



**Virtuoso
Optoelectronics
Limited**



2023

Annual Report

FY 2022 - 2023

www.voepl.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sukrit Bharati

Chairman & Managing Director

Vishrut Bharati

Non-Executive Director

Abhinav Mahajan (Appointed w.e.f. 29.05.2023)

Executive Director

Ziral Soni (Appointed w.e.f. 31.01.2023)

Independent Director

Komal Kotecha (Resigned w.e.f. 29.05.2023)

Independent Director

Drashti Solanki (Appointed w.e.f. 29.05.2023)

Independent Director

CHIEF FINANCIAL OFFICER

Sajid Shaikh

COMPANY SECRETARY & COMPLIANCE OFFICER

Renuka Kulkarni (Resigned w.e.f. 29.12.2022)

Hariom Kushawaha (Appointed w.e.f. 30.12.2022)

REGISTERED OFFICE

Virtuoso Optoelectronics Limited

Plot. No. 7, MIDC, Satpur, Nashik – 422007

Tel: +91 253-2309016, Email: info@voepl.com,

Website: www.voep.com,

CIN: U74999MH2015PLC268355

BANKERS

Axis Bank Limited

HDFC Bank Limited

HDFC Bank Limited

Yes Bank Limited

Mahindra & Mahindra Financial Services Ltd

Small Industries Development Bank of India

Tata Capital Limited

STATUTORY AUDITORS

Jain Chhajed & Associates,

Chartered Accountants

SECRETARIAL AUDITORS

Vishal Thawani & Associates,

Company Secretaries

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited

Subramanian Building No.1, ClubHouse

Road, Chennai-600002

Email: investor@cameoindia.com,

Tel: 44-28460390

NAME OF THE STOCK EXCHANGE

BSE LIMITED – SME PLATFORM

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai – 400001

Script Code: 543597.

Table of Contents

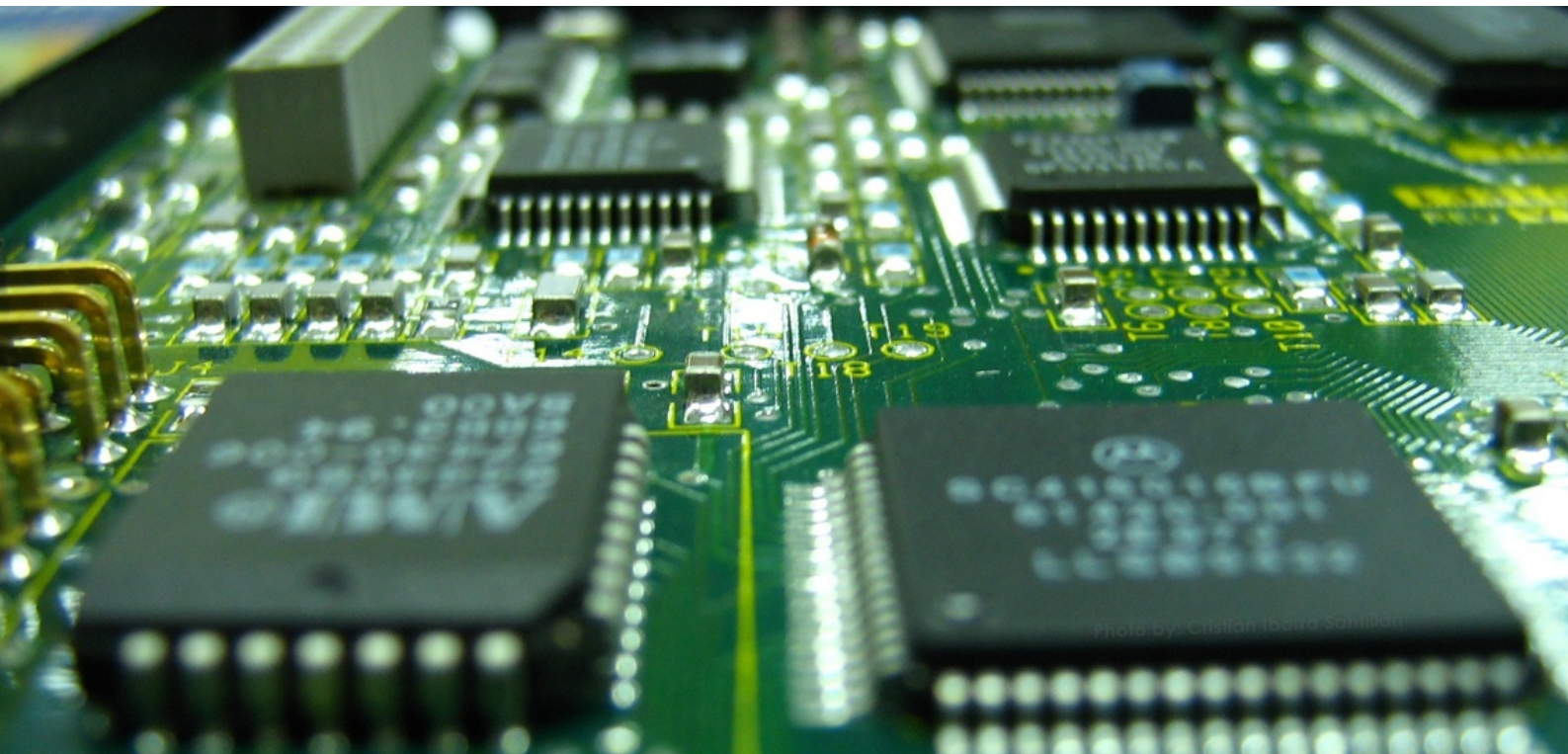
	Description	Page No.
1	About the Company	4
2	Brief Profile of the Managing Director of the Company	17
3	Chairman's Message to Shareholders	18
4	Directors Report	19
5	Annexure 1 to Directors Report	31
6	Annexure 2 to Directors Report	33
7	Annexure 3 to Directors Report	35
8	Management Discussion and Analysis	39
9	Corporate Governance Report	49
10	Independent Auditor's Report	82
11	Financial Statements	101



About the Company

Virtuoso Optoelectronics Limited (VOEPL) was incorporated in 2015 at Nashik, India. The company started its operation with Electronic Manufacturing and then grew from strength to strength with the help and support of its customers, team and partners. Over the last few years VOEPL has established itself as a strong OEM/ODM in the manufacturing industry for Consumer goods, LED Lighting & EMS.

VOEPL is amongst the leading manufacturers of Air Conditioners & LED Lighting in India, and it has achieved this milestone in its short journey of a few years with the support of its blue-chip customers. VOEPL has proven its ability to scale manufacturing, with strong focus on quantity, quality and by ensuring strong backward integration of its component ecosystem, which is helping it in meeting the demand from its customers.



“Customer brand value enhancement and building a socially contributing community is at the core of everything that we want to build and achieve.”

Sukrit Bharati
Chairman & Managing Director



Our Vision

"We are a growing vibrant community that aims to delight consumers and clients by innovating and manufacturing amazing consumer products."

1

CUSTOMER SUCCESS: We strongly believe that the success of our customers is our success. We want to take all steps including - Quality Measures, Process Improvements & Quantity Fulfillments to ensure that we are able to make products which bring delight to the end consumer and enhance the customer brand value and brand proposition of our customers in the market.

2

VIBRANT COMMUNITY: The community of people that are coming together to help build VOEPL including shareholders, customers, consumers, employees, vendors and service providers are most important to us and we would like to act as a catalyst in helping nurture this community and continuously working towards making it a better place for all of them, with the ultimate goal of becoming a happy, supporting and sustainable community of amazing individuals.

Our Team



“Our team at VOEPL is dedicated towards the company’s vision of building a strong manufacturing company with the capabilities of delivering the right products and services to our customers. With the ultimate goal of overall development of the society”.

Sukrit Bharati

Chairman & Managing Director



Abhinav

Executive Director



Vishrut Bharati

Non Executive Director



Ziral Soni

Independent Director



Drashti Solanki

Independent Director



Nitin Shewale

Chief Operating Officer



Sajid Shaikh

Chief Financial Officer



Ramesh K

Sr. General Manager



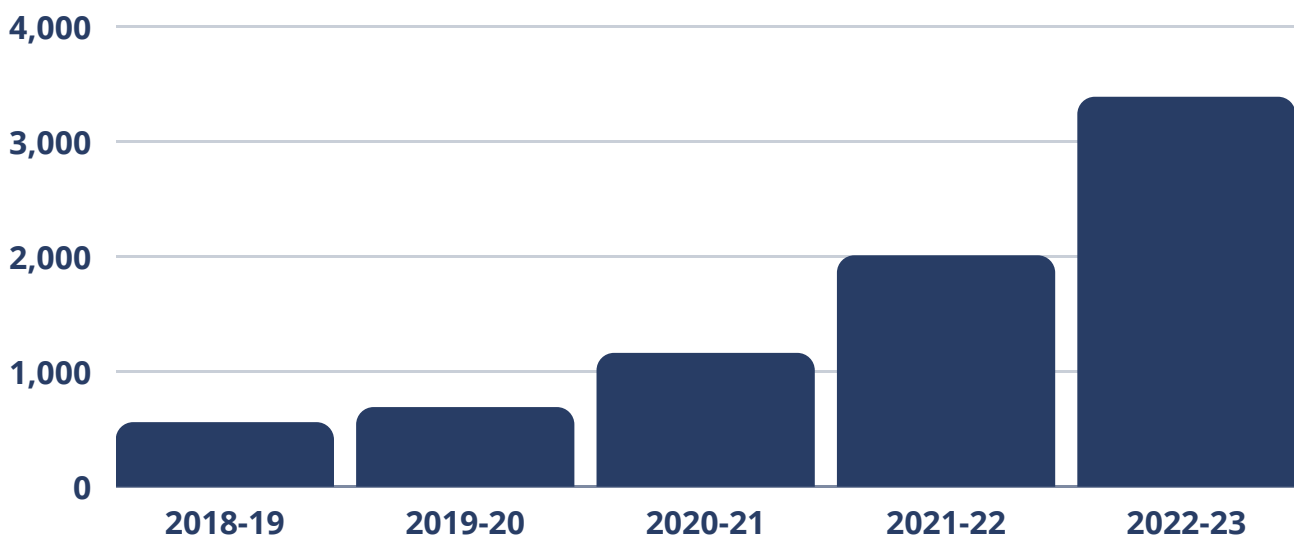
Kedar Aphale

General Manager

A Year in Review

The Company has delivered on strong revenue growth of nearly 69% year on year led by growth in volumes from existing businesses (EMS + IDU) as well as from new products added during the year (IDU) & we are hoping to continue on this growth trajectory in FY24 and FY25 led by further expansion in our manufacturing capacities, which is led by strong demand for our products from key customers. The Company has successfully added Outdoor Units to its portfolio and has also become significantly stronger in backward integration.

Revenue From Operations (₹ in Millions)



Our Milestones

2015

Incorporation

2016

Commenced production of electronic products

2017

ISO 9001 Quality Certification

2018

Started Emergency Lighting for PANASONIC

Ventured into Appliance segment with Air Cons.

2019

Established 40,000 sft. facility for ACs for M/s Voltas Ltd.

2020

Selected for SEED program by STANFORD Uni. USA

New EMS Unit 48,000 sft & UL Cert. for USA mkt.

Exp. AC unit to 60K sft. & added HE & Moulding in house

2021

Developed remote & electronic parts for ACs

Increase AC IDU capacity to 600K

2022

Third Manuf. unit of 80K sft for ODU with SM & PC in house

2023

Fourth Manuf. unit of 20K sft for CFF (Cross Flow Fan)



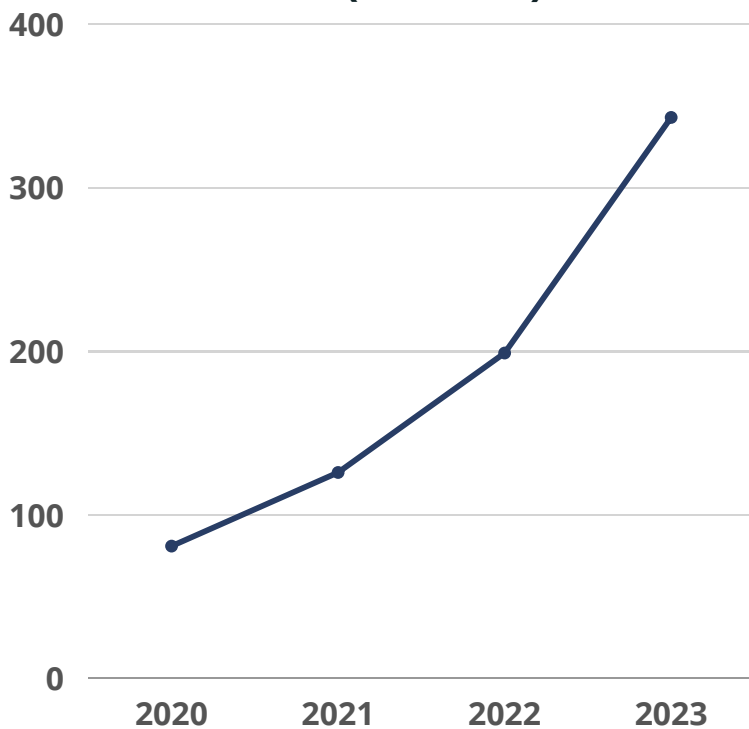


Fiscal year 2022-23 ended on a strong note with record revenue and profits.

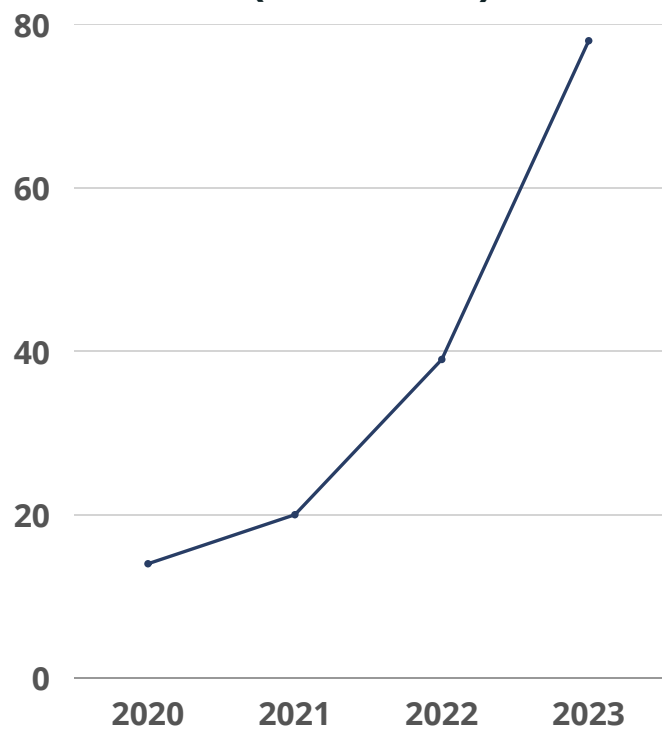
Key Highlights for the financial Year 2022-23 are:

- EBITDA: ₹ 342.6 mn
- PAT Margin: 2.3%
- ROE: 13.5%
- ROCE: 25.7%
- Debt-Equity Ratio: 0.94
- Net Worth: ₹ 936.50 mn
- EBITDA Margin: 10.1%

EBITDA (₹ Millions)



PAT (₹ in Millions)



The Road Ahead



Manufacturing Capabilities	Research & Development	Market Development
Inhouse Capabilities: <ul style="list-style-type: none"> • Injection Moulding • EMS • Sheet Metal & PC. 	Strengthening of R&D team to be able to add further value for our customers	Amongst the leading AC manufacturers, EMS providers & OEM/ODMs in India
Backward Integrations: <ul style="list-style-type: none"> • Heat Exchanger • Cu. Tubing Parts • CFF 	Inhouse development of inverter solution for entire range of domestic split ACs	Manufacturing maximum components inhouse by strengthening backward integration
Planned Capabilities: <ul style="list-style-type: none"> • Pressure Die Casting • Brass CNC Shop • Metal CNC Shop 	Plastic and Metal tool design and development capability for faster turnaround time	Providing flexible & comprehensive manufacturing solutions to customer
Upcoming Products: <ul style="list-style-type: none"> • Bottle Water Dispensers • Deep/Chest Freezer 	Enhancing the R&D Laboratory infrastructure and getting NABL accreditation.	To focus on developing the export market by ensuring price, design and operational competitiveness

Enhancement of capacities in the existing manufacturing units of VOEPL:

- Plant A - EMS & Assembly capacity of manufacturing 34 Million lamp equivalents per annum.
- Plant B - Manufacturing of indoor units (IDU) for Air Conditioners with capacity of 600,000 units per annum.

During the year Company has added two new manufacturing units in Nashik :

- Plant C - Manufacturing of Cross Flow Fans (CFFs) which are used in Indoor Unit (IDU) of Split Air Conditioners for a capacity of up to 40,000 units per month
- Plant D/E - Manufacturing of Outdoor Units (ODU) for Air Conditioners with capacity of 250,000 units p.a.

The backward integration was also improved and the following backward integrations with taken in-house:

- Injection Moulding
- Heat Exchanger Line
- Copper Tubing Line
- Sheet Metal & Powder Coating Shop

VOEPL also raised Rs 35 crores by preferential allotment of shares from marquee investor Mr Ashish Kacholia and others, for growth capital. Also, company has decided to acquire 51% in YLP Solutions for a sum of Rs 3.10 lacs. Group company being acquired in line with our commitment for transparency and streamlining our business.



PLANT A

64-B-1, MIDC Area, Satpur, Nashik - 422207



LED Lighting



Remotes & Controllers



Circuit Boards & EMS



PLANT B

Survey No. 602/2, Off. Airport Road, Ozar, Nashik - 422208



Indoor Units



HE & Copper Tubing



PLANT C

7, MIDC Area, Trimbak Road, Nashik - 422007



Cross Flow Fan



Wire Harness



Moulding Parts



PLANT E

Gat No. 182/B/1, Wadiware, Igatpuri, Nashik - 422403



Outdoor Units (ODUs)



Sheet Metal

We are continuously working towards developing a diverse product portfolio and improving specialisation in high-volume, large - scale production of consumer & industrial products, with maximum backward intengration to make us competitive in the market both at national and internal national levels.

