability as on March 31, 2023 is amounting to Rs. 56.24 crores.

Disputed Income Tax Liabilities :

S. No.	Nature	Assessment Year	Amount of Dispute (Rs. in Lakhs)	Amount Deposited (Rs. in Lakhs)	Forum where it is pending
1.	Income Tax	2017-18	572.91	40.00	CIT(A)
2.	Income Tax	2017-18	268.77	Nil	CIT(A)
3.	Income Tax	2019-20	405.03	Nil	CIT(A)
4.	Income Tax	2013-14	7.89	Nil	CIT(A)

(k) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Buildings	30
Plant and Machinery	15
Furniture & fixtures, Electrical Equipment	10
Vehicles	10
Office equipment	5
Computers	3

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

(l) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Product Development: Salaries and other cost paid to resources working on new products are capitalized as intangible asset under the head "Product Development". Management has estimated life of this product is about 10 years subject to certain improvements to the same product/source code.

Computer Software: The Company amortizes Computer software using the straight-line method over a period of 6 years.

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2023

(m) Impairment

i) Financial assets (other than at fair value):

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets:

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(n) Employee benefits

i) Defined contribution plans:

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

ii) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, Bonus, Earned Leave etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors

Notes to financial statements for the year ended March 31, 2023

Note No.1 (1)

The changes in the carrying value of property, plant and equipment are as follows

Property, Plant and Equipment	Land	Buildings	Plant & Machinery	Electrical Equipment	Office equipment	Computer Hardware	Furniture and Fixtures	Vehicles	Medical Equipment	Total
Cost										
As at March 31, 2021	1,229.19	13,671.67	798.35	1,781.53	775.23	11,211.10	4,615.72	945.38	14,205.82	49,233.98
Additions	-	35.66	1.68	99.13	69.09	1,227.84	259.87	17.93	374.37	2,085.55
Disposals	-	-	-	73.54	19.74	-	51.67	-	-	144.95
As at March 31, 2022	1,229.19	13,707.33	800.03	1,807.12	824.58	12,438.94	4,823.91	963.31	14,580.19	51,174.58
Additions	-	1,33.42	2.75	7.90	37.32	1,110.17	345.35	196.25	81.80	1,914.96
Disposals	-	-	-	-	-	-	280.00	-	-	280.00
As at March 31, 2023	1,229.19	1,384.075	802.78	1,815.01	861.89	1,3549.11	4,889.26	1,159.56	1,4661.99	52,809.54
Depreciation										
As at March 31, 2021	-	2,378.61	325.42	826.33	548.21	6,349.85	2,453.93	554.00	4,375.49	17,811.83
Charge for the period	-	452.65	68.98	116.21	64.30	5,78.70	402.53	77.57	1,210.10	2,971.05
Disposals	-	-	-	17.03	2.99	-	1.70	-	-	21.72
As at March 31, 2022	-	2,831.26	394.40	925.51	609.52	6,928.55	2,854.76	631.57	5,585.59	20,761.16
Charge for the period	-	454.71	60.03	117.20	62.47	1,477.05	393.13	83.84	1,218.01	3,866.43
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	3,285.97	454.43	1,042.71	671.99	8,405.60	3,247.89	715.41	6,803.60	24,627.60
Net Block										
As at March 31, 2023	1,229.19	10,554.78	348.35	772.31	189.90	5,143.50	1,641.38	444.15	7,858.39	28,181.95
As at March 31, 2022	1,229.19	1,0876.07	405.63	881.61	215.05	5,510.38	1,969.15	331.74	8,994.60	30,413.42

Notes to financial statements for the year ended March 31, 2023

Note No 1(2): Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023:

(Rupees in Lakhs)