Over the year VOEPL has improved its fundamentals in key areas such as:

- Increase in manufacturing capacity & Improvement in process efficiency. The overall asset utilisation also increased substantially over the last year.
- Addition of backward integration for multiple components. Further backward integration planned in the coming year.
- Working towards enhancing customer experience by strengthening of team and addition of required resources.
- Increase in business by existing blue-chip customers
- Improvement in R&D capabilities and addiion of key members in the R&D Team, to improve the overall product design and development capability.
- Taking small steps on a regular basis to improve contribution towards local society and well being our employees & their families.

Company is a preferred vendor in the western region for OEMs in the western region. Also, it is in close proximity to the port which reduced its logistics costs for exports.

Company has received ₹ 50.5 Crore sanction towards backward integration of White Goods (Air Conditioners) under PLI scheme out of a total of 26 companies. Company is maximizing its backward integration to provide maximum value addition to its customers.

At VOEPL, we believe there is tremendous potential & need in the market for development of strong manufacturing bases, both from our countries stand point and also for the development of society. We at VOEPL want to give our best efforts and contribute our best efforts towards achieving this goal for the country and the community.

“Our core values are
professionalism,
good corporate governance,
customer first and quality focus”.



Our Pillars

This Annual Report provides a cohesive view of our performance and ability to create value consistently through six capitals.

1

Financial Capital

- Continuous value creation for stakeholders
- Improvement in asset turnover ratio & ROCE
- Maintaining a healthy debt equity ratio
- Improvement of overall PAT of the company.

2

Intellectual Capital

- Strengthening of ODM capabilities for Consumer Goods & Electronic Products
- Upgradation of our testing labs with national / international accreditations
- Developing a strong R&D team

3

Human Capital

- Skill development through various training programs
- Ensuring safety and well-being of employees & their families

4

Manufacturing Capital

- Backward integration for components
- Increase in EMS capacities & also manufacturing capacities for Air Conditioners both IDU & ODU.

5

Social and Relationship Capital

- Generated employment opportunities
- Continuous engagement with customer and stakeholder

5

Natural Capital

- Upgraded EMS lines for compliance with RoHS guidelines for reduction of use of materials with heavy metals
- Usage of energy efficient devices and reducing consumption by optimising usage

Sustainability Goals



One of the core drivers behind the company is to help build sustainable employment and livelihood. The objective is to inspire & drive the society around us to grow and thrive. To give back to the community and to empower them to uplift their lives.

Hence, we continuously endeavour to leave a positive footprint and work towards building a company that can continue to contribute towards the growth of the country & society for generations to come.



THE GLOBAL GOALS



Brief Profile of the Managing Director of the Company

Mr Sukrit Bharati : Chairman & Managing Director of the Company is having 13+ years of experience. He looks after the management and operations of the Company.



He is a qualified technocrat with education background of Masters in Science - Engineering Technology from BITS Pilani; Diploma / Certification courses in Management subjects from Harvard Business School and NMIMS, Mumbai.

Further, he has completed a year long course under Stanford Seed Program, by Stanford University, USA. This program is about on-the-ground leadership for established founders and CEOs in emerging economies focused on growing their businesses and increasing the positive impact they have in their communities.

He is focused on ensuring sustainable growth of the company by improvement in customer satisfaction, addition of new customers and product verticals, employee training and growth. With the overall objective of strengthening the company, positive contribution to society and increasing shareholder value.



Chairman's Message to Shareholders

Dear Shareholders,

It gives me immense pleasure to write to you as the Chairman of Virtuoso Optoelectronics Limited.

Virtuoso Optoelectronics Limited (VOEPL) was incorporated in 2015 at Nashik, India. The Company started its operation with Electronic Manufacturing and then grew from strength to strength with the help and support of its customers, team and partners. Over the last few years VOEPL has established itself as a strong OEM/ODM in the manufacturing industry for white goods & electronic items especially air conditioners.

The Company has delivered on strong revenue growth of nearly 69% year on year led by growth in volumes from existing businesses (EMS + AC - IDU) as well as from new products added during the year (AC - ODU) & we are hoping to continue on this growth trajectory in FY24 and FY25 led by further expansion in our manufacturing capacities, which is led by strong demand for our products from key customers. The Company further plans to add Water Dispensers & other Refrigeration products to its portfolio along with continuous enhancement in backward integration to support its current operations.”

Company has geared up for future expansion plans with its successful first ever IPO listing & Preferential Share allotment for raising funds to fuel the growth of the company. This year we plan on executing ESOP scheme for our team, adding two additional manufacturing locations and acquisition of one small company for growing its project business.

We are working towards growing our top line at 35-40% CAGR for the next 3 years led by volume growth due to increased customer demand and addition of new product categories.

Yours Faithfully,

Sukrit Bharati
Chairman & Managing Director

Directors Report

Dear Member(s),

Your directors take immense pleasure in presenting the 8th Annual Report on the business and operations of your Company along with its Audited Financial Statements for the year ended on 31st March, 2023.

Financial Summary

The financial statements of the Company are prepared in accordance with the applicable provisions of the Companies Act, 2013 (the 'Act') including Accounting Standards as specified in Section 133 of the Act, read with the Companies (Accounts) Rules, 2014, and amendments thereof.

The financial performance of the Company during the year is as under:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue From operations	33,726.51	20,017.24
Other Income	80.70	10.96
Total Income	33,807.21	20,028.20
Total Expenses	32,678.12	19,455.14
Profit/Loss before Exceptional Items and Tax	1,129.09	573.06
Add/(Less): Exceptional Items	-	-
Profit before Tax	1,129.09	573.06
Tax Expense	198.00	95.66
Profit after Tax	931.09	477.40
Deferred Tax	154.38	83.38
Profit for the year	776.71	394.01

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of your Company to which the Financial Statements relate and the date of Board Report.

Operational Overview

Your Company offers widest range of air conditioning and lighting products. It fulfils the lighting & air-conditioning requirements of a large number of corporate customers. The Company continues to operate only in one segment i.e., manufacturing, selling and marketing of white Goods and there is no change in the nature of Business of the Company.

Revenue from operations for the current financial year grew 69% to ₹ 33,807.21 lakhs as compared to ₹ 20,028.20 lakhs in the previous financial year. Net profit for the current financial year grew 2.3% to ₹ 776.71 lakhs as compared to ₹ 394.01 lakhs in the last financial year. Company has performed exceedingly well and generated record revenue and profits.

Furthermore, your Company received approvals under the Electronic Policy scheme of GOI for manufacturing of Air Conditioners and LED Lighting, for FY 21-22 which is likely to redefine your Company's revenue model.

Dividend

In view of the planned business growth, your directors estimate it proper to preserve the resources in order to fund new growth opportunities and therefore, do not propose any dividend for the Financial Year ended March 31, 2023.

Reserves

The amount of profit of ₹ 776.71 lakhs is transferred to the Reserve and Surplus Account for the year under review.

New Acquisitions

As part of its commitment towards transparency and streamlining activities, your Company has acquired a majority stake in YLP Solutions Private Limited ("YLP"), a group Company with annual project & online trading sales of ₹ 72 lakhs in FY 22-23. This acquisition will allow VOEPL to establish YLP as a subsidiary at a nominal cost of approx. ₹ 3.10 lakhs. YLP is principally engaged in the business of online sales and services of lighting and other electrical products.

Pursuant to Share Purchase Agreement dated 29th May, 2023 between your Company and YLP effective 29th May, 2023 your Company holds 51% of the shareholding of YLP, thus making it Subsidiary of your Company.

Provisions relating to consolidation of financial statements are not applicable on the Company during the financial year 2022-23.

Share Capital Structure

There has been no increase / decrease in the Authorised Share Capital of your Company during the year under review. The Issued, Subscribed and Paid-up equity share capital as on 31st March, 2023 was ₹ 22,83,86,560/- (divided into 2,28,38,656 equity shares of ₹ 10/- each.)

Funds Raised During The Year

Initial Public Offering (IPO) - During the year Company has come up with Initial Public Offer by issuing 54,00,000 equity shares having face value of ₹ 10/- each at a premium of ₹ 46/- per share. The total issue was subscribed by 96.91 times of its existing issue size. Retail Investors portion subscribed to 80.95 times and others portion subscribed to 112.87 times. Equity shares were allotted to successful applicants on September 12, 2022 and listed on BSE - SME Exchange on September 15, 2022 with huge volumes. Your Company's IPO was one of the most successful IPO during the financial year 2022-23.

Preferential Issue - Preferential issue was approved for fresh issue of 24,56,140 equity shares having face value of ₹ 10/- each at a premium of ₹ 132.50/- per share at the Board Meeting held on January 30, 2023 and with special resolution at the Extra Ordinary General Meeting held on February 24, 2023. In-principle approval received from BSE Limited on February 8, 2023.

The Company has allotted equity shares on March 1, 2023. Listing approval of equity share to the SME platform of BSE Limited received on March 9, 2023. Trading approval of equity shares to the BSE Stock Exchange received on March 17, 2023, and finally the equity shares got listed on BSE - SME exchange with effect from March 20, 2023.

During the period under review, your Company has not bought back any of its securities / has not issued any Sweat Equity Shares / has not issued any Bonus Shares/ has not issued shares with differential voting rights and there has been no change in the voting rights of the shareholders.

Employees Stock Option Plan

The board of directors had proposed "VOEPL" Employee Stock Option Plan 2023. The "VOEPL" Employee Stock Option Plan-2023 was approved on January 30, 2023 by Board of Directors and on February 24, 2023 by shareholders by passing Special Resolution. Board of directors has reserved 20,00,000 options under this plan for employees which will be granted at the price and terms as per the proposal by NRC committee and subject to the approval from the board of directors from time to time. Company has received In-principle approval from the BSE Limited for its ESOP Plan.

Investor Education And Protection Fund

During the year under review, your Company was not required to transfer any funds to Investor Education and Protection Funds (IEPF).

Meetings Of The Board

The Board met 22 times during the financial year. The details of attendance at the board/committee meetings held are provided in the Report of the Directors on Corporate Governance, which forms part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Committees Of The Board

The Board had duly constituted following Committees, which are in line with the provisions of applicable laws:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee
- D. Management/Executive Committee
- E. Corporate Social Responsibility Committee

A detailed update on the composition, number of meetings, attendance and terms of reference of aforesaid Committees are provided in the section "Committees of the Board" of "Corporate Governance Report"

Public Deposit

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

Declaration By Independent Directors

Necessary declarations from each Independent Director of the Company are received, confirming that he/she met with the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the Listing Regulations, 2015.

Board Evaluation

As per the provisions of the Companies Act, 2013 and Listing Regulations 2015, The Board adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Changes In Key Managerial Personnel

During the Financial year 2022-23,

1. Mrs. Renuka Kulkarni, Company Secretary & Compliance Officer of the Company has resigned w.e.f. December 29, 2022.
2. Mr. Hariom Kushawaha, is appointed as Company Secretary & Compliance Officer of the Company w.e.f. December 30, 2022.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, are set out in the annexure to the Directors' Report as Annexure - 1.

Health, Safety And Environment

Safety and occupational health responsibilities are integral to your Company's business process. Safety is a key performance indicator and your Company is committed to ensuring zero harm to its employees, to any person in the Company premises and to the community. The Company is continuously focusing on improved training, new initiatives and communications enhancing safety in the work place. Apart from safety initiatives, your Company is also focusing on environment protection. The Company has applied taken registration as per the provisions of E-Waste (Management) Rules, 2022 from Central Pollution Control Board (CPCB) of the Government of India.

Board Of Directors, Its Committees And Meetings Thereof

Pursuant to Section 152 of Companies Act, 2013, Mr. Vishrut Bharati, shall retire by rotation at the ensuing Annual General Meeting being eligible offers himself for re-appointment for directorship of the Company.

Mrs. Komal Kotecha, (DIN: 09141355) has resigned as an Independent Director w.e.f. May 29, 2023.

Mr. Abhinav Mahajan (DIN: 06926238) has resigned as Independent Director w.e.f. January 30, 2023. Mr. Abhinav Mahajan (DIN: 06926238) was, on recommendation of Nomination and Remuneration Committee, appointed by the Board of Directors as an additional director (Executive) under section 161 of the Companies Act, 2013 w.e.f. May 29, 2023, he shall hold office up to the date of ensuing Annual General Meeting. The Company has received recommendations from nomination and remuneration committee proposing his candidature for appointment as a director. He is proposed to be appointed as a Director (Executive) by changing his designation from Additional (Executive).

Ms. Drashti Laxmikant Solanki (DIN: 10136197) on recommendation of Nomination and Remuneration Committee, appointed by the Board of Director as additional director (Non-Executive, Independent) under section 161 of the Companies Act, 2013 w.e.f. May 29, 2023, she shall hold office upto the date of ensuing Annual General Meeting. The Company has received recommendations from nomination and remuneration committee for appointment as Independent Director by changing her designation. She is proposed to be appointed as an Independent Director for a period of five years i.e. to hold office upto May 28, 2028.

Mrs. Ziral kumar Soni (DIN: 09213763) on recommendation of Nomination and Remuneration Committee, appointed by the Board of Director as additional director (Non-Executive, Independent) under section 161 of the Companies Act, 2013 w.e.f. January 31, 2023, she shall hold office upto the date of ensuing Annual General Meeting. The Company has received recommendations from nomination and remuneration committee for appointment as Independent Director. She is proposed to be appointed as an Independent Director for a period of five years i.e. to hold office upto January 30, 2028 and was appointed at the Extra Ordinary General Meeting held on February 24, 2023, by changing designation from Additional Director (Non-Executive Independent).

The requisite particulars in respect of Directors seeking appointment/re-appointment are given in Notice convening the Annual General Meeting.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

Details of policy of appointment and remuneration of directors have been provided in the Corporate Governance Report.

Policies

The updated policies adopted by the Company as per statutory and governance requirements are uploaded on website of the Company at www.voepl.com.

Particulars Of Employees

A statement containing the names and other particulars of employees in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure-2 to this report.

The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report.

Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing AGM. Any shareholder interested in obtaining a copy of such statement may write to the Company Secretary at the Registered Office of the Company or e-mail to cs@voepl.com.

Details Of Related Parties Transactions Purusant To Section 188(1) Of The Companies Act, 2013

Pursuant to the provisions of section 188 of Companies Act, 2013. All the related party transactions entered into during the financial year under review were in ordinary course of business and on an arm's length basis. There were no materially significant transactions with related parties during the financial year which conflicted with the interest of the Company. Accordingly, information in form AOC-2 is not annexed.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors for their review and approval on a quarterly basis.

Other details for inter corporate financial transactions or remuneration and other benefits paid to directors, their relatives, key managerial personnel etc. are given as per requirements of AS 18.

Details Of Loans, Guarantees And Investments U/S 186 Of The Companies Act, 2013

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other Company.

AUDITORS

Statutory Auditors

M/s. Jain Chhajer & Associates, Chartered Accountants, an Auditors firm was appointed as Statutory auditors of the Company, for the second term of five consecutive years at the 6th Annual General Meeting held on Thursday, June 3, 2021. As per Rule 6(3) of the Companies (Audit and Auditors) Rules 2014, they are eligible to continue as the statutory auditors. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with rules made thereunder, the Board of Directors has appointed M/s Vishal Thawani & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2022-23. The report submitted by the Secretarial Auditor in Form MR-3 is attached to this report as Annexure - 3. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

In terms of the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors had, on the recommendation of the Audit Committee, appointed KPMSS & Associates, Cost Accountants, Nashik, as the Cost Auditors, to conduct the cost audit for the financial year ended March 31, 2023.

As required under the Act, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to Cost Auditors, forms part of the Notice convening the Annual General Meeting.

Internal Auditors

In terms of the provisions of Section 138 of the Act read with Companies (Account) Rules, 2014, the Company has appointed M/s Pooja M. Kulkarni & Co., Chartered Accountants, Nashik as the internal auditors.

Reporting Of Frauds By Auditors

During the year under review, none of the auditors, viz., statutory auditors, cost auditors, and secretarial auditors, have reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

Extract Of Annual Return

The Annual Return of the Company as on March 31, 2023 will be available on the website of the Company at www.voepl.com.

Management Discussion And Analysis Report

Management Discussion and Analysis Report prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations; 2015 forms part this Directors' Report is attached as Annexure - 4.

Corporate Governance

Corporate Governance Report prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Directors' Report.

During the year under review, your Company has complied with the applicable Secretarial Standards.

Insurance

The Fixed Assets and Stocks of your Company are adequately insured.

Risk Management And Internal Control System

Your Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations. Your Company has adopted proper system of Internal Control and Risk Management to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported properly.

The effectiveness of internal financial controls is reviewed through the internal audit process. Reports of internal auditors are reviewed by Audit Committee of the Company and desired actions are initiated to strengthen the control and effectiveness of the system.

Corporate Social Responsibility (CSR) Initiatives

During the year, the Company has not constituted the CSR Committee due to non-applicability of the provisions of sub-section (1) of Section 135 of the Companies Act, 2013.

Provisions of Section 135(1) of the Companies Act, 2013 are applicable for the financial year 2023-24 therefore Company has constituted CSR Committee and framed CSR Policy and approved by the board on May 29, 2023. Board of directors is in the process of identifying the areas where CSR amount to be spent.

Prevention of Sexual Harassment of Women At Workplace

The Company is committed to provide a safe and conducive work environment to its employees. As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made there under, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal for complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

Green Initiative

Your Company has implemented the "Green Initiative" to enable electronic delivery of notice/documents/ annual reports to shareholders. For members, who have not registered their e-mail addresses, please update your e-mail ids with your respective Depository Participants and/or with the Company.

Socially Responsible Practices

Some of the socially responsible practices adopted by the Company are as follows:

- In the area of skill development, Company employs around 200 apprentices every year under the NEEM and NAPS schemes of the Central Government.
- The company has partnered with local ITIs for skill development and training of students.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, hereby confirm that:

a) in the preparation of the annual financial statements for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the directors have selected such accounting policies have been selected and applied them consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the loss of the Company for the year ended on that date;

c) the directors have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual financial statements have been prepared on a going concern basis;

e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

f) the directors have advised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Acknowledgements

Your Directors place on record their sincere appreciation for the valuable support and co-operation received from Government of India and regulatory authorities, financial institutions and banks associated with the Company during the year. Your Directors thank all shareholders, esteemed customers, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels.

The Directors look forward to your continuing support.

BY ORDER OF THE BOARD OF DIRECTORS

For Virtuoso Optoelectronics Limited

Sukrit Bharati
Chairman & Managing Director
DIN: 03638084

Date: September 07, 2023

Place: Nashik

ANNEXURE – 1
TO THE DIRECTORS' REPORT

**Conservation of Energy, Technology Absorption and Foreign Exchange
Earnings and Outgo**

[Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021]

A. CONSERVATION OF ENERGY

I. STEPS INITIATED OR IMPACT ON THE CONSERVATION OF ENERGY:

The Company is primarily engaged in business of manufacturing of high-volume production of Electronics Manufacturing Services (EMS) and consumer products. The Company manufacturing consumer durable goods and assemble a wide array of products and provide end-to-end product solutions. Company also serves under both original equipment manufacturing (OEMs) and Original Design Manufacturers (ODMs) business model. The Company has no particulars to report regarding conservation of energy as required under Section 134 of the Companies Act, 2013 and Rules made thereunder.

II. STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY

To reduce indirect energy consumption in FY 2022-23, we have undertaken several efforts including improving the operating efficiency of industrial machinery. We are putting in state-of-the-art equipment and upgrading older ones to make them more energy efficient.

Some of the other conservative measures, which your Company has already implemented are:

- a. Rain water harvesting at one plant at Satpur, Nashik.
- b. Optimum usage of Air Conditioners throughout its premises by ensuring that there is no cool air leakage.
- c. Turning off lights in all floors when employees are not working
- d. Turning off the air conditioners during non-peak hours and on weekends.
- e. Installation of sun film to dissipate heat
- f. Usage of LED lights for all its lighting solution

III. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:

In the coming year, we intend to install roof-top solar power plant for 3 plants at Nashik with major capital investment. This project is expected to complete tentatively up to March, 2024.

B. TECHNOLOGY ABSORPTION

I. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION: Your Company has implemented the 'Green Initiative' to enable electronic delivery of notice/documents/annual reports to shareholders. Electronic copies of the Annual Report for the FY-2022-23 and notice of the 8th Annual General Meeting are being sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s) as on the record date.

II. OUTCOME & BENEFITS: As we have done backward as well as forward integration which has decreased our costs and helped us to capture 'A' Category customers. This increased our profit margins and reputation in the market.

III. INFORMATION REGARDING IMPORTED TECHNOLOGY (IMPORTED DURING LAST 3 YEARS): No technology has been imported by the Company in the last 3 years.

IV. EXPENDITURE INCURRED ON R&D: Research & Development is in a regular process. Your Company has hired the best of consultants in the industry with whom we have regular interactions.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

We are strengthening our efforts on Brand Building at focused geographies and building new channel partners across different geographies. The details of foreign exchange earnings and outgo during the period under review is as under:

(₹ In lakhs)

Particulars	FY 2022-23	FY 2021-22
Foreign Exchange inward	-	-
Foreign Exchange outgo	4870.01	4934.84

ANNEXURE – 2 TO THE DIRECTORS' REPORT

DISCLOSURES ON MANAGERIAL REMUNERATION

[Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided below:

Ratio of remuneration of each Director to the median employees' remuneration for FY23

	Name	Designation	Ratio of Remuneration of each Director to Median of Remuneration of employees
1	Sukrit Bharati	Managing Director	0.98
2	Vishrut Bharati	Non-Executive Director	NA
3	Abhinav Mahajan*	Independent Director	NA
4	Komal Kotecha**	Independent Director	NA
5	Ziral Soni^	Independent Director	NA
6	Drashti Solanki^^	Independent Director	NA

*Abhinav Mahajan (DIN: 06926238), was resigned w.e.f. 30th January, 2023 as an Independent Director and appointed on 29th May, 2023 as an Executive Director.

**Komal Kotecha (DIN: 09141355), was resigned w.e.f. 29th May, 2023 as an Independent Director.

^Ziral Soni (DIN: 09213763), was appointed w.e.f. 31st January, 2023.

^^Drashti Solanki (DIN: 10136197), was appointed w.e.f. 29th May, 2023 as an Independent Director.

Notes:

1. Remuneration to Non-Executive Directors includes sitting fees and commission paid.
2. Remuneration paid to all the Directors is within the overall limits approved by the shareholders of the Company.

Percentage increase in the remuneration of each Director and key managerial personnel in FY23

Sr No.	Name	Designation	Increase in Remuneration (%)
1	Mr. Sukrit Bharati	Chairman and Managing Director	NA
2	Mr. Vishrut Bharati	Non Executive Director	NA
3	Mr. Abhinav Mahajan*	Independent Director	NA
4	Mrs. Komal Kotecha**	Independent Director	NA
5	Mrs. Ziral Soni^	Independent Director	NA
6	Ms. Drashti Solanki^^	Independent Director	NA
7	Mr. Sajid Shaikh	Chief Financial Officer	38%
8	Mr. Hariom Kushawaha	Company Secretary	NA

*Abhinav Mahajan (DIN: 06926238), was resigned w.e.f. 30th January, 2023 as an Independent Director and appointed on 29th May, 2023 as an Executive Director.

**Komal Kotecha (DIN: 09141355), was resigned w.e.f. 29th May, 2023 as an Independent Director.

^Ziral Soni (DIN: 09213763), was appointed w.e.f. 31st January, 2023.

^^Drashti Solanki (DIN: 10136197), was appointed w.e.f. 29th May, 2023 as an Independent Director.

• Number of permanent employees

The Company had 134 employees as of March 31, 2023.

• Percentage increase in the median remuneration of employees in FY23

The percentage increase in the median remuneration of employees in FY23 stood at 42%.

• Average percentile increases already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration

The average percentage increase/decrease in the salaries of employees other than the managerial personnel in the last financial year 2022-23 was 33% whereas there was no increase in the managerial remuneration for the current financial year. The remuneration paid was in line with the performance of the Company, industrial standards and individual employee's performance.

ANNEXURE – 3
TO THE DIRECTORS' REPORT
Form No. MR-3
Secretarial Audit Report

For the Financial Year ended March 31, 2023

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

To
The Members
Virtuoso Optoelectronics Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Virtuoso Optoelectronics Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliance and expressing my opinion thereon.

Based on my verification of 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 authorised representatives in 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 31st March, 2023, generally complied with the statutory provisions listed here under 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 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, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

d. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review).

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable (Not Applicable to the Company during the Audit Period).

vi. The other laws as are applicable specifically to the Company are compiled as per representation made by the management of company during the audit period.

I have also examined compliance with the applicable clauses of the following:

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

b. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees.

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.

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

As per the minutes, the decisions at the Board Meetings were taken unanimously. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that

·During the period under audit the Company has allotted 54,00,000 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 46/- per share through Initial Public Offer. Equity Shares were allotted on September 12, 2022 and were listed on BSE SME Exchange on September 15, 2022.

·During the period under audit the Company had made Preferential Issue of 24,56,140 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 132.50/- per share and same were allotted on March 01, 2023 and were listed on BSE SME Exchange on March 20, 2023.

For, Vishal Thawani & Associates

Vishal R. Thawani (Proprietor)

M. No. A43938; CP No. 17377

Peer Review Certificate No. 1149/2021

Peer Review No. S2016GJ435600

UDIN: A043938E000962570

Date: September 07, 2023

Place: Ahmedabad

Annexure A

To
The Members
Virtuoso Optoelectronics Limited

Management's Responsibility:

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

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.

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

The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of account of the Company.

The relevant records have been examined through or received by electronic mode and physical records were not inspected. However, necessary confirmation for the authenticity of the records received has been provided by the Company.

For, Vishal Thawani & Associates

Vishal R. Thawani (Proprietor)
M. No. A43938; CP No. 17377
Peer Review Certificate No. 1149/2021
Peer Review No. S2016GJ435600
UDIN: A043938E000962570
Date: September 07, 2023
Place: Ahmedabad

ANNEXURE – 4 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments Overview.

“Virtuoso Optoelectronics is a leading player in manufacturing of Air Conditioners in India. In addition to Air Conditioners, it also manufactures Water Heaters, LED Lights etc.”

The EMS industry has grown in prominence over the last decade particularly in the last five years. The robust growth of India’s electronics industry is primarily driven by huge domestic demand for products that can be attributed to a multitude of factors, including growing rising disposable incomes, favorable duty structures and large-scale public procurement needs driven by Government projects such as rural electrification and e-governance programs. A huge domestic market and increasing export opportunities have placed the Indian electronics industry in an enviable position on the global map. India is now being recognized for its R&D hubs, design & engineering services and Electronics System Design and Manufacturing (ESDM). India is gaining recognition as one of the best low-cost destinations for manufacturing. In the recent years, with costs rising in other countries, India has been able to further expand the benefit on the cost front.

For the Electronics industry, the government clearly aims to position India as a global hub for ESDM by encouraging & driving capabilities in the country for developing core components, & creating an enabling environment for the industry to compete globally. Towards this, the Govt. has promoted entire ecosystem of the Indian electronics industry through incentive schemes such as;

- Production Linked Incentive (PLI) for IT hardware, large scale electronics manufacturing, White Goods, Telecom & Networking Products and others.
- Phased Manufacturing Program to promote domestic manufacturing of Mobile Phones and various sub-assemblies involved in manufacturing of Mobile Phones.
- Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors (SPECES).
- Electronic Manufacturing cluster (EMC) 2.0

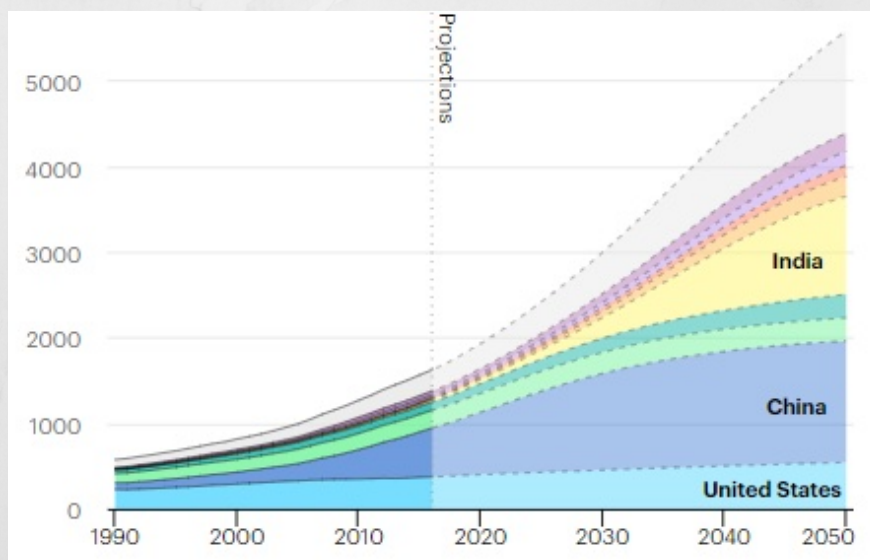
These incentive schemes will boost investment in the entire value chain of the Indian electronics industry. Development of local manufacturing ecosystem will strengthen the local supply chain thereby improving time to market, reducing lead times, saving precious foreign exchange, reducing component and logistics costs, and making electronics products more affordable in the coming years. The total addressable EMS market in India was valued at H 2,654 billion (USD 36 Billion) in FY21, and is expected to grow to H 9,963 billion (USD 135 Billion) in FY26 with a CAGR of 30%. However, the contribution of Indian EMS companies is around 40%, which is valued at H 1,069 billion (USD 14 Billion) in FY21, which is expected to grow at 41% CAGR to reach H 5,978 billion (USD 81 Billion) by FY26.

The Future Of Cooling

India's Air Conditioner Market is projected to reach US\$ 399.88 billion by 2028 growing with CAGR of 7.66% from 2022 to 2028. As India's population continues to grow and its economy undergoes a transformation, the air conditioning industry has emerged as one of the fastest-growing industries in the country.

By 2050, around 2/3 of the world's households could have an air conditioner. China, India and Indonesia will together account for half of the total number.

The changing lifestyles of Indian consumers, including the rise of nuclear families, single-person households, and job migration, have created a growing need for accessible and convenient products that reduce the time and effort spent on everyday chores. Increased affordability, a focus on energy efficiency, digital penetration, and rising aspirations are driving the industry's growth.



Sources : <https://www.iea.org/reports/the-future-of-cooling>

India's regulatory and business environment has undergone significant changes, including the introduction of the Goods and Services Tax (GST) and upcoming policies such as the national policy for electronics (NPE), which could bring about further policy changes for the industry. The burgeoning middle class in urban areas and aspirational demand from rural India, coupled with increasing electrification of rural areas and the popularity of online sales, are likely to fuel demand and drive exponential growth.

The growth in India's consumer market demand is driven primarily by rising disposable incomes and easy access to credit, which in turn has increased purchasing power. While two-thirds of the total revenue is generated from urban inhabitants, rural inhabitants are also contributing to the growth of the industry. According to this research report The Indian Air Conditioner Market was valued at US\$ 255.31 Billion in 2022.

Increasing demand from the Residential Sector will drive the Rooms AC Market:

By Type, India's AC Market has divided into Room Air Conditioner, Ducted Air Conditioner, Ductless Air Conditioner and Centralized Air Conditioner. The Indian market for room air conditioners is among the world's largest and has witnessed rapid growth in recent times. The surge in demand for residential air conditioners has been a key driver of this growth, owing to an increasing number of middle-class households with higher disposable incomes seeking home appliances like air conditioners. Besides, the trend of urbanization has led to more people living in compact apartments and homes, leading to a need for smaller and efficient air conditioning solutions.

Meanwhile, the centralized air conditioning sector in India has also experienced steady growth in recent years, primarily due to rising demand from various sectors such as commercial buildings, hospitals, and industries.

The growth of the industry can be attributed to factors such as increasing disposable incomes, evolving lifestyles, and rising temperatures as a result of climate change. Additionally, the government's focus on infrastructure development, including the construction of smart cities, presents significant growth opportunities for the industry. The adoption of energy-efficient technologies and eco-friendly refrigerants is expected to further drive the industry's growth in the future.

Increasing Urbanization and Rising Disposable Incomes Surge the Demand of Split AC:

Indian Air Conditioner market is divided into three categories based on product type: Windows Air Conditioner (AC), Split Air Conditioner (AC), and Other Air Conditioner (AC). India's split air conditioner (AC) industry is expected to sustain its growth trajectory in the coming years, driven by factors such as rising urbanization, growing disposable incomes, and heightened awareness of air quality and energy efficiency. The adoption of inverter technology is one of the industry's significant trends, offering superior energy efficiency and reduced electricity bills. The Indian government's initiatives to promote energy-efficient appliances, such as the Bureau of Energy Efficiency's (BEE) star rating system for ACs, have also contributed to the industry's expansion by boosting demand for higher-rated split ACs.

Increasing adoption of E-Commerce Platform and the Growing Preference for online Shopping is driving the Online Sales:

Based on Sales Channel, Indian AC Market divided into Small Retailers, Modern Retail/ MBO, and Online (E-Commerce). In recent years, the online air conditioning (AC) industry in India has experienced substantial growth due to the rising adoption of e-commerce platforms and the increasing preference for online shopping. The availability of a vast array of AC brands and models, competitive pricing, and the convenience of doorstep delivery and installation services has all contributed to the industry's growth in India.

Small AC retailers in India have a crucial role in the air conditioning industry, especially in tier 2 and tier 3 cities where they cater to the local demand for ACs. These retailers typically operate small shops or showrooms that offer a range of AC brands and models, along with installation and after-sales services. Despite the growth of online sales, small retailers continue to play a vital role in the air conditioning industry, particularly in smaller cities and towns, by providing personalized services and meeting the specific needs of their local customers.

Western part of India will have Larger Market Share due to high demand in Upcoming Years.

By Regions, India AC Sector segmented into South, West, North and East. The western region, consisting of states like Maharashtra, Gujarat, and Rajasthan, is a significant market for air conditioning (AC) in India, due to high temperatures and humidity levels that drive demand in residential, commercial, and industrial spaces.

Similarly, the North India AC market, which comprises states like Delhi, Punjab, Haryana, Uttar Pradesh, and Uttarakhand, is also substantial, with extreme temperatures driving demand for ACs in residential and commercial spaces. The split AC dominates the North India market, followed by window ACs and portable ACs. Additionally, the commercial and industrial sectors, particularly in cities like Delhi, Noida, and Gurgaon, have a high demand for ACs, while the hospitality industry, including hotels, resorts, and restaurants, is also driving the demand for ACs.

Medium Term and Long-Term Strategy:

Strategy formulation for the medium-and long-term as well as its execution and review have always been a part of the Company's strategic planning process. The board plays a key role in guiding and shaping the Company's medium-to long term strategy. The Company regularly monitors and evaluates its internal strategies vis-à-vis the dynamic external environment and also evaluates the key strategic risks and opportunities that impact the Company and its business.

Financial Performance Analysis:

Following are the financial highlights of the Company for the year ended March 31, 2023, on a standalone basis:

A good demand for the Company's offerings across all business segments coupled with an early onset of Summer in some parts of the country, helped Virtuoso Optoelectronics register a robust revenue growth. The Company has delivered record profits and ended the year on a record high revenue of ₹ 3,3807 lakhs.

Financial performance analysis is provided below:

1. Income:

The year commenced on a promising note with a general improvement in consumer sentiment witnessed in the first half of the previous financial year.

During the peak selling season for the Company's products, Virtuoso Optoelectronics ended the year on a strong note with the total Income for the year ended March 31, 2023, growing by 68.8% to ₹ 33,807 lakhs as compared to ₹ 20,028 lakhs in the previous year.

2. Cost Of Sales, Work Bills And Services:

The cost of sales, work bills and services during the year was ₹ 29,296.45 lakhs compared to ₹ 17,238.65 lakhs in the previous year. This cost increased to 86.66% of the Revenue from Operations compared to 86.07% in the previous year in line with the growth in scale.

3. Employee Remuneration And Benefits:

Employee cost for the year at ₹ 709.42 lakhs increased by 96% compared to ₹ 361.85 lakhs in the previous year, in line with the increase in scale and roll back of compensation cuts undertaken in the previous year. Employee cost was 2.1% of the total income compared to 1.8% in the previous year.