Particulars	Category of ROU asset			
	Buildings	Medical Equipment	Computers	Total
Balance as at April 1, 2021	9,137.10	289.40	292.26	9,718.75
Additions	-	120.23	81.94	202.16
Deletion	-	-	-	-
Balance as at March 31, 2022	9,137.10	409.62	374.19	9,920.92
Additions	2,244.57	-	-	2,244.57
Deletion	-	-	-	-
Balance as at March 31, 2023	11,381.67	409.62	374.19	12,165.49
Depreciation as at April 1, 2021	424.26	53.63	52.59	530.48
Charge for the period	605.66	124.45	67.55	797.66
Depreciation as at March 31, 2022	1,029.93	178.08	120.13	1,328.14
Charge for the period	348.91	-	182.87	531.78
Depreciation as at March 31, 2023	1,378.83	178.08	303.00	1,859.92
Balance as at March 31, 2023	10,002.84	231.54	71.19	10,305.57
Balance as at March 31, 2022	8,107.17	231.54	254.06	8,592.77

Note No 1 (3): Intangible Assets

(Rupees in Lakhs)

Intangible Assets	Brands/ Trade Marks/ Goodwill	Computer Software	Product Development	Total
As at March 31, 2021	4,779.31	4,575.42	6,304.18	15,658.90
Additions	-	1,012.27	583.76	1,596.03
Disposals	-	-	-	-
As at March 31, 2022	4,779.31	5,587.69	6,887.94	17,254.94
Additions	-	99.58	-	99.58
Disposals	-	250.15	-	250.15
As at March 31, 2023	4,779.31	5,437.12	6,887.94	17,104.37
Depreciation				
As at March 31, 2021	637.15	2,709.02	4,012.07	7,358.25
Charge for the period	-	678.48	357.99	1036.47
Disposals	-	-	-	-
As at March 31, 2022	637.15	3,387.50	4,370.06	8,394.71
Charge for the period	-	800.63	395.42	1,196.05
Disposals	-	-	-	-
As at March 31, 2023	637.15	4,188.13	4,765.48	9,590.77
Net Block				
As at March 31, 2023	4,142.16	1,248.99	2,122.46	7,513.60
As at March 31, 2022	4,142.16	2,200.18	2,517.88	8,860.22

Notes to financial statements for the year ended March 31, 2023

Note No 1 (4): Capital Work in Progress

(Rupees in Lakhs)

Particulars	Capital Work in progress
As at March 31, 2021	1,091.63
Additions	-
Disposals	-
As at March 31, 2022	1,091.63
Additions	9,901.12
Disposals	-
As at March 31, 2023	10,992.75
Depreciation	
As at March 31, 2021	-
Charge for the period	-
Disposals	-
As at March 31, 2022	-
Charge for the period	-
Disposals	-
As at March 31, 2023	-
Net Block	
As at March 31, 2022	1,091.63
As at March 31, 2023	10,992.75

Note No: 2 Investments

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
1) Investment in Mutual funds		
Canara Robeco Mutual Funds	26.94	82.62
2) Other Investments	217.24	106.06
Total	244.18	188.68

Note No: 3 Other Financial Assets

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Deposits	498.90	511.47
Loans & Advances	-	689.82
Total	498.90	1,201.29

Note No: 4 Other Financial Assets

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unamortised Expenses	322.47	510.58
Total	322.47	510.58

Note No: 5 Inventories

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Stock in Trade		
Pharmacy and Other Consumables	870.78	1,426.57
Total	870.78	1,426.57

Notes to financial statements for the year ended March 31, 2023

Note No: 6 Trade Receivables

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unsecured, Considered Good		
Less than 6 Months	4900.51	6553.21
Other Receivables	1717.58	1024.27
Total	6618.10	7577.47

Trade Receivables ageing schedule as on March 31, 2023 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,900.51	1,717.58				6,618.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables – considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Trade Receivables ageing schedule as on March 31, 2022 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	6,553.21	1,024.27				7,577.47
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables – considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Note No: 7 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
a) Balance with Banks		
On Current Accounts	1,052.57	555.26
b) Cash on hand	79.93	12.72
Sub Total	1,132.50	567.97
Other Bank Balances		
On Deposit Accounts	1,938.33	3,092.07
Sub Total	1,938.33	3,092.07
Total	3,070.83	3,660.04

Note No: 8 Loans and ICD'S

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unsecured, Considered Good		
With Others	7,426.24	4,754.85
Total	7,426.24	4,754.85

Notes to financial statements for the year ended March 31, 2023

Note No: 9 Other Current Assets

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Travel & Other Advances	1,721.77	809.80
Deferred Financial Charges and others	49.25	34.89
Advance Tax & TDS Receivable	661.44	1,065.21
GST	185.65	138.38
Total	2618.10	2048.29

Note No: 10 Equity Share Capital

All amounts are in Rupees in Lakhs, except share & per share data, Unless otherwise stated

Particulars	Nos.	Rs in Lakhs
Authorised:		
15,00,00,000 Equity Shares of Rs.10/- each. (15,00,00,000 Equity Shares in Previous Year)	15,00,00,000	15,000.00
IssueAd Subscribed & Paid Up Share Capital:		
Subscribed & Fully Paid Up:		
As at 31st Mar 2021	3,69,93,567	3,699.36
Add: Warrants Conversion	12,66,667	126.67
ESOP's Alloted	14,00,000	140.00
Bonus Issue	3,96,60,234	3,966.02
As at 31st Mar 2022	7,93,20,468	7932.05
Add: ESOP's Alloted	43,18,500	431.85
Total As at 31st Mar 2023	8,36,38,968	8363.90

Reconciliation of Shares Outstanding at Beginning and End of the Reporting Year

Equity Shares	March 31, 2023		March 31, 2022	
	No's	Rs in Lakhs	No's	Rs in Lakhs
As at Beginning of the Year	7,93,20,468	7,932.05	3,69,93,567	3,699.36
ESOP's Allotted During the Year	43,18,500	431.85	14,00,000	140.00
Warrants Converted to Equity Shares	-	-	12,66,667	126.67
Bonus Issue	-	-	3,96,60,234	3,966.02
As at End of the Year	8,36,38,968	8,363.90	7,93,20,468	7,932.05

Details of Share Holders Holding More than 5% Shares in the Company

Name of the Share Holder	March 31, 2023		March 31, 2022	
	Nos	% of Share Holding	Nos	% of Share Holding
Mr. Viswanath Kompella (Promoter)	1,36,68,350	16.34	1,36,68,350	17.23
Mr. Ramakrishna Paramahansa Kompella (Promoter)	43,41,250	5.19	43,41,250	5.47
Ms. Lopa Mudra Kompella (Promoter)	40,21,250	4.81	40,21,250	5.07
Ms. Kompella Modini (Promoter)	40,21,250	4.81	40,21,250	5.07
PKI Solutions Private Limited (Promoter)	40,00,000	4.78	52,71,210	6.65

Notes to financial statements for the year ended March 31, 2023

Shares held by promoters at the end of the year

Promoter Name	No. of shares	% of Total Shares	%Change during the year
Mr. Viswanath Kompella	1,36,68,350	16.34	(0.89)
Mr. Ramakrishna Paramahamsa Kompella	43,41,250	5.19	(0.28)
Ms. Lopa Mudra Kompella	40,21,250	4.81	(0.26)
Ms. Kompella Modini	40,21,250	4.81	(0.26)
PKI Solutions Private Limited	40,00,000	4.78	(1.87)

Note No: 11 Other Equity

(Rs. in Lakhs)

Particulars	Securities Premium	Share Options Outstanding	Share Warrants Forefeiture	Money Received Against Share Warrants	Capital Reserves & Others	Foreign Exchange Transaction Reserve	Non Controlling Interest Loss	Retained Earnings	Total
As At March 31, 2021	12,849.27	509.08	393.30	-	-5,371.95	726.15	92.06	22,005.40	31,203.31
Additions for the Year	-3,007.72	-	-393.30	-	-	-53.39	18.66	1,430.54	-2,005.22
As At March 31, 2022	9,841.54	509.08	-	-	-5,371.95	672.76	110.72	23,435.94	29,198.09
Additions for the Year	945.00	-	-	1,050.00	-	-37.67	13.32	12,71.58	3,242.23
As At March 31, 2023	10,786.54	509.08	-	1,050.00	-5,371.95	635.08	124.04	24,707.52	32,440.32

Note No: 12 Borrowings

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Secured Loans		
Vehicle Loans	301.28	144.79
Term Loans form banks	7,814.96	7,449.85
Term Loans form Institutiions Other than banks	2,408.50	2,021.02
Other Borrowings	1,513.51	1,476.21
Total	12,038.24	11,091.88