4. Operating And General Expenses:

Operating and general expenses decreased to ₹ 375.4 lakhs from ₹ 435.45 lakhs in the previous year. As a percentage of total Income, the operating and general expenses for the year were at 1.1% as compared to 2.2% in the previous year.

5. Financial Expenses:

Financial cost for the year was at ₹ 1353.95 lakhs compared to ₹ 905.5 lakhs in the previous year. The financial cost for the year decreased to 4.0% of the total income compared to 4.5% in the previous year due to lower average gross borrowings and a decrease in cost of financing.

6. Depreciation:

Depreciation charge for the year increased to ₹ 942.89 lakhs as compared to ₹ 513.70 lakhs in the previous year.

7. Profit Before Tax:

Profit before tax and exceptional items for FY23 increased by 3.35% to ₹ 1129.09 lakhs compared to ₹ 573.06 lakhs in FY22. Profit before tax and exceptional items improved to 3.35% of the total income compared to 2.86% in the previous year.

8. Key Financial Ratios:

Sr. No.	Key Financial Ratios	FY23	FY22	Change%
1	Debtors Turnover Ratio (times)	19.04	20.37	-6.53%
2	Inventory Turnover Ratio (times)	2.90	3.43	-15.34%
3	Interest Coverage Ratio (times)	2.09	1.96	6.22%
4	Current Ratio (times)	1.23	1.00	23.56%
5	Debt Equity Ratio (times)	0.94	3.20	-70.57%
6	Operating Profit Margin (%)	7.34%	7.38%	-0.51%
7	Net Profit Margin (%)	2.30%	1.97%	17.00%
8	Return on Net Worth (%)	13.52%	20.97%	-35.52%

Net Profit Margin improved to 2.30% for FY 22-23 compared to 1.97% in the previous year due to the impact of scale, which enabled preservation of profitability levels. Improvement in current ratio and operating profit margin is a result of cost reduction initiatives and operational efficiencies. With the continuous effort towards increasing potential to create more earnings for shareholders, and reduction of dependability of debt, Company has successfully lower down its debt equity ratio with remarkable number of 0.94 times as on 31st March, 2023.



Internal Control Systems And Their Adequacy

The Company has established an internal control system, commensurate with the size, scale and complexity of its operations. In addition, the internal audit function reviews and reports updates on compliance with internal controls, the efficiency and effectiveness of operations to the Audit Committee.

Risks And Concerns:

Risks

The primary operating risks which could impact the Company relate to slowdown in the manufacturing, environment and investment cycles, exposure to seasonality for some of its businesses, dependence on sale of room air conditioners, competition from Indian and global players, volatile exchange rates, interest rates, credit risks, import dependence, procurement concentration risks, volatile commodity prices risks, changes in tax and other legislations as well as risks arising out of higher input costs especially in the case of fixed price contracts, health and site safety, exposure to frauds, and changes in technology which impact the Company's product offerings. In addition, considering the current scenario, pandemic events and geopolitical scenarios also pose a business continuity risk, apart from a general slowdown in the global and local economy which tends to intensify risks faced by the Company. Virtuoso Optoelectronics lays great emphasis on Enterprise level Risk Management, and has put in place a robust system for risk identification, assessment and mitigation with strong internal controls, at both the business-groups and corporate level in line with the Enterprise Risk Management framework. Significant risks across the entity are reviewed periodically by the Board of Directors. Further, the mitigation action plans are integrated with the strategy and performance management processes, and also with the internal audit plans.

Concerns

A confluence of factors on the global and local fronts, such as geo-political equations between countries, the usage of tariff and non-tariff barriers to address trade imbalances, volatility in crude oil, commodity prices, and ocean freight, could impact consumer confidence. The Company will continue to closely monitor the macro and micro level trends in the global and Indian economy, and will take necessary steps to address these challenges.

Opportunity

The Company's proven ability to innovate and offer products/solutions in line with the evolving dynamics continues to provide the Company with opportunities to grow even under the current challenging circumstances. These are opportunities related to the Company's products, projects and service businesses for varied sectors.

Human Resources

The Company remains committed to the resilience and well-being of its people, in the face of the adversities brought about by the changed environment due to the Pandemic. Virtuoso Optoelectronics focused on creating a safe, conducive environment for change management and business continuity in this turbulent period of external circumstances. Employee well-being was a continual objective, implemented in a holistic manner, including the physical, mental and emotional ambit.

A Growth mindset is a continued, priority agenda for the Company and its people, and weaved into its hiring and people development strategy. Based on the Voice of its Employees (VoE), the Company continued in its endeavor towards embarking on enhanced employee-friendly initiatives and practices. Hybrid work culture, flexibility of work schedules, work-life balance and avenues to de-stress assumed center stage. Re-skilling of its human capital with the aid of contemporary technology platforms gained momentum and has been well received, based on employee feedback. The talent management direction was aligned towards exploring cross-functional opportunities, fulfilling job rotations matching employee skill sets and career development avenues for high potential staff. In instances where internal talent was insufficient for certain crucial profiles at senior levels, it was developed inorganically by sourcing the subject matter experts from the industry.

Developmental journeys have been mapped for senior professionals in the organization, based on 360-degree feedback and behavioral event interviews, towards the objective of succession planning. Despite the Great Resignation across the globe, voluntary attrition in employees was in line with pre-COVID levels due to active efforts taken up by the organisation towards providing a conducive environment for career advancement; caring for well-being of employees as a way of life in the Company; enhancement of roles in tandem with employee potential; and strong employee engagement initiatives.

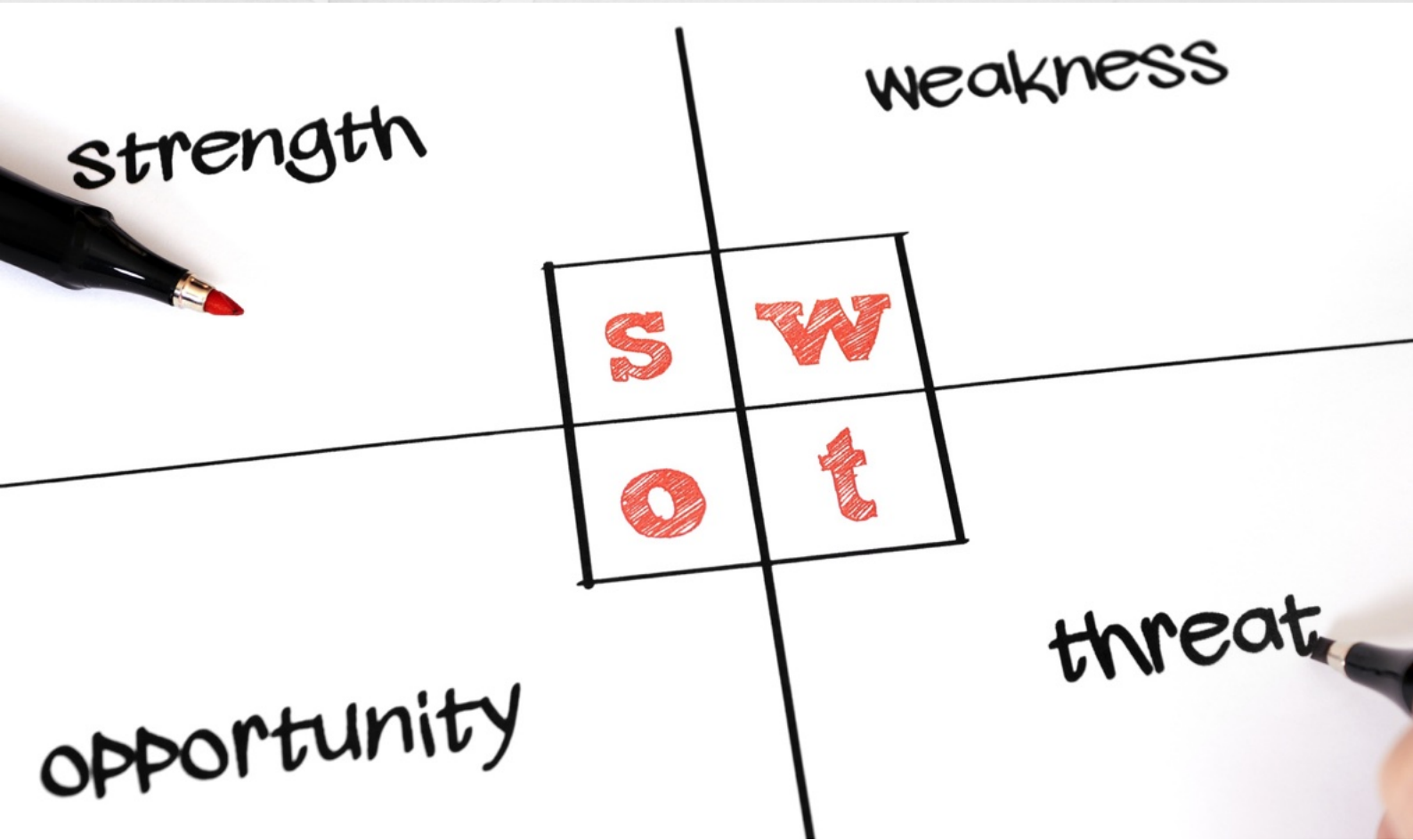
Corporate Outlook

The Company ended the year on a strong note with healthy growth across all segments. With the ebbing of the impact of the Pandemic, the business and market disruptions have progressively reduced, aiding growth and revival of opportunities. After the washout of two consecutive summers, Virtuoso Optoelectronics is witnessing strong demand for air conditioners in H1 FY23. With the launch of the Company’s air conditioners, Virtuoso Optoelectronics is growing faster than the market. With the increase in corporate capex and revival of demand from traditional customer segments, prospects for growth in the Electronic Manufacturing Projects and Commercial Air Conditioning business are also encouraging.

Given the ongoing geopolitical conflict between Russia and Ukraine, input cost pressure and supply chain challenges are expected to continue for a while. However, the Company has taken adequate measures to mitigate the risks. The Company’s cost optimisation initiatives and prudent working capital management has been helping Virtuoso Optoelectronics to sustain growth, profitability, and a strong balance sheet.

4. Discussion on financial performance with respect to operational performance:

During the year your Company has earned total income of ₹ 33,804.21 Lakhs (Previous year ₹ 20,028.20 Lakhs) after all the financial adjustments.



ANNEXURE – 5

TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

(The Directors present detailed report on Corporate Governance for the financial year ended March 31st, 2023, as per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.)

1.Philosophy on Corporate Governance

Your Company believes that good corporate governance practices enable the Board to direct and control the affairs of the Company in an efficient manner. At the same time, it also provides transparency in all its day-to-day management and administration of the business and affairs of the Company. Timely information to investors, creditors, institutions, bankers, general public in proper manner also provide them with an opportunity to take right decision on investment in the Company whether by way of equity or by debt instrument or even by financing or by making business transactions.

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings. The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders' benefit.

Keeping the above in mind, your Company is fully committed to conduct its affairs in a fair and transparent manner and to enhance shareholders value while complying with the applicable Rules and Regulations. We are in compliance with all the requirements of the Corporate Governance enshrined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations").

2. Board of Directors

The Board of Directors are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board of Directors provides a long-term vision and policy approach which improves the quality of governance. It sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustainable profitable growth.

Composition and Category

The Company's Board has an optimum mix of Executive and Non-Executive Directors, to maintain independence and separate the functions of governance and management. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (the 'Act').

The Board of Directors as on 31st March, 2023, comprised four Directors, out of which one is Managing Director, one is Non-Executive Director and two are Non-Executive, Independent directors. The Chairman of the Company is Managing Director. All the Directors have certified that they are not members of more than ten Committees and do not act as Chairman of more than 5 Committees across all the Companies in which they are Directors.

The Company's Board comprises eminent professionals having sound knowledge, and relevant expertise and experience, in the areas of finance, legal, advertising, sales, marketing, technology, human resources, and general business management.

The Composition of Board of Directors as on 31st March, 2023 is as follows:

Name of Director	Category	Total No. of Other Directorship [^]	Details of Committees*	
			Chairman	Member
Mr. Sukrit Bharati	Managing Director	0	0	0
Mr. Vishrut Bharati	Non-Executive Director	0	0	0
Mrs. Ziral Soni	Independent Director	5	1	4
Mrs. Komal Kotecha	Independent Director	0	0	0

*Includes only Audit Committee and Stakeholders' Relationship Committee of other Companies.

[^]Excludes Private limited Companies, Foreign Companies, Section 8 Companies.

Mr. Abhinav Mahajan (DIN: 06926238), Independent Director of the Company has resigned from his position w.e.f. January 30, 2023.

Mrs. Ziral Soni (DIN: 09213763), has appointed as an Additional (Independent) Director of the Company w.e.f. January 31, 2023 and changed her designation in EGM held on February 24, 2023 from Additional (Independent) Director to Independent Director.

Ms. Drashti Solanki (DIN: 10136197), has appointed as Additional (Independent) Director of the Company w.e.f. May 29, 2023.

Mr. Abhinav Mahajan (DIN: 06926238), appointed as Additional (Executive) Director of the Company w.e.f. May 29, 2023.

Mrs. Komal Kotecha (DIN: 09141355), Independent Director of the Company has resigned from her position w.e.f. May 29, 2023.

Board Meetings and Procedure:

The internal guidelines for Board/Committee meetings facilitate the decision-making process at the meetings of the Board/Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is being circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic road-map for the future growth of the Company.

Minimum four Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. The meetings are usually held at the Company's Registered Office at Plot No. 7, MIDC, Satpur, 422007.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board/Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

During the Financial Year 2022-23, the Board of Directors of your Company met Twenty-Two times which were held on 11.04.2022, 26.04.2022, 11.05.2022, 22.06.2022, 11.07.2022, 18.07.2022, 19.07.2022, 27.07.2022, 28.07.2022, 24.08.2022, 02.09.2022, 12.09.2022, 26.09.2022, 13.11.2022, 25.11.2022, 29.12.2022, 03.01.2023, 09.01.2023, 16.01.2023, 30.01.2023, 31.01.2023 and 01.03.2023. The details of attendance of each Director at Board Meetings held in the Financial Year and the last Annual General Meeting are as under:

VIRTUOSO OPTOELECTRONICS LIMITED - ANNUAL REPORT 2023

Dates and Attendance of all Director at Board Meeting	Name of Directors and attendance at the Meetings				
	Sukrit Bharati	Vishrut Bharati	Abhinav Mahajan	Komal Kotecha	Ziral Soni
11.04.2022	Yes	Yes	Yes	No	NA
26.04.2022	Yes	Yes	Yes	No	NA
11.05.2022	Yes	Yes	Yes	No	NA
22.06.2022	Yes	Yes	Yes	No	NA
11.07.2022	Yes	Yes	Yes	No	NA
18.07.2022	Yes	Yes	Yes	No	NA
19.07.2022	Yes	Yes	Yes	No	NA
27.07.2022	Yes	Yes	Yes	No	NA
28.07.2022	Yes	Yes	Yes	No	NA
24.08.2022	Yes	Yes	Yes	No	NA
02.09.2022	Yes	Yes	Yes	No	NA
12.09.2022	Yes	Yes	Yes	No	NA
26.09.2022	Yes	Yes	Yes	No	NA
13.11.2022	Yes	Yes	Yes	No	NA
25.11.2022	Yes	Yes	Yes	No	NA
29.12.2022	Yes	Yes	Yes	No	NA
03.01.2023	Yes	Yes	Yes	No	NA
09.01.2023	Yes	Yes	Yes	No	NA
16.01.2023	Yes	Yes	Yes	No	NA
30.01.2023	Yes	Yes	Yes	Yes	NA
31.01.2023	Yes	Yes	No	No	Yes
01.03.2023	Yes	Yes	No	No	Yes
Total No. of Board Meetings attended	22	22	20	1	2
Attendance at the last AGM held on 1st Sept, 2022	Yes	Yes	Yes	Yes	No
Attendance at the last EGM held on 24th Feb, 2023	Yes	Yes	NA	Yes	Yes

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10(j) of Schedule V of the SEBI Listing Regulations.

Confirmation on independence of Independent Directors

It is confirmed that in the opinion of the board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Code of Conduct for Board & Senior Management Personnel

Your Company has adopted a Code of Conduct for Board Members & Senior Management Personnel and the declaration from the Managing Director, stating that all the Directors and the Senior Management Personnel of your Company have affirmed compliance with the Code of Conduct has been included in this Report. The Code has been posted on your Company's website at www.voepl.com.

Profile of Directors seeking appointment / re-appointment:

The brief profile and other information of the Directors' seeking appointment/re-appointment is provided in the notice convening the Annual General Meeting.

Detailed reasons for the resignation of an Independent Director.

During the year under review and there after till date,

1. Mr. Abhinav Mahajan, resigned from the Directorship of the Company with effect from January 30, 2023 due to on account of personal reason and other Professional Commitments.

2. Mrs. Komal Kotecha, resigned from the Directorship of the Company with effect from May 29, 2023, due to re-location.

The Company has also obtained their confirmation that there are no other material reasons other than those provided.

Performance Evaluation

The Board has carried out an annual evaluation of its own performance and that of its committees, Chairman and individual Directors. The criteria for performance evaluation of the Board included aspects like Board composition and quality, Board meeting and procedure, information and functioning, strategic plans and policies etc. The criteria for performance evaluation of committees of the Board included aspects like composition of committees, functions and duties, committee meeting and procedures, management relation etc. The criteria for performance evaluation of the Chairman included his role, managing relationship and leadership. The criteria for performance evaluation of individual Directors included participation and contribution in the Board/Committee meetings, managing relationship, knowledge & skills etc. The performance evaluation of the Board and the individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the committees was evaluated by the Board seeking inputs from the committee members.

The performance of non-independent Directors was reviewed in the separate meeting of Independent Directors. During the year, a meeting of Independent Directors was held on March 01, 2023 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the management and the Board. Mrs. Ziral Soni, Chairman of the Meeting presented the views of the Independent Directors on matter relating to Board processes and overall affairs of the Company to the full Board. All the two Independent Directors were present in the meeting.