Note No: 13 Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Gratuity	527.09	465.15
Total	527.09	465.15

Note No: 14 Deferred Tax Liability

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Opening Deferred tax Liability	15,81.47	831.20
Less: Def Tax Asset on Leased Asset	-18.87	7.34
Add: Deferred Tax Liability for the year	94.13	757.61
Total	1,694.47	1,581.47

Notes to financial statements for the year ended March 31, 2023

Note No: 15 Borrowings

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Secured Loans		
a) From Banks	4,316.29	2,545.27
b) Current maturities of Non current borrowings :		
i) from Banks	2,742.85	2,138.19
ii) from Institutions other than Banks	274.12	726.84
Unsecured Loans		
a) Unsecured Loans	-	979.14
Total	7,333.27	6,389.44

Note No: 16 Trade Payables

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
Unsecured		
Trade Payables		
Outstanding dues of Micro, Small and Medium enterprises		
Outstanding dues of creditors other than Micro, Small and Medium enterprises	507.79	930.30
Total	507.79	930.30

Trade payables ageing schedule for the year ended as on March 31, 2023 :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	507.79	-	-	-	507.79
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Trade payables ageing schedule for the year ended as on March 31, 2022 :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	930.30	-	-	-	930.30
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Note No: 17 Provisions

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
a) Employee Benefits	718.61	554.11
b) Taxes	735.51	1,736.76
c) Expenses	2,073.16	392.67
Total	3,527.28	2,683.54

Notes to financial statements for the year ended March 31, 2023

Note No: 18 Revenue From Operations

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Revenue from IT Services (Export)	12,272.32	16,440.92
(b) Revenue from Healthcare Services	9,960.25	14,596.38
(c) Revenue from Pharmacy	3,050.90	3,126.92
(d) Other Operating Revenues	5,753.75	2,034.69
(e) Sale of Food Items	156.29	201.66
Total	31,193.51	36,400.56

Note No: 19 Other Income

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Interest Income	139.95	44.16
(b) Other Non-Operating Income (Incl. Forex gain)	222.98	223.53
(d) Finance Income on Financial Assets	0.94	25.67
Total	363.87	293.36

Note No: 20 Purchases

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Pharmacy Purchases	1,416.26	2,970.62
Total	1,416.26	2,970.62

Note No: 21 Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Salaries & Wages	9,389.37	10,155.04
(b) Contribution to Provident & Other Funds	296.51	289.71
(c) Staff Welfare Expenses	189.72	107.01
Total	9,875.60	10,551.75

Note No: 22 Finance Costs

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Interest Expenses :		
- Interest on Term Loan and Working Capital	1,846.43	1,392.67
- Interest on Vehicle Loans	23.13	13.89
- Finance Charge on Lease Liability	1,439.90	1,207.10
(b) Applicable net gain/loss on foreign currency translations	-	7.80
Total	3,309.46	2,621.45

Note No: 23 Administrative and Other Operating Expenses

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(a) Power & Fuel	651.40	574.27
(b) Rent	279.64	654.00
(c) Repairs & Maintenance	439.87	402.16
(d) Insurance	434.26	344.00
(e) Telephone, Postage and Others	211.82	221.01
(f) Business Promotion Expenses	418.54	352.07
(g) Office Maintenance	500.39	799.50
(h) Travelling and Visa Expenses	310.02	138.07

Notes to financial statements for the year ended March 31, 2023

Note No: 23 Administrative and Other Operating Expenses (Contd.)

(Rs. in Lakhs)

Particulars	Mar 31, 2023	Mar 31, 2022
(i) Consultancy Charges and Subcontracting Expenses	4,517.31	8,081.69
(j) Other Administrative Expenses	199.67	349.77
(k) Rates & Taxes	620.99	865.90
(l) Disallowances and Network Hospital Discount	59.82	198.12
(m) Bank charges	71.74	114.50
(n) Auditors Fee	8.28	7.23
Total	8,723.73	13,102.28

Note No: 24

Details of Primary and Collateral Securities (For Liabilities referred in Note No.12 & 15)

Hypothecation of Plant and Machinery, Equipment (Movable Assets), Commercial Property and Promoters of the company Personal guarantee.