Familiarization programs for Independent Directors

The Board familiarization program comprises of the following: -

- Induction program for new Independent Directors;
- Presentation on business and functional issues;
- Updating of business, branding, corporate governance, regulatory developments and investor relations matters

All new Independent Directors are taken through a detailed induction and familiarization program when they join the Board of your Company. The induction program is an exhaustive one that covers the history and culture of your Company, background of the Company and its growth over the decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company by providing various presentations at Board/ Committee meetings from time to time. These presentations provide a good understanding of the business to the Independent Directors which covers various functions of the Company and also an opportunity for the Board to interact with the next level of management. There are opportunities for Independent Directors to interact amongst themselves.

Apart from the above, the Directors are also given an update on the environmental and social impact of the business, branding, corporate governance, regulatory developments and investor relations matters.

Disclosure of relationships between Directors inter-se

Following relationships exist between Executive and Non-Executive Directors:

Director	Non-Executive Director	Relationship
Sukrit Bharati	Vishrut Bharati	Brothers

None of the Independent Directors are related to each other or with any other Executive Directors.

3. Code Of Conduct

Company had published a comprehensive code of conduct for its Board members, employees of the Company and business partners that requires strict adherence to its corporate values while delivering a world-class customer experience. All the members of the Board and Senior Management Personnel have affirmed compliance with the code of conduct as on March 31, 2023.

The Company's Code of Conduct is available on the website of the Company under the weblink at: <https://www.voepl.com/investors>.

4. Board Committees

During the Financial Year under review, the Board had following Committee –

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee

The Board decides the term of reference of these committees and assignment of its members thereof.

A) Audit Committee

Composition, meetings and attendance

The Audit Committee of your Company has been constituted as per the requirements of Section 177 of the Companies Act 2013 and SEBI Listing Regulations. The Chairman of the Audit Committee is an Independent Director and two-thirds of the members of the Audit Committee are Independent Directors. During the Financial Year 2022-23, the Committee met Six times on 11.04.2022, 11.07.2022, 12.09.2022, 26.09.2022, 09.01.2023 and 30.01.2023.

The composition of the Audit Committee as on March 31, 2023 and the attendance of the members in the meetings held during the Financial Year 2022-23 are as follows:

Name of Member	Designation	No. of meetings attended
Mrs. Ziral Soni*	Chairman	0
Mrs. Komal Kotecha^	Chairman	6
Mr. Sukrit Bharati	Member	6
Mr. Abhinav Mahajan	Member	6

* ceased to be a Chairman w.e.f. 30th January, 2023.

^ Chairman w.e.f. 31st January 2023



The Company Secretary of the Company acted as the Secretary to the Committee.

Terms of Reference:

The broad terms of reference of the Audit Committee include the following as has been mandated in Section 177 of Companies Act, 2013 and SEBI Listing Regulations:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors;

22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and/or is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

B) Stakeholders Relationship Committee

Composition, meetings and attendance

The Stakeholders' Relationship Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Committee is an Independent Director. During the Financial Year 2022-23, the Committee met 3 times on 26.09.2022, 11.01.2023 and 31.03.2023.

The composition of the Stakeholder's Relationship Committee as on March 31, 2023 and the attendance of the members in the meetings held during the Financial Year 2022-23 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Ziral Soni*	Chairman	1
Mr. Sukrit Bharati	Member	3
Mr. Vishrut Bharati	Member	3
Mr. Abhinav Mahajan**	Member	0

*appointed Chairman w.e.f. 31.01.2023.

**ceased as Member w.e.f. 30.01.2023.

The Company Secretary of the Company acted as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee includes the matters specified under Regulation 20 of SEBI Listing Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

The Committee looks into investor complaints if any and redresses the same expeditiously. Besides, the committee approves allotment, transfer & transmission of shares, debentures, any new certificates on split \ consolidation \ renewal etc. as may be referred to it by the Board of Directors. In addition, the committee also looks into compliance with stock exchange Listing Regulations and circulation of shareholder and general public interest information through proper media and stock exchanges from time to time. This Committee looks into all aspects related to Shares, Bonds Securities and retail investors. The committee also looks after the dematerialization process of equity shares.

Other function roles duties powers etc. have been clearly defined in line with the Regulation 20 of the Listing Regulations and kept flexible for medication by the Board from time to time.

C) Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Committee is an Independent Director.

During the Financial Year 2022-23, the Committee met 6 times on 11.04.2022, 22.06.2022, 12.09.2022, 29.12.2022, 30.01.2023 and 31.01.2023.

The composition of the Nomination and Remuneration Committee as on March 31, 2023 and the attendance of the members in the meetings held during the Financial Year 2022-23 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Abhinav Mahajan*	Chairman	5
Mr. Vishrut Bharati	Member	6
Mrs. Komal Kotecha	Member	0
Mrs. Ziral Soni**	Chairman	1

* Ceased to be a Chairman w.e.f. 30.01.2023.

** appointed as Chairman w.e.f. 31.01.2023.

The Company Secretary of the Company has acted as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee includes the matters specified under Regulation 19 of SEBI Listing Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

Role of committee shall, inter-alia, include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent Directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
- carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration Policy:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement the Companies Strategy, thereby enhancing the business value and maintain a high-performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

The Remuneration policy is also placed on the website of the Company can be accessed at www.voepl.in.

Remuneration to Directors

There were no pecuniary relationship or transactions of the Non-Executive Director's vis a vis the Company. Non-Executive Independent Directors are paid sitting fees for attending the Board and Committee Meetings.

Role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company, but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the Non-Executive/Independent Directors is recommended.

Details of remuneration and sitting fees paid or provided to all the Directors during the year ended March 31, 2023 are as under:

(₹ In lakhs)

Name of Director	Salary & Perquisites	Sitting Fees	Commis sion	Total
Sukrit Bharati (Managing Director)	30.00	-	-	30.00
Vishrut Bharati (Non-Executive Director)	-	-	-	-
Abhinav Mahajan (Independent Director)*	-	-	-	-
Komal Kotecha (Independent Director)	-	0.35	-	0.35
Ziral Soni (Independent Director)**	-	-	-	-

* Mr. Abhinav Mahajan (DIN: 06926238), Independent Director of the Company has resigned from his position w.e.f. January 30, 2023.

**Mrs. Ziral Soni (DIN: 09213763), appointed as an Independent Director of the Company w.e.f. January 31, 2023.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the shareholders.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Chairman and Managing Director.

The Company has not granted any stock options to the Executive Directors or Employees of the Company as on 31st March, 2023.

The aforesaid Executive Director, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

The Shareholding of Directors as on March 31, 2023 is as under:

Sr. No.	Name of Director	Shareholding	Percentage
1	Mr. Sukrit Bharati	14,657,059	64.18%
2	Mr. Vishrut Bharati	2,43,333	1.07%
3	Mr. Abhinav Mahajan*	Nil	-
4	Mrs. Ziral Soni**	Nil	-
5	Mrs. Komal Kotecha***	Nil	-

*Mr. Abhinav Mahajan (DIN: 06926238), Independent Director of the Company has resigned from his position w.e.f. January 30, 2023.

**Mrs. Ziral Soni (DIN: 09213763), appointed as an Independent Director of the Company w.e.f. January 31, 2023.

***Mrs. Komal Kotecha (DIN: 09141355), Independent Director of the Company has resigned from her position w.e.f. May 29, 2023.

Note : Ms. Drashti Laxmikant Solanki (DIN: 10136197), appointed as an Independent Director of the Company w.e.f. May 29, 2023.

D) CSR Committee of the Board:

The provisions of Section 135 of the Companies Act, 2013 are not applicable on the Company for FY 2022-23.

General Body Meetings

Details of Annual General Meetings held during the last three financial years –

Financial Year	Date of AGM	Time	Venue
2021-22	01.09.2022	11.00 am	Plot No. 7, MIDC, Satpur, Nashik, 422007
2020-21	03.06.2021	11.00 am	Plot No. 7, MIDC, Satpur, Nashik, 422007
2019-20	30.12.2020	04.30 pm	Plot No. 7, MIDC, Satpur, Nashik, 422007

During the previous year under review, no resolutions were proposed and passed through Postal ballot. None of the business items proposed required approval through postal ballot as per the provisions of the Companies Act and rules framed there under.

Details of special resolutions passed in Previous Three AGMs.

Financial Year	Particulars of Special Resolution Passed
2021-22	1. Increase Borrowing Power of the Board of Directors under Section 180(1) (c) of the Companies Act, 2013.2. Creation of Charge on the movable and immovable properties of the Company, both present and future, in respect of borrowings.3. Increase the limit for making investments/extending loans and giving guarantees or providing securities in connection with loans to Person/bodies Corporate.
2020-21	Nil
2019-20	Nil

Extra-Ordinary General Meeting held during the FY 2022-23:

Details of Extra-Ordinary General Meetings were held during the financial year 22-23.

Financial Year	Date of AGM	Time	Venue
2022-23	27.07.2022	11.00 am	Plot No. 7, MIDC, Satpur, Nashik, 422007
2022-23	02.09.2022	11.00 am	Plot No. 7, MIDC, Satpur, Nashik, 422007
2022-23	25.11.2022	12.00 pm	Plot No. 7, MIDC, Satpur, Nashik, 422007
2022-23	24.02.2023	12.00 pm	Plot No. 7, MIDC, Satpur, Nashik, 422007

5. Means Of Communication

- a. All Half-year / Annual financial results are immediately sent to stock exchanges after being taken on record by the Board.
- b. The Company's website www.voepl.com contains a separate dedicated section named "Investors" where information for shareholders is available.

6. Other Disclosures

A. Related Party Transactions

All transactions entered into with Related party as defined under the Companies act, 2013 and Regulation 23 of the SEBI Listing Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related party during the financial year which conflicted with the interests of the Company at large.

Suitable disclosure as required by the AS 18 has been made in the notes to the Financial Statement. A policy on related party transactions has been formulated and put up on the website of the Company.

B. Statutory Compliances, Penalties and Strictures

The Company has complied with all the requirements of the Stock Exchange/SEBI/any statutory authorities on all matters related under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C. Whistle Blower Policy / Vigil Mechanism

The Company has established a Whistle Blower / Vigil Mechanism through which its Directors, employees and stakeholders can report their genuine concerns about unethical behaviors, actual or suspected frauds or violation of the Company's code of conduct or ethics policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher level of supervisors.

D. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements and has not adopted non-mandatory requirements.

E. Policies of the Company and Code of Conduct

Various policies and code of conduct of the Company are available on its website.

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

F. The Company has obtained certificate from CS Vishal Thawani, practicing Company Secretary confirming that none of the Directors of the Company is debarred or disqualified by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority from being appointed or continuing as Director of the Company and the same is also attached to this Report.

G. Disclosure Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is committed to provide a safe and conducive work environment to its employees.

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

H. Risk Management

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes enables the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

The Company in its meeting of the Audit Committee and the Board of Directors, review its business operations, discuss the risk associated with and prepare the strategy and plans to mitigate those risks. The Senior Management provides the information regarding business operation and risk associated with it monthly. The Board of Directors & Audit Committee is looking after the Risk Management of the Company.

I. Disclosure of Accounting Treatments

The Company has not adopted any alternative accounting treatment prescribed differently from the accounting standards.

J. Reconciliation of Share Capital Audit Report

As stipulated by Securities and Exchange Board of India, Company is required to carry out Reconciliation of Share Capital Audit (RSCA) from a practicing Company Secretary. This audit is carried out every quarter and the report thereon of Practicing Company Secretary is submitted to the stock exchanges. The audit, inter alia, confirms that the total listed and paid-up capital of the Company agrees with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

General Shareholder Information

a. 8th Annual General Meeting

Date: Friday, September 29, 2023

Time: 11.00 a.m.

Venue: Through Video Conferencing/Other Audio-Visual Means

Book Closure Date: Saturday, September 23 to Friday, September 29 (both days inclusive).

b. Financial Year (2023-24)

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

The Half-Yearly Financial Results for the financial year 2023-24 will be taken on record by the Board of Directors as per the following tentative schedule (subject to change, if any):

Half-year ending September 30th 2023 : October / November 2023

Half-year ending March 31, 2024 : April / May 2024

c. Listing on Stock exchange

The Company's Equity shares are listed on BSE Limited (SME Platform) on September 15, 2022. The Company has paid the Annual Listing Fee to the Stock Exchanges.

d. Stock Code

Demat ISIN No. in NSDL and CDSL: INE0I0T01010

Scrip Code: BSE-543597

e. Market Price Data

Month	Low	High
September 2022	110.20	144.80
October 2022	140.00	176.00
November 2022	127.00	166.95
December 2022	122.40	146.50
January 2023	122.50	186.00
February 2023	151.00	183.00
March 2023	157.05	178.45



f. Registrar and Share Transfer Agent

Name : Cameo Corporate Services Limited
 Address : Subramanian Building No. 1, Club House Road, Chennai-600002.
 Phone : 44-28460390
 Fax : 44-40020700
 Email : investor@cameoindia.com

g. Share Transfer System

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. The transfers which are complete in all respects are taken up for approval at least once in a fortnight and the transferred securities dispatched to the transferee within 21 days. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulation 40 of the Listing Regulations with Stock Exchanges and files a copy of the certificate with the stock exchanges.

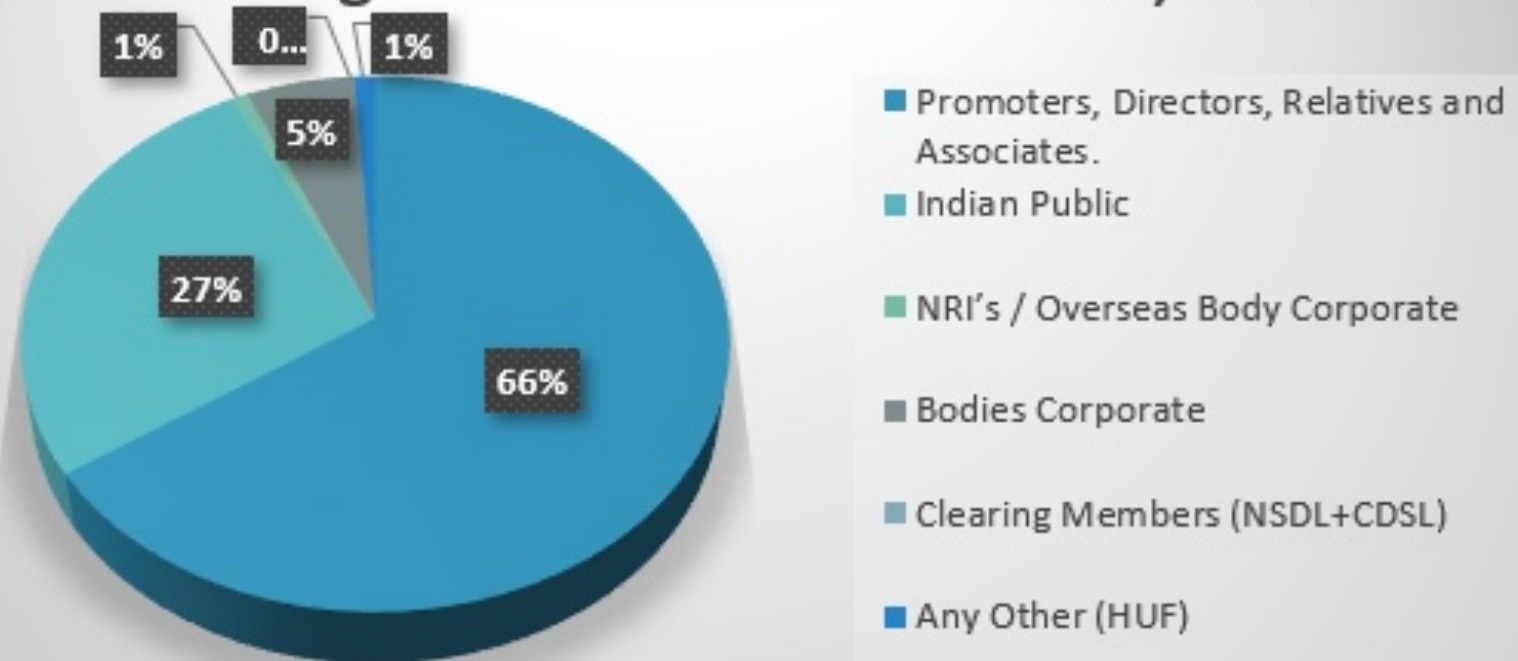
h. Distribution of Shareholding as on 31st March, 2023:

Sr. No.	Category of Shareholders	No. of Shares held
1	Promoters, Directors, Relatives and Associates.	1,49,82,236
2	Indian Public	61,87,499
3	Banks, FI & Insurance Companies/ MF	-
4	NRI's / Overseas Body Corporate	1,94,000
5	Bodies Corporate	12,28,070
6	NBFC Registered with RBI	-
7	Trusts	-
8	Clearing Members (NSDL+CDSL)	4,010
9	Any Other (HUF)	2,42,841
	Total	2,28,38,656

i. Category wise Shareholding as on 31st March, 2023

Range of Holding	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1 to 1,000	39	3.61	18,039	0.08
1,001 to 2,000	722	66.98	14,43,990	6.32
2,001 to 4,000	141	13.08	5,50,848	2.41
4,001 to 6,000	56	5.2	3,36,000	1.47
6,001 to 10,000	47	4.36	4,26,403	1.87
10,000 & above	73	6.77	2,00,63,376	87.85
Total	1,078	100	2,28,38,656	100

Shareholding Pattern as on 31st March, 2023



j. Dematerialization of Shares & Liquidity

On March 31st, 2023, no shares of Company were held in physical form. The Promoters & Promoters-group shareholding was also fully dematerialized. The aggregate dematerialized shareholding of the Company stood at 100%. Brief position of Company's dematerialized shares is given below:

Sr NO	Description	Number of Shares	% Holding
1	NSDL	1,96,34,586	85.97%
2	CDSL	32,04,070	14.03%
3	Physical	-	-
Total		2,28,38,656	100%

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

As on March 31, 2023, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.

l. Credit Rating

Your Company has received credit rating of BB+ for Company's banking facilities from ICRA Limited.

m. Policy on "Material" Subsidiary

The Company has Board approved policy on determining Material Subsidiary which can be accessed on the website of the Company www.voepl.com

n. List of core skills / expertise /competencies identified in the context of the business

The Board continues to identify an appropriate mix of diversity and skills for introducing different perspectives into Board for better anticipating the risks and opportunities in building a long-term sustainable business.

The below table summarizes the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board.