Primary Security:

Hypothecation of Movable Assets :

1st charge on all movable assets of the company on Term Loans availed form following Banks in Virinchi Health Care Private Limited

Canara Bank, Spl. MCB, Hyderabad.

Central Bank of India, Industrial Finance Branch, Koti, Hyderabad,

Punjab National Bank, Ameerpet, Hyderabad

DBS Bank Limited, West Marredpally, Secunderabad.

Hypothecation of Current Assets such as Stock & Receivables and 2nd Charge on Movable Assets of the company for working Capital limits with following banks in Virinchi Health Care Private Limited:

Canara Bank, Spl Mid Corporate Branch, Hyderabad..

Central Bank of India, Industrial Finance Branch, Koti, Hyderabad,

Collateral Security:

- EMT on 875sq yards open land at Road.No.1 Banjara Hills, Hyderabad-500034 in the name of Virinchi Limited given to ICICI Bank Limited for Loans availed in Virinchi Limited
- EMT on 649 sq yards open land at Plot No 37, Nandagiri Hills, Shaikpet Village, Jublee Hills, Hyderabad - 500033 owned by Mrs. Madhavilatha Kompella given to ICICI Bank Limited for Loans availed in Virinchi Limited.
- EMT on Land to the extent of Ac 2.0 and Building 46,590 Sq yards situated at Sy No. 15/part, 15/B and 15/C, Suraram, Jeedemetla Industrial Area, Quthubullapur, Hyderabad owned by Virinchi Limited given to. ICICI Bank Limited for Loans availed in Virinchi Limited.
- EMT on property located at Pothaipally Village in Shamirpet Mandal, R.R.Dist given to Canara bank, Mid Corporate Branch, Hyderabad owned by Virinchi Limited for Loans availed in Virinchi Limited:
 - Land: Acres 3 and 36 guntas
 - Building in Sy.No.121
 - 1st Charge on P&M, Electrical & Office equipment, computers, furniture
- Commercial Flat admeasuring 2700 Sq.ft, Flat No. 308-A, Ashoka Metropolitan (Virinchi Hospitals), Road NO.12, Banjara Hills , Hyderabad , in the name of Virinchi Limited for Loans availed in Virinchi Health Care Private Limited

Notes to financial statements for the year ended March 31, 2023

- EMT on Land and Building located at Colts Neck Township, Country of Monmouth, State of New Jersey, USA for Loans availed in Ksoft Systems Inc
- EMT on property located at Flat No.608, Lingapur Plaza, Himayathnagar owned by Mr.Viswanath Kompella for loans availed in Virinchi Limited.
- Pledge of 3 FDR's worth of Rs. 7.13 Crores in the name of Virinchi Limited for Loans availing in Virinchi Health Care Private Limited
- EMT of factory land measuring 1 acre 36.5 guntas at survey no.441, Hakimpet Village, in Shamirpet Mandal, R R Dist owned by Virinchi Limited Canara bank, Spl Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Limited
- 11.875 Acres freehold industrial land located at SY No103 & Sy No. 104 Lakshmakkapally, Mulugu Mandal, Medak District in the name of Vivo Bio Tech Limited given to Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Health Care Private Limited.
- Plot No. 76 & 77, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Health Care Private Limited.
- Plot No. 78, Balamrai Co-operative Housing Society , Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Health Care Pvt Limited.
- Plot No. 88, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Health Care Pvt Limited.
- Plot No. 227, Balamrai Co-operative Housing Society , Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Shri Shri Resorts Private Limited given to Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Health Care Pvt Limited.
- Open non-agricultural land admeasuring 2 Acres 31 Guntas at S.no 438 P, Devar Yamjal , Hakimpet, Shameerpet Mandal, R.R Dist in the name of Virinchi limited given to Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Health Care Pvt Limited.
- Open Plot admeasuring 400Sq Yards at Plot No 522, Ashoka Colony, Kapra, Keesara Mandal, R.R District , in the name of Smt. Madhavi latha Kompella given to Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in Virinchi Health Care Pvt Limited

Personal Guarantee:

- Mr. Viswanath Kompella has given personal guarantee for all loans availed by the Holding company and its subsidiaries.
- Mrs. Madhavi Latha Kompella has given personal guarantee to Virinchi Health Care Private Limited loans.