Business Strategies	Experience of crafting Successful Business Strategies an understanding the changing regulatory requirements
Financial & Accounting Expertise	Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding and associated risks
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures,policies and processes including establishing risk and legal compliance frameworks, identifying and monitoring key risks.
Innovative	A strong understanding of innovation and technology, and the development and implementation of initiatives to enhance production
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective

The below table specifies area of focus or expertise of individual Board Member:

Directors	Area of Skill/Expertise				
	Business Strategies	Finance & Accounting Expertise	Governance, Risk & Compliance	Innovative	Diversity
Sukrit Bharati	✓	✓		✓	
Vishrut Bharati	✓			✓	
Ziral Soni		✓	✓		✓
Komal Kotecha*	✓		✓		✓
Drashti Solanki**		✓	✓		✓
Abhinav Mahajan^	✓			✓	

*Mrs. Komal Kotecha (DIN: 09141355) resigned from her position w.e.f. 29.05.2023.

**Ms. Drashti Solanki (DIN: 10136197) was appointed as an Additional (Independent) Director w.e.f. 29.05.2023.

^Mr. Abhinav Mahajan (DIN: 06926238) was appointed as an Additional (Executive) Director w.e.f. 29.05.2023.

The performance of the Chairman and the Board of Directors is evaluated on parameters such as level of engagement and contribution, ability to encourage, relationships with Board members and guidance in case of complex issues.

The outcome of the evaluation was presented to the Board along with the course of actions proposed to be taken up for implementing the above observations.

o. Dividend:

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2023.

p. Address for Correspondence

In case any problem or query shareholders can contact at:

Company Secretary & Compliance Officer

Plot No. 7, MIDC, Satpur, Nashik 422007.

Phone : +91 253-2309016

Email : cs@voepl.com

In case of finance and accounts related queries contact at:

Chief Financial Officer

Plot No. 7, MIDC, Satpur, Nashik 422007.

Phone : +91 253-2309016

Email : sajid.shaikh@voepl.com

Shareholders may also Contact Company's Registrar & Share Transfer Agent at:
Cameo Corporate Services Limited.

Subramanian Building No. 1, Club House Road, Chennai-600 002.

Phone : 91-28460390

Fax : 91-40020700

Email : investor@cameoindia.com

7. Plant Locations :

A. 64/B/1, MIDC, Satpur, Nashik

B. Survey No. 602/2, Village Janori, Nashik

C. Plot No.7, MIDC Area Satpur, Nashik

E. Gat No. 38,39,40, Village-Mohadi, Dindori, Nashik

8. MD/ CEO/ CFO Certification

As required under Regulation 17 (8) of the SEBI Listing Regulations, 2015, the CEO and the CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended was placed before the Board.

9. The Company has complied with the requirements of Corporate Governance report as disclosed in paras 1 to 8 above.

10. Compliance of Discretionary Requirements under Part E of Schedule II of SEBI Listing Regulations, 2015

a. The Board: The Chairperson of the Company is an Executive Director and does not maintain his separate office at the Company's expense.

b. Shareholder Rights: The Company declares its financial results half-yearly, submit it to the stock exchange and places on its website.

c. Modified opinion(s) in audit report: The audit opinion received by the Company has not been modified.

d. Separate post of Chairperson and Chief Executive Officer : Managing Director of the Company is the chairperson and Whole Time Director in the Company.

e. Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee of the Company and their Internal Audit Reports are presented in the meeting of the Audit Committee.

11. Compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

Although your Company is SME listed Company on BSE Limited and compliance with the corporate governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015 are not applicable to the listed entity which has listed its specified securities on the SME Exchange, your Company has complied with almost all the provisions of the above mentioned regulations of SEBI (LODR) Regulations, 2015 to maintain the effective Corporate Governance in the Company.

MD / CFO CERTIFICATION

(Under regulation 17(8) of SEBI (LODR) Regulations, 2015)

To
The Board of Directors,
Virtuoso Optoelectronics Limited

In compliance with Regulation 17(8) read with Schedule II Part B of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby certify that:

A. We have reviewed the audited Financial Results for Virtuoso Optoelectronics Limited for the year ended 31st March, 2023 and to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transaction entered into by the listed entity during the year ended 31st March, 2023 which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control system of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

- (i) that there are no significant changes in internal control over financial reporting during the half year and year ended;

(ii) that there are no significant changes in accounting policies during the half year and year ended; and hence there are no disclosures to be made regarding the same in the notes to the financial results;

(iii) that there are no 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 listed entity's internal control system over financial reporting.

Sukrit Bharati
Managing Director
DIN: 03638084

Sajid Shaikh
Chief Financial Officer
Date: September 07, 2023

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

[Regulation 34(3) read with Schedule V(Part D) of the SEBI(LODR) Regulations, 2015]

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby confirm that, all the Directors and the Senior Management personnel of the Company have confirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2023.

For Virtuoso Optoelectronics Limited

Sukrit Bharati
Managing Director
DIN: 03638084

Vishrut Bharati
Director
DIN: 06818457

Date: September 07, 2023

Place: Nashik

CERTIFICATE ON 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
Virtuoso Optoelectronics Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Virtuoso Optoelectronics Limited (CIN: U74999MH2015PLC268355) and having registered office at P. No. 7 MIDC Satpur, Nashik -422007 Maharashtra, India (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 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 and 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 31st March, 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.

Sr No	Name of Director	DIN	Date of Appointment in Company
1	Sukrit Bharati	03638084	11/09/2015
2	Vishrut Bharati	06818457	11/09/2015
3	Ziral Soni	09213763	31/01/2023
6	Komal Kotecha	09141355	14/04/2021

Ensuring the eligibility 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.

For Vishal Thawani & Associates

Practicing Company Secretaries

CS Vishal Thawani

Proprietor

ACS: 43938,

COP: 17377

Place: Ahmedabad

Date: September 07, 2023

UDIN: A043938E000967080

Independent Auditor's Report

To
The Members of
Virtuoso Optoelectronics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Virtuoso Optoelectronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

The Key Audit Matter	How our audit addressed the key audit matters
1. Revenue Recognition	
<p>Revenue is measured net of discounts, rebates on the Company's sales.</p> <p>Revenue is recognized when the control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to fraud resulting from the pressure on management to achieve performance targets at the reporting period end.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts, rebates and incentives by comparing with applicable AS. • Performing substantive testing (including year- end cutoff testing) by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included sales invoices/contracts. • For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns. • Performed analytical procedures on sales and sales return trend • For sample customer balances, obtained direct confirmation and tested the reconciliations, if any.

2. Inventory Valuation	
<p>Inventories are held at the lower of cost and net realizable value (NRV).</p> <p>Due to high volume and nature of products, the company is dealing with and the absence of adequate records, valuation of inventory may be misstated. Also NRV is being based on the assumptions / judgment of the management. Inappropriate assumptions of NRV can impact the assessment of the carrying value of inventories.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the inventory valuation method followed by the management and by comparing with applicable AS. • Performing substantive testing (including year – end cut off testing) by selecting samples of inward and outward movement of inventory during the year by verifying the underlying documents, which included sales invoices / purchase invoice and bill of entry. • Evaluating the design and implementation of the Company’s internal controls over the Net Realizable Value (NRV) assessment. • Considered the valuation certificate provided by the management.
3. Transactions with Related Parties (Note No. 30)	
<p>We considered the related party transactions to be significant to the audit as the risk is that if these transactions are not conducted at arm’s length, and/or the accounting treatment of the rights and obligations of these transactions are not correct, it could influence the results of the company.</p> <p>Furthermore, for financial reporting purposes, AS 18 related party disclosure, requires complete and appropriate disclosure of transactions with related parties.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process for identifying related party transactions, performed a walkthrough and evaluated the design of controls related to the fraud risk identified; • We verified that the transactions are approved in accordance with internal procedures including involvement of key personnel at the appropriate level; • We evaluated the business rationale of the transactions; and • We determined whether the directors have disclosed relationships and transactions in accordance with AS 18 (refer to disclosure Note 30).

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) prescribed under section 133 of the Act, read with Companies (Accounts) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounts) Rules, 2014, as amended;

(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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position in its 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 during the year ended March 31, 2023;

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such 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 (a) and (b) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f April 1, 2023, reporting under this clause is not applicable.

**For Jain Chhaged & Associates,
Chartered Accountants**

Firm Registration No. 127911W

CA Suyash Chhaged

Partner

Membership No: 121597

UDIN:23121597BGXFMV4195

Place: Nashik

Date: May 29, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIRTUOSO OPTOELECTRONICS LIMITED

With reference to the Annexure "A" referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date:

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

(i) Property, Plant and Equipments

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

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease arrangements are duly executed in favour of the lessee) are in held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) Inventories

(a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies on such physical verification were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) As disclosed in note 8 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) Loans granted

(a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms and limited liability partnership.

(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 investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(c) 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 not given any loans and advances in the nature of loans to any party during the year. Accordingly, provisions of clauses 3(iii)(c) to (f) of the Order are not applicable to the Company.

(iv) Loans, Investments, Guarantees and Security

The company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

(v) Deposits

The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) Cost Records

We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) Statutory Dues

(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year-end, for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the company does not have any disputed statutory dues, which remain outstanding for a period of more than six months from the date they became payable.

(viii) Undisclosed Income

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) Repayment of Loan

(a) The Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, 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, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) Initial Public Offer/ Further Public Offer

(a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained.

(b) During the year Company has come up with Initial Public Offer by issuing 54,00,000 equity shares having face value of ₹ 10/- each at a premium of ₹ 46/- per share.

(c) The Company has made preferential allotment / private placement of 24,56,140 fully paid-up equity shares during the year. In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment or private placement of shares for the purposes for which they were raised. Also, the Company has not made any preferential allotment or private placement of shares (partially or optionally) convertible debentures during the year.

(xi) Fraud

(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub section 12 of section 143 of the Act has been filed by the cost auditor / secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.

(xii) Nidhi Company

The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Related Party Transactions

In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) Internal Audit System

(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) Non-cash transactions with Directors

In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) Registration under 45-IA of Reserve Bank of India Act, 1934

(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the / Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) In our opinion, and according to the information and explanation given to us, the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.

(xvii) Cash Losses

The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) Resignation of Statutory Auditor

There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) Material uncertainty on meeting liabilities

On the basis of the financial ratios disclosed in note 36 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Corporate Social Responsibility

The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Jain Chhajer & Associates,
Chartered Accountants**

Firm Registration No. 127911W

CA Suyash Chhajer

Partner

Membership No: 121597

UDIN – 23121597BGXFMV4195

Place: Nashik

Date: May 29, 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIRTUOSO OPTOELECTRONICS LIMITED

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

We have audited the internal financial controls with reference to financial statements of Virtuoso Optoelectronics Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to these Financial Statements

A company's internal financial controls 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements 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 issued by the ICAI.

**For Jain Chhajer & Associates,
Chartered Accountants
Firm Registration No. 127911W**

CA Suyash Chhajer
Partner
Membership No: 121597
UDIN – 23121597BGXFMV4195

Place: Nashik
Date: May 29, 2023

VIRTUOSO OPTOELECTRONICS LIMITED

CIN - U74999MH2015PLC268355

STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2023

(₹ in Lakhs)

Sr. No.	Particulars	Note No	As at 31st March 2023	As at 31st March 2022
	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	3	2,283.87	1,498.25
	(b) Reserves and Surplus	4	7,081.16	628.08
	Total Equity		9,365.03	2,126.34
2	Share Application Money pending allotment		-	-
3	Non-Current Liabilities			
	(a) Long-Term Borrowings	5	4,093.88	2,881.56
	(b) Deferred Tax Liabilities(Net)	6	313.09	158.71
	(c) Other Long Term Liabilities		-	-
	(b) Long Term Provisions	7	9.88	10.15
	Total Non-Current Liabilities		4,416.84	3,050.42
4	Current Liabilities			
	(a) Short-Term Borrowings	8	4,721.17	3,918.70
	(b) Trade Payables	9		
	- Total Outstanding Dues of Micro Enterprises & Small Enterprises (MSME)		206.64	156.86
	- Total Outstanding Dues of Creditors other than Micro Enterprises & Small Enterprises		8,484.32	2,869.21
	(c) Other Current Liabilities		-	-
	(d) Short Term Provisions	10	455.77	433.99
	Total Current Liabilities		13,867.89	7,378.75
	Total Liabilities		27,649.76	12,555.51
	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant & Equipment and Intangible Assets	11		
	(i) Property, Plant & Equipment		8,847.26	5,037.87
	(i) Other Intangible Assets		-	-
	(i) Capital Work-in-Progress		600.42	-
	(i) Intangible Assets under Development		-	-
	(c) Non-Current Investments	12	1,022.92	78.38
	(d) Deferred Tax Assets (Net)		-	-
	(e) Long-Term Loans & Advances		-	-
	(f) Other Non-Current Assets	13	73.52	73.32
	Total Non-Current Assets		10,544.12	5,189.58

VIRTUOSO OPTOELECTRONICS LIMITED

CIN - U74999MH2015PLC268355

STATEMENT OF ASSETS & LIABILITIES AS ON MARCH 31, 2023

(₹ in Lakhs)

2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	14	13,842.17	6,330.92
	(c) Trade Receivables	15	2,624.09	887.91
	(d) Cash and Cash Equivalents	16	32.96	81.22
	(e) Short-Term Loans & Advances	17	9.69	5.13
	(e) Other Current Assets	18	596.74	60.75
	Total Current Assets		17,105.64	7,365.94
	Total Assets		27,649.76	12,555.51
	Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Jain Chhajer & Associates
Chartered Accountants
 ICAI Firm Reg No. 127911W

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
 CIN – U74999MH2015PLC268355

Sukrit Bharati
 Chairman & MD
 DIN: 03638084

Vishrut Bharati
 Director
 DIN : 06818457

CA Suyash Chhajer
 Partner
 Membership No. 121597

Sajid Shaikh
 Chief Financial Officer

Hariom Kushawaha
 Company Secretary

Place : Nashik
 Date: May 29, 2023

Place : Nashik
 Date: May 29, 2023

VIRTUOSO OPTOELECTRONICS LIMITED

CIN - U74999MH2015PLC268355

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Sr.No.	Particulars	Note No	Year Ended	
			31st March 2023	31st March 2022
1	Income			
	(a) Revenue from operations	19	33,726.51	20,017.24
	(b) Other Income	20	80.70	10.96
	Total Income		33,807.21	20,028.20
2	Expenses			
	(a) Cost of raw material consumed	21	29,545.30	17,194.53
	(b) Changes in inventories of finished goods, work-in-progress & stock-in-trade	22	(248.85)	44.11
	(c) Employee Benefits Expenses	23	709.42	361.85
	(d) Finance costs	24	1,353.95	905.50
	(e) Depreciation and amortization expense	11	942.89	513.70
	(f) Other Expenses	25	375.40	435.45
	Total Expenses		32,678.12	19,455.14
3	Profit Before Tax (PBT)		1,129.09	573.06
4	Tax Expenses:			
	(a) Current Tax		198.00	95.66
	(b) Deferred Tax Charge/ (Benefit)		154.38	83.38
5	Profit after Tax (PAT)		776.71	394.01
	Paid up Equity Share Capital (Face Value of ₹ 10/- each)		2,283.87	1,498.25
	Reserves excluding Revaluation Reserves		7,081.16	628.08
	Earning per Equity Share (EPS)		4.28	3.11
	(Basic and Diluted EPS for the period)			
	Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

For Jain Chhajed & Associates
Chartered Accountants
 ICAI Firm Reg No. 127911W

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
 CIN – U74999MH2015PLC268355

Sukrit Bharati
 Chairman & MD
 DIN: 03638084

Vishrut Bharati
 Director
 DIN : 06818457

CA Suyash Chhajed
 Partner
 Membership No. 121597

Sajid Shaikh
 Chief Financial Officer

Hariom Kushawaha
 Company Secretary

Place : Nashik
 Date: May 29, 2023

Place : Nashik
 Date: May 29, 2023

VIRTUOSO OPTOELECTRONICS LIMITED

CIN - U74999MH2015PLC268355

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Sr. No.	Particulars	Year Ended	
		31st March 2023	31st March 2022
1	Cash Flow from Operating Activities		
	Net profit before tax	1,129.09	573.06
	Adjustments for:		
	Depreciation	942.89	513.70
	Finance Cost	1,353.95	905.50
	Interest on Fixed Deposits	(25.43)	(3.84)
	Adjustment of IPO Expenses - Securities Premium	(39.32)	-
	Adjustment of Preferential Issue - Securities Premium	(22.70)	-
	Operating Profit before Working Capital Changes	3,338.49	1,988.42
	Changes in Working Capital		
	(Increase) / Decrease in Trade Receivables	(1,736.18)	189.20
	(Increase) / Decrease in Other Assets	(540.75)	380.89
	(Increase) / Decrease in Inventories	(7,511.25)	(2,612.85)
	Increase / (Decrease) in Trade Payables	5,664.89	2,016.46
	Increase / (Decrease) in Provisions	21.51	314.31
	Cash Generated from / (used in) Operations	(763.29)	2,276.44
	Income Taxes Paid	(198.00)	(95.66)
	Net Cash Flow / (used in) Operating Activities (A)	(961.29)	2,180.78
2	Cash Flow from Investing Activities		
	Investments in Property, Plant & Equipment	(5,352.70)	(2,883.97)
	Investment in Fixed Deposits	(944.54)	(73.34)
	Interest on Fixed Deposits	25.43	3.84
	Net Cash Flow / (used in) Investing Activities (B)	(6,271.81)	(2,953.48)
3	Cash Flow from Financing Activities		
	Proceeds from IPO Issue – BSE SME Platform	3,024.00	400.00
	Proceeds from Preferential Issue	3,500.00	-
	Proceeds from Share Application Money	-	(300.00)
	Proceeds from Borrowings	2,014.79	1,657.70
	Payment of Finance Costs	(1,353.95)	(905.50)
	Net Cash Flow / (used in) Financing Activities (C)	7,184.84	852.20
	Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(48.26)	79.50
	Cash & Cash Equivalents at the beginning of the year	81.22	1.72
	Cash & Cash Equivalents at the end of the year	32.96	81.22
	Cash and Cash Equivalents comprises		
	Balances with Bank		
	- On Current / Escrow Accounts	32.81	81.10
	- Deposits with original maturity of less than three months	-	-
	- Cash on Hand	0.15	0.12
	Total cash and bank balances at the end of the year	32.96	81.22

VIRTUOSO OPTOELECTRONICS LIMITED

CIN - U74999MH2015PLC268355

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard – 3, "Cash Flow Statement" notified under section 133 of the Companies Act, 2013, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2. Cash comprise cash on hand, current accounts and deposits with banks. Cash equivalents are short term balances (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

The accompanying notes are an integral part of the financial statements.

**For Jain Chhajed & Associates
Chartered Accountants**

ICAI Firm Reg No. 127911W

**For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited**

CIN – U74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

CA Suyash Chhajed
Partner
Membership No. 121597

Sajid Shaikh
Chief Financial Officer

Hariom Kushawaha
Company Secretary

Place : Nashik
Date: May 29, 2023

Place : Nashik
Date: May 29, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

I. COMPANY OVERVIEW

The Company ("Virtuoso Optoelectronics Limited", "VOEPL") having CIN – U74999MH2015PLC268355 is public limited company incorporated and domiciled in India having its registered office at Plot No.7, MIDC Area, Trimbak Road, Satpur, Nashik – 422007, Maharashtra, India. The Company is engaged primarily in the manufacturing, selling and marketing of Consumer Electronics Goods (White Goods). The range of products manufactured by the company includes Air Conditioners, Water Heaters and Lighting. The Company also offers Electronics Manufacturing Services (EMS) and related products to its customers. The equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) – SME Platform.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and measurement

The financial statements of the Company have been prepared in accordance with the Accounting Standards (AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions and amendments, as applicable. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting policies.

The financial statements are prepared under the historical cost convention method unless otherwise specified and presented in Indian Rupee (INR), which is also the company's functional currency. All the amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

The financial statements of the Company for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 29, 2023.

(b) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

(c) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of amount received or receivable.

Sale of goods is recognized when significant risks & rewards of ownership of the goods are transferred to the buyer, usually on the delivery of goods.

Service income is recognized as per the terms of contract with customers when the related services are performed.

Interest income is recognized using time proportionate method.

Other income (including rent, income from sale of scrap, income from claims received, etc.) is recognized on accrual basis. However, where the ultimate collection of the same is uncertain, revenue recognition is postponed to the extent of uncertainty.

Dividend income is accounted when right to receive is established.

(d) Property, Plant and Equipment:

Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property; plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Subsequent expenditures

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

Intangible Assets

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

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company; and
- (b) the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation / Amortisation on property, plant & equipment of the Company has been provided using the Written Down Value (WDV) method based on the useful life specified in Schedule II to the Companies Act, 2013. The useful life is as follows:

Class of Asset	Useful Life
Factory Building / Leasehold Improvements	30 years
Plant & Machinery	15 years
Electrical Installations	10 years
Furniture & Fixtures	10 years
Tools, Dies & Equipments	10 years
Office Equipments	5 years
Computer Devices, Laptops, etc.	3 years
Servers & Networks	6 years
Motor Vehicles	8 years

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

Assets acquired on lease and leasehold improvements are amortised over the primary period of the lease on straight line basis.

The estimated useful lives and residual values of the property, plant & equipment and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(e) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognized in the statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(f) Foreign currency transactions:

Transactions in foreign currencies are translated into the Company's functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in the standalone statement of profit and loss in the period in which they arise.

(g) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Investment other than current investments, are classified as long-term investments and are stated at cost. Provision for diminution in value of Long term investments is made only if such a decline is other than temporary.

(h) Inventories:

- Inventories are valued at cost or market price whichever is less in the case of finished and semi-finished goods and at cost in case of raw material. Cost comprises of cost of purchase, cost conversion & other cost for bringing the inventory to present location and condition.
- The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.
- Raw material, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices are declined, and it is estimated that the cost of finished products will exceed their net realizable value.
- Traded goods are valued at cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- The value of write down and circumstances, if any are disclosed in the notes pertaining to the inventories. There is no reversal of write down.

(i) Taxes on Income:

The tax expense comprises current and deferred tax. Tax is recognized in the statement of profit and loss.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to realize the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Minimum Alternative Tax (MAT)

Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

(j) Leases:

Finance Lease

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease.

Operating lease payments/income are recognised as an expense/income in the standalone statement of profit and loss on a straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease.

(k) Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. There are no borrowing costs capitalized during the year.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowings are classified as current liabilities unless the company has an unconditional right to differ settlement of liability for at least 12 months after the reporting period.

(l) Related Party

The disclosures of transactions with related parties, their outstanding balances, terms & conditions, securities offered and guarantees given are disclosed in Note No. 26. The company has not made provision for doubtful debts in respect of any of the related parties. The company has not written-off or written back any amount in respect of above related parties.

(m) Earnings per share:

Basic earnings per share are calculated by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

(n) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(o) Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

(p) Dividend:

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

(q) Events after reporting date:

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

(r) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The primary operating segment of Company is business segment. Since majority of the assets are located at single place and are of common nature, management has decided not to bifurcate the same into segment wise assets & liabilities.

The Geographic Segments identified, as Secondary Segment are "Domestic Market" and "Export Market".

(s) Cash Flow Statement

The Cash Flow statement is prepared by indirect method set out in AS 3 - "Cash Flow Statements" and present cash flows by operating, investing and financing activities of the Company.

(t) Trade Receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.

The management is authorized, whenever required, to execute / transfer / assign Company's right to claim on its trade receivables in favour of its trade payables to avoid getting stuck in debt recovery loop and affect its operations, by executing proper documentation to that effect in favour of its trade payables / creditors. Consequently, amount of trade receivables is reduced to such extent of debts which are assigned in favour of creditors.

(u) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The management of the company, whenever required, can execute and transfer its right to claim on its trade receivables in favour of its trade payables to avoid financial crunch and getting stuck in trade payable payment pressure and affect its operations, by executing proper documentation to that effect in favour of its trade payables / creditors. Consequently, amount of trade payable is reduced to such extent of debts which are assigned in their favour.



Notes forming integral part of the Financial Statements for the year ended 31st March, 2023

Note 3: Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
2,60,00,000 (Previous year : 2,60,00,000) Equity Shares of ₹ 10/- each	2,600.00	2,600.00
Issued, Subscribed and paid-up		
2,28,38,656 (Previous year : 1,49,82,516) Equity Shares of ₹ 10/- each fully paid up	2,283.87	1,498.25
Total	2,283.87	1,498.25

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Equity Shares	Share Capital	Number of Equity Shares	Share Capital
Outstanding at the beginning of the year	1,49,82,512	1498.25	16,64,169	166.42
Add : Bonus issue during the year	-	-	99,85,014	998.50
Add : Fresh issue (IPO) during the year	54,00,000	540.00	-	-
Add : Preferential issue during the year	24,56,140	245.61	33,33,333	333.33
Outstanding at the end of the year	2,28,38,656	2283.87	1,49,82,516	1498.25

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10/- Per share. Each holder of equity shares is entitled to one vote per share and dividend in Indian rupees, if proposed by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have not declared dividend for the year ending 31st March, 2023.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares of the aggregate shares of Company

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	%	Number of shares	%
Mr. Sukrit Bharati	1,46,57,059	64.18%	1,46,57,059	97.83%
Mr. Ashish Kacholia	12,28,070	5.38%	--	--
Bengal Finance & Investment Private Limited	12,28,070	5.38%	--	--
Other Shareholders	57,25,457	25.07%	3,25,457	2.17%
Total	2,28,38,656	100.00%	1,49,82,516	100.00%

As per the records of the company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Details of Shares held by Promoters

Shares Held by Promoters at the end of the year			% Change in During the Year
Promoter Name	No. of Shares	% of Total Shares	
Mr. Sukrit Bharati	1,46,57,059	64.18%	-33.65%

Note 4 : Reserves and Surplus

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) General Reserves		
Balance at the beginning of the year	561.42	498.77
Add: Net Profit / (Net Loss) as per Statement of Profit and Loss	776.71	394.01
Less: Issue of Bonus Shares	-	(331.37)
Closing Balance	1,338.13	561.42
(b) Securities Premium		
Balance at the beginning of the year	66.67	667.13
Less: Balance utilised on issue of bonus shares	-	(667.13)
Add: Securities premium on shares issued during the year (IPO)	2,484.00	66.67
Add: Securities premium on shares issued during the year (Preferential Issue)	3,254.39	-
Less: Adjustment of IPO Expenses	(39.32)	-
Less: Adjustment of Preferential Issue Expenses	(22.70)	-
Closing Balance	5,743.03	66.67
Balance at the end of the year	7,081.16	628.08

Footnote:

(a) The company has issued fresh shares in IPO - BSE SME Platform at ₹ 56/- per share, including securities premium of ₹ 46/- per share.

(b) The company has allotted new equity shares on preferential basis to Mr. Ashish Kacholia and Bengal Finance & Investment Private Limited (Non - Promoter) at ₹ 142.50/- per share, including securities premium of ₹ 132.50/- per share.

(c) Expenses related to Initial Public Offer (IPO) & Preferential Issue were adjusted against the Securities Premium.

Note 5 : Long-Term Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loans – Secured from Banks and Financial Institutions		
(a) Axis Bank (TL - 1.89 Crores)	128.94	163.26
(b) Axis Bank (TL - 6.13 Crores)	480.33	555.93
(c) Axis Bank (GECL TL - 4.20 Crores)	213.00	351.00
(d) Axis Bank (TL - 8.00 Crores)	674.24	773.24
(e) Axis Bank GECL (TL - 2.57 Crores)	129.01	-
(f) Yes Bank (TL - 6.26 Crores)	-	625.73
(g) Yes Bank (TL - 0.34 Crores)	-	34.19
(h) Yes Bank (TL - 1.38 Crores)	-	138.00
(i) Yes Bank (TL - 1.08 Crores) - Equipment Finance 1	89.03	108.58
(j) Yes Bank (TL - 1.06 Crores) - Equipment Finance 2	87.00	106.10
(k) Yes Bank (TL - 1.06 Crores) - Equipment Finance 3	87.00	106.10
(l) Mahindra Finance (TL - 2.70 Crores)	195.59	93.85
(m) Mahindra Finance (TL - 4.06 Crores)	303.58	-
(n) Mahindra Finance (TL - 7.95 Crores)	729.63	-

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(o) SIDBI (TL - 4.00 Crores)	369.85	-
(p) SIDBI (TL - 5.00 Crores)	366.67	-
(q) HDFC GECL (TL - 2.10 Crores)	210.00	-
(r) HDFC GECL (TL - 4.05 Crores)	405.60	-
(s) ICICI Bank (TL - 5.69 Crores)	543.75	-
(t) ICICI Bank (TL - 0.99 Crores)	83.83	-
(u) ICICI Bank (TL - 0.27 Crores)	24.52	-
(v) Tata Capital (TL - 5.00 Crores)	174.96	276.06
(w) Hero Fincorp Limited (TL - 1.85 Crores)	-	83.47
(x) Hero Fincorp Limited (GECL TL - 0.29 Crores)	-	24.93
(y) Hero Fincorp Limited (GECL TL - 2.96 Crores)	-	260.47
(z) Tata Capital (Moratorium Interest Loan of ₹ 0.09 Crores)	-	9.44
(za) Tata Capital (Moratorium Interest Loan of ₹ 0.05 Crores)	-	(2.01)
Term Loans - Unsecured from Banks & Financial Institutions		
(zb) Cawach Funding Support - Loan (TL - 0.28 Crores)	-	18.10
Less: Short Term Maturities of Long Term Debts	(1,202.85)	(844.87)
Total	4,093.88	2,881.56

Footnote:

#Figures in bracket denominate the original loan amount sanctioned by the bank / financial institutions.

(a) The company has availed term loan of ₹ 1.89 crores from Axis Bank for the purpose of purchase of plant and machinery. The rate of interest is at 7.70% p.a. and repayable with an EMI of ₹ 2,86,000/- in 66 months. This loan is secured by hypothecation of plant and machinery procured out of this loan second pari passu charge on current assets and equitable mortgage of leasehold rights of industrial property bearing No. 7 situated in MIDC Satpur, Nashik owned by M/s Filaments & Filaments.

(b) The company has availed term loan of ₹ 6.13 crores from Axis Bank for the purpose of purchase of plant and machinery. The rate of interest is at 7.70% p.a. and repayable with an EMI of ₹ 6,30,000/- in 97 months. This loan is secured by hypothecation of plant and machinery procured out of this loan second pari passu charge on current assets and equitable mortgage of leasehold rights of industrial property bearing No. 7 situated in MIDC Satpur, Nashik owned by M/s Filaments & Filaments.

(c) The company has availed loan of ₹ 4.20 crores from Axis Bank under GECL Scheme. The rate of interest is at 7.70% p.a. and repayable with an EMI of ₹ 11,50,000/- for next 39 months. This loan is secured by guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on current assets and existing collateral securities mortgaged with Axis Bank.

(d) The company has availed term loan of ₹ 8.00 crores from Axis Bank for the purpose of purchase of plant and machinery. The rate of interest is at 7.70% p.a. and repayable in 84 months. This loan is secured by hypothecation of plant and machinery procured out of this loan and second charge on current assets.

(e) The company has availed loan of ₹ 2.57 crores from Axis Bank under GECL Scheme. The rate of interest is at 9.60% p.a. and repayable with an EMI of ₹ 5,35,416/- for next 48 months after moratorium period of 24 months from first disbursement. This loan is secured by guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on current assets and existing collateral securities mortgaged with Axis Bank.

Primary Security for Axis Bank:

- Exclusive charge on plant and machinery (moveable assets) acquired against facility sanctioned
- Second pari passu charge on current asset

Collateral Security for Axis Bank:

- Equitable mortgage of leasehold rights of industrial property bearing on No. 7 situated in MIDC Satpur Nashik owned by M/s Filaments & Filaments.
- Equitable mortgage of industrial property bearing No. 203/1 & 205/2 situated in Badasaly Village, Madhya Pradesh owned by M/s Luma Lamp Private Limited
- Second Pari passu charge on industrial property bearing No. 64-B-1 situated in MIDC Satpur Nashik owned by M/s Virtuoso Optoelectronics Ltd. and
- Personal / Corporate Guarantee of Directors and Associate Concerns.

(f) The company has availed term loan of ₹ 6.26 crores from Yes Bank. The rate of interest is at 7.50% p.a. and repayable with an EMI of ₹ 10,47,859/- in 75 months. This loan is secured by equitable mortgage on property situated at 64-B-1 MIDC Area, Satpur, Nashik and unconditional and irrevocable guarantee of directors. This loan has been fully repaid during the year.

(g) The company has availed term loan of ₹ 0.34 crores from Yes Bank. The rate of interest is at 7.50% p.a. and repayable with an EMI of ₹ 99,079/- in 39 months. This loan is secured by equitable mortgage on property situated at 64-B-1 MIDC Area, Satpur, Nashik and unconditional and irrevocable guarantee of directors. This loan has been fully repaid during the year.

(h) The company has availed term loan of ₹ 1.38 crores from Yes Bank. The rate of interest is at 7.50% p.a. and repayable with an EMI of ₹ 5,21,883/- in 29 months. This loan is secured by equitable mortgage on property situated at 64-B-1 MIDC Area, Satpur, Nashik and unconditional and irrevocable guarantee of directors. This loan has been fully repaid during the year.

(i) The company has availed term loan of ₹ 1.08 crores from Yes Bank for the purpose of purchase of plant and machinery. The rate of interest is at 9.50% p.a. and repayable with an EMI of ₹ 2,40,400/- in 56 months. This loan is secured by hypothecation of plant and machinery procured out of this loan.

(j) The company has availed term loan of ₹ 1.06 crores from Yes Bank for the purpose of purchase of plant and machinery. The rate of interest is at 8.15% p.a. and repayable with an EMI of ₹ 2,35,000/- in 56 months. This loan is secured by hypothecation of plant and machinery procured out of this loan.

(k) The company has availed term loan of ₹ 1.06 crores from Yes Bank for the purpose of purchase of plant and machinery. The rate of interest is at 8.15% p.a. and repayable with an EMI of ₹ 2,35,000/- in 56 months. This loan is secured by hypothecation of plant and machinery procured out of this loan.

Primary Security for Yes Bank:

- Exclusive charge on plant and machinery (moveable assets) acquired against facility sanctioned - Pari Passu Charge with Axis Bank on current asset for both present and future
- 1st Charge by way of Mortgage of industrial property bearing No. 64-B-1 situated in MIDC Satpur Nashik owned by M/s Virtuoso Optoelectronics Limited

Collateral Security for Yes Bank:

- 1st Charge by way of Mortgage of industrial property bearing No. 64-B-1 situated in MIDC Satpur Nashik owned by M/s Virtuoso Optoelectronics Limited.
- Unconditional and Irrecoverable Personal Guarantees of Directors.

(l) The company has availed term loan of ₹ 2.70 crores from Mahindra & Mahindra Financial Services Ltd. for the purpose of upgradation of plant and machinery. The rate of interest is at 8.00% p.a. and repayable with an EMI of ₹ 6,23,072/- in 48 months. This loan is secured by hypothecation of plant and machinery procured out of this loan (primary security).

(m) The company has availed term loan of ₹ 4.06 crores from Mahindra & Mahindra Financial Services Ltd. for the purpose of upgradation of plant and machinery. The rate of interest is at 8.60% p.a. floating (SBI 3M MCLR (7.75% + Spread (0.90%)) and repayable with an EMI of ₹ 8,37,545/- in 48 months. This loan is secured by hypothecation of plant and machinery procured out of this loan (primary security).

(n) The company has availed term loan of ₹ 7.95 crores from Mahindra & Mahindra Financial Services Ltd. for the purpose of upgradation of plant and machinery. The rate of interest is at 8.60% p.a. floating (SBI 3M MCLR (7.75% + Spread (0.90%)) and repayable with an EMI of ₹ 19,04,350/- in 48 months. This loan is secured by hypothecation of plant and machinery procured out of this loan (primary security).