Corporate Guarantee: Vivo Bio Tech Limited

Hypothecations of Medical Equipment:

- Fixed and Exclusive charge over the Medical Equipment financed by
 - » Siemens Financial Services Private Limited
 - » Kotak Mahindra Bank (earlier De Lage Landen Financial Services India Private Limited)
 - » Clix Capital Services Private Limited

Note No:25

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Auditors Fee	8.28	7.23

Notes to financial statements for the year ended March 31, 2023

Note No: 26

The Company has identified Business Segments which comprise Development of Computer Software and Services, IT Enabled Services and Healthcare Services.

Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

S. No	Description	Year Ended	
		31.03.2023	31.03.2022
I	Segment Revenue		
	Software Product Revenues	12,272.32	12,260.67
	Software Services Revenues	4,507.06	5,528.19
	Healthcare Services	13,516.18	17,939.46
	IT Enabled Services	465.23	452.89
	Payments & Credit Card Services	432.72	219.35
	Net Sales/Income from Operations	31,193.51	36,400.56
II	Segment Result		
	Software Product Revenues	1,182.78	1180.85
	Software Services Revenues	1,316.37	1077.25
	Healthcare Services	2,439.46	3102.73
	IT Enabled Services	(88.32)	42.43
	Payments & Credit Card Services	164.49	(263.87)
	Total	5,014.78	5139.39
	Interest Expenditure	3,309.46	2621.45
	Other Un-allocable Income Net of Un-allocable Expenditure	363.87	293.36
	Total Profit Before Tax	2,069.19	2811.31

Note No: 27 Earning per Share

The earnings considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

(Rs. in Lakhs)

Particulars	2022-23	2021-22
Profit available for the equity share holders	1284.90	1430.54
Weighted average number of shares for Basic EPS	8,23,47,798	7,76,42,289
Weighted average number of shares for Diluted EPS	8,23,47,798	7,76,42,289
Basic	1.56	1.84
Diluted	1.56	1.84

Note No: 28 Related Party Transactions.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

Notes to financial statements for the year ended March 31, 2023

Note No: 28 Related Party Transactions. (Contd.)

Related Party Disclosures

The followings are the list of related parties:

a) Subsidiary Companies:

S No.	Name of the Subsidiary	% of Holding Mar 31, 2023	% of Holding Mar 31, 2022	Country
1	Ksoft Systems Inc	100	100	USA
2	Q fund Technologies Private Limited	100	100	India
3	Virinchi Learning Private Limited	100	100	India
4	Virinchi Media & Entertainment Private Limited	100	100	India
5	Tyohar Foods Private Limited	100	100	India
6	Virinchi Infra & Realty Private Limited	100	100	India
7	Virinchi Health Care Private Limited	100	100	India
8	Tensor Fields Consultancy Services Private Limited	100	100	India
9	Virinchi Combinatorics & Systems Biology Private Limited	100	100	India
10	Virinchi Capital Private Limited	100	100	India
11	V23 Medical solutions Private Limited	100	100	India
12	Asclepius Consulting & Technologies Private Limited	51	51	India

b) Directors:

1. M.V. Srinivasa Rao
2. Sunder Kanaparthi
3. Sri Kalyan Kompella
4. Kunda Kalpana
5. Suresh Juthuga
6. Satyanarayana Vedula

c) Key Management Personnel:

S. No.	Name	Designation
1	M.V. Srinivasa Rao	CFO & Whole Time Director
2	V. Satyanarayana	Vice chairman & Executive Director
3	K. Ravindranath Tagore	Company Secretary

d) List of other Related Parties & balance as on 31/03/2023:

1. Vivo Bio Tech Limited Rs. 421.35 Lakhs Advance
2. Gajwel Developers Private Limited Rs. 6.96 Lakhs Advance
3. Bharat Megawatts Gen Private Limited
4. Pragnapur Developers Private Limited Rs. 7.13 Lakhs Advance
5. PKI Solutions Private Limited Rs. 461.20 Lakhs Advance Taken
6. Shri Shri Resorts Private Limited Rs.514.55 Lakhs Advance
7. Surlogic Life Consultancy Private Limited
8. Vivobio Discovery Services Private Limited Rs. 14.59 Lakhs Advance
9. Vivobio Labs Private Limited Rs. 14.08 Lakhs Advance

Notes to financial statements for the year ended March 31, 2023

Note No: 28 Related Party Transactions. (Contd.)

10. Vivobio Consulting Services Private Limited Rs. 15.36 Lakhs Advance

The followings are the Related Party Transactions:

(Rs. in Lakhs)

Name of the related Party	Nature of transaction	Current Year	Previous Year
M V Srinivasa Rao	Remuneration	49.33	45.61
V Satyanarayana	Remuneration	71.61	47.61
Santi Priya Myana	Remuneration	-	6.64
K. Ravindranath Tagore	Remuneration	35.61	29.61
Viswanath Kompella	Remuneration	284.00	180.00
K Soft Systems Inc	Consultancy charges received	3404.62	1525.56
Tensor Fields Consultancy Services Private Limited	Consultancy services rendered	-	171.60
Tensor Fields Consultancy Services Private Limited	Interest Income	10.29	13.74
Vivo Bio Tech Limited	Sale of software product	-	472.00
Asclepius Consulting & Technologies Private Limited	Interest Income	42.91	40.26
Virinchi Health Care Private Limited	Interest Income	573.52	304.73
Virinchi Health Care Private Limited	Sale of software product	-	944.00
Virinchi Media & Entertainment Private Limited	Interest Income	13.66	11.80
Tyohar Foods Private Limited	Interest Income	7.64	6.53
Virinchi Combinatorics & System Biology Private Limited	Interest Income	0.22	-
Virinchi Learning Private Limited	Interest Income	5.07	1.08
Qfund Technologies Private Limited	Interest Income	46.05	-
Virinchi Capital Private Limited	Manpower services provided	16.80	-
V23 Medical Solution Private Limited	Interest Income	0.37	0.35
Tyohar Foods Private Limited	House Keeping services to Virinchi health Care Private Limited	17.50	-

Note No: 29 Warrants to Promoters

Company has allotted preferential allotment of convertible equity Warrants to promoter at Rs 42/- per warrant and received 25% of Rs. 42/-. Details of allottees are as follows :

S. No.	Name of the Allottee	No of Warrants	Amount Collected (Rs. in Lakhs)
1.	Gajwel Developers Private Limited	60,00,000	630.00
2.	Kompella Viswanath	40,00,000	420.00

Note No: 30

Statement of ESOP Vested and Exercised during the Current Financial Year:

S. No	Description	Year ended March 31, 2023		
		VESOS. 2016	VESOS, 2018	VESOS, 2022
1	Number of Options Outstanding at the beginning of the year (Un-granted)	Nil	17,30,000	1,00,00,000
2	Number of options granted during the year	NA	19,40,000	1,00,00,000
3	Number of options forfeited/lapsed during the year	NA	2,10,000	

Notes to financial statements for the year ended March 31, 2023

Note No: 30 (Contd.)

S. No	Description	Year ended March 31, 2023		
		VESOS. 2016	VESOS, 2018	VESOS, 2022
4	Number of options vested during the year	Nil	21,50,000	
5	Number of options exercised during the year	5,38,500	37,80,000	
6	Number of shares arising as a result of exercise of options	5,38,500	37,80,000	
7	Amount realized by exercise of options (Rs. in Lakhs)	53.85	1 323.00	
8	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)(1-2)	Nil	-	
9	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	6,95,872	5,20,000	

Note No: 31 Additional Regulatory information

- i. The Company is in possession of immovable property and title deeds are held in the Name of the company.
- ii. The Company has not revalued any of its Property, Plant and Equipment during the year.
- iii. The Company has not granted any loans or advances in the nature of loans to directors, KMPs
- iv. There are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- v. The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- vi. The Company is not declared as willful defaulter by any bank or financial Institution or other lenders.
- vii. The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

Note No: 32

The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

Note No: 33

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note No: 34

There are no significant events that occurred after the balance sheet date.

Note No: 35

The Company has not declared any dividend during the year.

Note No: 36

In the opinion of the management, the assets as shown in the financial Statements, have a value on realization in the ordinary course of business of at least equal to the amount at which they are stated in the balance sheet.

Notes to financial statements for the year ended March 31, 2023

Note No:37

Additional Information as required under Schedule III to the Companies act, 2013 pursuant to para 2 of General instructions for the preparation of Consolidated Financial Statement

(Rs. in Lakhs)

Particulars	Net Assets (TA-TL)			
	As % of Consolidated Net Assets	Amount	Share in Profit/ (Loss) in %	Amount
Virinchi Limited	68.31	26438.09	93.37	1242.97
Indian				
Qfund Technologies Private Limited	0.19	71.63	(7.39)	-98.31
Virinchi Learning Private Limited	(0.55)	-213.62	(5.40)	-71.93
Virinchi Media & Entertainment Private Limited	(0.15)	-57.22	(2.24)	-29.83
Tyohar Foods Private Limited	(0.27)	-104.32	(0.85)	-11.27
Virinchi Infra & Realty Private Limited	0.03	10.54	0.00	.01
Virinchi Health Care Private Limited	8.57	3316.70	(64.50)	-858.57
Tensor Fields Consultancy Services Private Limited	(0.66)	-256.18	13.81	183.84
Virinchi Combinatorics & Systems Biology Private Limited	(0.01)	-2.74	(0.68)	-9.03
Virinchi Capital Private Limited	1.08	419.52	1.52	20.19
V23 Medical Solutions Private Limited	(0.00)	-.03	(0.02)	-.26
Foreign				
Ksoft Systems Inc	23.94	9263.20	73.41	977.23
Controlling Interest - India				
Asclepius Consulting & Technologies Private Limited	(0.48)	-184.72	(1.04)	-13.86

NOTE: 38

Previous figures have been regrouped wherever necessary and the figures have been rounded off to the nearest Lakhs.

Notes referred to above form an integral part of the financial statements.

As per our Report of Even Date

For and on behalf of the Board of Directors of
Virinchi Limited

For P. Murali & Co.

Chartered Accountants

FRN: 007257S

M. V. Joshi

Partner

M. No. 024784

M V Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN: 09070986

K.Ravindranath Tagore

Company Secretary

M. No: A18894

Place: Hyderabad

Date: 15/05/2023

CORPORATE INFORMATION

FOUNDER & CHAIRMAN EMERITUS

Viswanath Kompella

BOARD OF DIRECTORS

M. V. Srinivasa Rao

Whole-Time Director

V. Satyanarayana

Vice-Chairman & Executive Director

K. Sri Kalyan

*Non-Independent Non Executive
Director*

K. Kalpana

*Independent and Non-Executive
Director*

J. Suresh

*Independent and Non-Executive
Director*

Sunder Kanpaparthi

*Independent and Non-Executive
Director (Upto March 31, 2023)*

K. Ravindranath Tagore

*- Company Secretary,
Chief Investor Relations Officer &
Compliance Officer*

SENIOR LEADERSHIP

Satyajeet Prasad

President

M. V. Srinivasa Rao

CFO & Group President

V. Satyanarayana

Vice Chairman- Health Care

Sivaji Pendyala

COO

Rajesh Putta

CTO

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8-2-672 / 5 & 6, 4th Floor
Ilyas Mohammed Khan Estate
Road #1, Banjara Hills
Hyderabad, Telangana, 500034
Phone# 040-48199999
E-mail: investors@virinchi.com
Website: www.virinchi.com

BANKER

Canara Bank
IF Branch, Hyderguda,
Hyderabad.

AUDITORS

M/s. P. Murali & Co,
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad, Telangana – 500082.
Phone: 040 2332 6666

OFFICE ADDRESS IN USA

Green House, 7 South Main Street,
Suite E Marlboro, NJ, USA-07746
Phone# 7326962555,
Fax# 732-783- 0432

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Aarthi Consultants Private Ltd
1-2-285, Domalguda,
Hyderabad-500029
Phone # 91-40-27634445, 27638111
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Email: info@aarthiconsultants.com



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