(o) The company has availed term loan of ₹ 4.00 Crores from SIDBI for purchase of plant & machineries and other equipments. The rate of interest is at 8.65% p.a. and repayable with an monthly principal installment of ₹ 7,40,000/- in 54 months. This loan is secured by hypothecation of plant and machinery procured out of this loan and lien on Fixed Deposit of ₹ 1.00 crore with SIDBI.

p) The company has availed term loan of ₹ 5.00 Crores from SIDBI for purchase of plant & machineries and other equipments. The rate of interest is at 8.85% p.a. and repayable with an monthly principal installment of ₹ 9,25,000/- in 54 months. This loan is secured by hypothecation of plant and machinery procured out of this loan and lien on Fixed Deposit of ₹ 1.00 Crore with SIDBI.

(q) The company has availed loan of ₹ 2.10 crores from HDFC Bank under GECL Scheme. The rate of interest is at 7.90% p.a. and repayable with an monthly principal repayment of ₹ 4,37,500/- in 48 months after moratorium period of 24 months from first disbursement. This loan is secured by guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on securities given for existing credit facilities by HDFC Bank.

(r) The company has availed loan of ₹ 4.05 crores from HDFC Bank under GECL Scheme. The rate of interest is at 7.90% p.a. and repayable with an monthly principal repayment of ₹ 8,45,000/- in 48 months after moratorium period of 24 months from first disbursement. This loan is secured by guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on securities given for existing credit facilities by HDFC Bank.

(s) The company has shifted loan from Yes Bank to ICICI Bank Ltd ₹ 5.69 crores for the purpose of upgradation of plant and machinery. The rate of interest is at 9.15% p.a. and repayable with an EMI of ₹ 8,63,101.10/- in 66 months. This loan is secured by hypothecation of plant and machinery procured out of this loan (primary security).

(t) The company has shifted the term loan from Yes Bank to ICICI Bank of ₹ 98.62 Lakhs for the purpose of upgradation of plant and machinery. The rate of interest is at 9.15% p.a. and repayable with an EMI of ₹ 4,93,119/- in 20 months. This loan is secured by hypothecation of plant and machinery procured out of this loan (primary security).

(u) The company has shifted the term loan from Yes Bank to ICICI Bank of ₹ 0.27 crores for the purpose of purchase of plant and machinery. The rate of interest is at 9.15% p.a. and repayable with an EMI of ₹ 90,812/- in 22 months. This loan is secured by hypothecation of plant and machinery procured out of this loan.

(v) The company has availed term loan of ₹ 5.00 Crores from Tata Capital Financial Services Limited for purchase of plant & machineries. The rate of interest was at 12.25% p.a. and repayable with an EMI of ₹ 8,36,500/- in 54 months. This loan is secured by hypothecation of plant and machinery procured out of this loan.

(w) The company has availed term loan of ₹ 1.85 crores from Hero Fincorp Limited for the purpose of purchase of plant and machinery. The rate of interest is at 13.25% p.a. and repayable with an EMI of ₹ 4,98,607/- in 48 months. This loan is secured by hypothecation of plant and machinery procured out of this loan. This loan has been fully repaid during the year.

(x) The company has availed loan of ₹ 0.29 crores from Hero Fincorp Limited under GECL Scheme. The rate of interest is at 11.50% p.a. and repayable with an EMI of ₹ 27,898/- (Interest) for 12 months and ₹ 95,994/- for next 36 months. This loan is secured by guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on securities given for existing credit facilities by Hero Fincorp Limited. This loan has been fully repaid during the year.

(y) The company has availed loan of ₹ 2.96 crores from Hero Fincorp Limited under GECL Scheme. The rate of interest is at 11.00% p.a. and repayable with an EMI of ₹ 2,71,334/- (Interest) for 12 months and ₹ 9,69,067/- for next 36 months. This loan is secured by guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on securities given for existing credit facilities by Hero Fincorp Limited. This loan has been fully repaid during the year.

(z&za) The company has availed FITL loan from Tata Capital Financial Services Limited for servicing the interest amount during Covid-19 lockdown period. The rate of interest was at 18.25% p.a. and repayable with an EMI in 54 monthly installments. This loan is secured by extension of charge on securities given for existing credit facilities by Tata Capital Financial Services Limited. This loan has been fully repaid during the year.

(zb) The company has availed funding support from 'Centre for Augmenting WAR with COVID-19 Health Crises' (CAWACH) without any interest. The same is repayable within 8 monthly installments of ₹ 3,45,000/- starting from October 2021. This loan has been fully repaid during the year.

Note 6: Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities (Net)		
Opening Balance	158.71	75.32
Add: DTL arising on account of temporary differences	154.38	83.38
Closing Balance	313.09	158.71
Total	313.09	158.71

Note 7: Long Term Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision of Employee Benefit Expenses		
Provision for Gratuity	9.88	8.97
Provision for Leave Encashment	--	1.18
Total	9.88	10.15

Footnote:

(a) The provision for Gratuity & Leave Encashment is a non-fund based provision and is made on the basis of Actuarial Report.

Note 8: Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured from Banks & Financial Institutions		
(a) Axis Bank - Cash Credit Limit	1,681.29	1,600.99
(b) Axis Bank Limited (PO - Finance)	1.82	397.84
(c) HDFC Bank Limited (PO - Finance)	0.00	625.00
(d) ICICI Bank - Cash Credit Limit	153.91	--
(e) HDFC Bank - Cash Credit Limit	1,681.29	--
Short Term Borrowings - Unsecured		
(f) From Directors - Repayable on Demand	-	450.00
Short Term Maturities of Long Term Debts	1,202.85	844.87
Total	4,721.17	3,918.7

Footnote:

(a) The company has availed cash credit loan of ₹ 20.00 crores from the Axis Bank. As per sanction letter, rate of interest is at 9.60% p.a. and the limit is secured by charge on all existing and future current asset excluding receivable discounted with HDFC Bank & Axis Bank (Primary Security); equitable mortgage of leasehold rights of industrial property bearing on Plot No. 7 situated in MIDC Satpur Nashik owned by M/s Filaments & Filaments, industrial property bearing No. 203/1 & 205/2 situated in Badasaly Village, MP owned by M/s Luma Lamp Pvt. Ltd. and Personal / Corporate Guarantee of Directors and Associate Concerns.

(b) The company has availed PO Finance Limit of ₹ 4.00 crores from the Axis Bank against securitisation of PO of Voltas Limited. As per sanction letter, rate of interest is at 8.40% p.a. and the limit is secured by documents of title to goods duly endorsed in favour of the Bank and Personal / Corporate Guarantee of Directors and Associate Concerns.

(c) The company has availed PO Finance Limit of ₹ 10.00 crores from the HDFC Bank against securitisation of PO of Panasonic and Voltas. As per sanction letter, rate of interest is at 8.25% p.a. and the limit is secured by charge on Land & Building (primary security) against specific PO Securitised by them and personal guarantees of Directors and corporate guarantee of Reprolite Papers India Private Limited.

(d) The company has availed cash credit loan of ₹ 13.00 crores from the ICICI Bank. As per sanction letter, rate of interest is at 9.15% p.a. and the limit is secured by charge on all existing and future current asset excluding receivable discounted with HDFC Bank & Axis Bank (primary security); equitable mortgage of leasehold rights of industrial property bearing on No. F-108 situated in MIDC Satpur Nashik owned by M/s Reprolite Papers (India) Pvt Ltd, and 1st Paripassu charge with HDFC Bank on Industrial property bearing No. 64-B-1 situated in MIDC Satpur Nashik owned by M/s Virtuoso Optoelectronics Ltd. (collateral security) and personal / corporate guarantee of Directors and Associate Concerns.

(e) The company has availed cash credit loan of Rs.20.00 crores from the HDFC Bank. As per sanction letter of HDFC Bank, rate of interest is at 9.20% p.a. and the limit is secured by charge on all existing and future current asset excluding receivable discounted with HDFC Bank & Axis Bank (primary security); equitable mortgage of leasehold rights of Industrial property bearing on No. F-108 situated in MIDC Satpur Nashik owned by M/s Reprolite Papers (india) Pvt Ltd, and 1st Paripassu charge on Industrial property with ICICI Bank bearing No. 64-B-1 situated in MIDC Satpur Nashik owned by M/s Virtuoso Optoelectronics Ltd. (collateral security) and personal / corporate guarantee of Directors and Associate Concerns.

(f) Unsecured Loans from Directors, which were repayable on demand was fully paid during the year.

Note 9 : Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
Other than due to Micro, Small and Medium Enterprises	8,484.32	2,869.21
Amount due to Micro, Small & Medium Enterprise (MSME)	206.64	156.86
Total	8,690.96	3,026.07

Footnote:

- (a) The above figures of Trade Payables are shown as net of advances paid to the local / foreign suppliers.
- (b) The average credit period on purchases is 1 to 6 months.
- (c) The above includes payables to related parties. Refer Note 30 for more details
- (d) Kindly refer Note No. 2(u) of the Significant Accounting Policies regarding trade payables.
- (e) Trade Payables Ageing Schedule as certified by the management is provided as follows:

Trade Payables Ageing Schedule as on March 31, 2023

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	197.89	8.75	-	-	-	206.64
ii) Others	7,205.96	1,278.36	-	-	-	8,484.32
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-	-
Total	7,412.60	1,278.36	-	-	-	8,690.96

Trade Payables Ageing Schedule as on March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	90.30	66.55	-	-	-	156.86
ii) Others	2,308.99	534.41	25.81	-	-	2,869.21
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues -Others	-	-	-	-	-	-
Total	2,399.29	600.97	25.81	-	-	3,026.07

Note 10 : Short Term Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory dues payable		
GST Payable	-	254.84
TDS Payable	31.14	31.97
TCS Payable	1.90	0.81
Professional Tax Payable	0.26	0.17
PF Payable	3.58	2.22
ESIC Payable	0.30	0.30
Provision for Income Tax	199.01	96.67

VIRTUOSO OPTOELECTRONICS LIMITED - ANNUAL REPORT 2023

Particulars	As at March 31, 2023	As at March 31, 2022
(b) Other Provisions		
Salary and Bonus Payable	57.77	32.96
Rent Payable	7.50	-
Provisions for Gratuity	1.25	1.53
Provisions for Leave Encashment	3.48	0.08
Audit Fees Payable	13.05	8.15
Electricity Charges Payable	21.23	4.14
Jobwork & Labour Expenses Payable	83.43	-
Security Service Expense Payable	3.23	-
Telephone Charges Payable	0.16	0.16
Provision for Expenses	28.51	-
Total	455.77	433.99

Notes forming integral part of the financial statements for the year ended 31st March, 2023

Note 11: Property, Plant & Equipment

(₹ in Lakhs)

Sr. No.	Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at April 1, 2022	Additions during the year	Deletions during the year	As at March 31, 2023	As at April 1, 2022	Additions during the year	Deletions during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
A Tangible Assets											
1	Land at Satpur MIDC	157.00	-	-	157.00	-	-	-	-	157.00	157.00
2	Factory Building - Satpur	821.18	150.10	-	971.28	78.01	70.64	-	148.65	822.63	743.17
3	Factory Building - Janori (Leasehold Improvement)	140.36	-	-	140.36	8.72	12.51	-	21.23	119.13	131.64
4	Plant and Machinery	3,974.58	3,234.44	-	7,209.02	613.37	648.96	-	1,262.33	5,946.69	3,361.21
5	Tools, Dies & Equipments	557.27	3.73	-	561.00	196.17	94.37	-	290.54	270.46	361.10
6	Research & Development Tools	-	217.55	-	217.55	-	6.05	-	6.05	211.51	-
7	Electrical Installations	94.39	1,044.96	-	1,139.35	1.22	48.43	-	49.65	1,089.70	93.17
8	Furniture & Fixtures	214.29	76.01	-	290.31	30.15	56.35	-	86.50	203.80	184.14
9	Office Equipments	2.31	0.30	-	2.62	1.27	0.54	-	1.81	0.81	1.05
10	Computer Devices, Laptops, etc.	21.41	9.56	-	30.96	16.01	4.81	-	20.82	10.14	5.39
11	Servers & Networks	-	1.22	-	1.22	-	0.03	-	0.03	1.20	-
12	Motor Vehicles	-	14.40	-	14.40	-	0.21	-	0.21	14.19	-
	Total	5,982.80	4,752.28	-	10,735.08	944.93	942.89	-	1,887.82	8,847.26	5,037.87

(₹ in Lakhs)

Sr. No.	Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at April 1, 2022	Additions during the year	Deletions during the year	As at March 31, 2023	As at April 1, 2022	Additions during the year	Deletions during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
	(Previous Year)	2,194.04	3,788.76	-	5,982.80	431.23	513.70	-	944.93	5,037.87	1,762.81
B	Capital Work-in-Progress										
1	Plant & Machinery (SMT Line - Plant A)	-	600.42	-	600.42	-	-	-	-	600.42	-
	Total	-	600.42	-	600.42	-	-	-	-	600.42	-
	(Previous Year)	904.78	-	904.78	-	-	-	-	-	-	904.78

Footnote:

(a) Property, plant and equipment are stated at cost net of depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs (if capitalization criteria are met) and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts are deducted in arriving at the purchase price.

(b) Any subsequent expenditure incurred is treated as capital expenditure, if the same tends to increase the efficiency of the asset, otherwise is charged to Profit and Loss account.

(c) The title deeds of immovable properties (other than properties where the Company is a lessee and the lease arrangements are duly executed in the favour of the lessee) are held in the name of the Company.

(d) Ageing Schedule:

Capital work in progress (CWIP) Ageing Schedule as at March 31, 2023

(₹ in Lakhs)

CWIP	Amount of CWIP for a period of				Total as on 31 March, 2023
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
i) Projects in Progress	600.42	-	-	-	600.4
ii) Projects temporarily suspended	-	-	-	-	

Capital work in progress (CWIP) Ageing Schedule as at March 31, 2022

(₹ in Lakhs)

CWIP	Amount of CWIP for a period of				Total as on 31 March, 2022
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
i) Projects in Progress	-	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-

All the upcoming projects of the Company are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Company as at the Balance Sheet date.

Intangible Assets under Development aging schedule as on March 31, 2023

(₹ in Lakhs)

Intangible Assets under Development	Amount of Intangible Assets under development for a period of				Total as on 31 March, 2023
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
i) Projects in Progress	-	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-

Intangible Assets under Development aging schedule as on March 31, 2022

(₹ in Lakhs)

Intangible Assets under Development	Amount of Intangible Assets under development for a period of				Total as on 31 March, 2022
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
i) Projects in Progress	-	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-

Note 12: Non-Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Fixed Deposits		
Fixed Deposit with Banks and Financial Institutions	1,011.15	77.87
Accrued Interest on Fixed Deposit	11.77	0.51
Total	1,022.92	78.38

Footnote:

Investments in Fixed Deposits are provided as security (lien) against the finance obtained from banks and financial institutions

Note 13: Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits		
Deposits with Municipal Commissioner – Punchkulla#	60.00	60.00
Gas Connection Deposit	0.25	0.25
MSEDCL Deposit - Factory	13.10	12.90
BSNL Telephone Deposit	0.17	0.17
Total	73.52	73.32

Footnote:

Deposit paid to Municipal Commissioner - Punchkulla (Haryana) was against LED Street Lighting Contract awarded to the Company. This contract has been revoked by the Haryana State Government and the company has filed with MSME Samadhan Platform and District Court, Nashik for compensation.

Note 14: Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories (lower of cost or net realisable value)		
Raw Materials	13,109.70	5,847.30
Work-in-progress	253.00	-
Finished Goods	479.47	483.63
Total	13,842.17	6,330.92

Footnote:

Method of valuation of inventories is stated in Note 2 (h) of Significant Accounting Policies.

Note 15: Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good		
Trade Receivables for supply of goods and services	2,624.09	887.91
Total	2,624.09	887.91

Footnote:

(a) The above figures of Trade Receivables are shown as net of advances / raw material received from the customers.

(b) The above includes receivables from related parties. Refer note 30 for more details

(c) Kindly refer Note No. 2(t) of the Significant Accounting Policies regarding trade receivables.

(d) Trade Receivables Ageing Schedule as certified by the management is provided as follows:

Trade Receivables Ageing Schedule as at 31st March 2023

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 m	6 m-1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
i) Undisputed Trade Receivables-considered good	2,521.69	77.56	24.84	-	-	-	2,624.09
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	-	-	-	-	-	-	-
Total	2,521.69	77.56	24.84	-	-	-	2,624.09

Trade Receivables Ageing Schedule as at 31st March 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 m	6 m-1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
i) Undisputed Trade receivables—considered good	801.66	14.91	19.46	51.88	-	-	887.91
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	-	-	-	-	-	-	-
Total	801.66	14.91	19.46	51.88	-	-	887.91

Note 16: Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
In Current and Deposit Accounts	26.36	81.10
In Escrow Accounts	6.45	-
Cheques on Hand	-	-
Cash in Hand	0.15	0.12
Total	32.96	81.22

Note 17: Short Term Loans & Advances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Advancse		
Advance to Staff	9.69	5.13
Total	9.69	5.13

Note 18: Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Revenue Authorities		
TDS Receivables	21.02	17.28
TCS Receivables	0.72	1.77
GST Receivables (Excess ITC)	1.01	-
Advance Tax	150.00	25.00
Custom Duty Receivables	0.80	11.42
Government Grants and Incentives Receivables	286.16	-
Other Assets		
TDS Receivable - NBFC	5.63	-
Prepaid Insurance	38.80	5.28
Reimbursement of Stipend Claim (NAPS Scheme)	17.12	-
Prepaid Expenses	9.28	-
Prepaid Interest on SID/PO Facilities	66.20	-
Total	596.74	60.75

Note 19: Revenue from Operations

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Sale of Products & Services		
Sale of Lighting, Consumer Durables, etc.	33,439.69	19,979.09
Job Work Charges	-	38.15
Service Income	0.66	-
Other Sources of Revenue		
Government Grant and Incentives	286.16	-
Total	33,726.51	20,017.24

Footnote:

The company is eligible for benefits under the various incentive scheme of PLI & State Electronics Policy on production of Electronics Goods and as per the sanction letters received.

Note 20: Other Income

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Income		
Interest on Fixed Deposit	25.43	3.84
Foreign Exchange Gain	52.03	-
Discount Received	1.98	-
Misc. Income – Liabilities not Payable	1.26	7.13
Total	80.70	10.96

Note 21: Cost of raw materials consumed

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material consumed		
Inventory at the beginning of the year	5,847.30	3,190.34
Add: Purchases during the year : Indigenous	31,184.44	16,303.50
Add: Purchases during the year : Imports	4,148.29	2,713.66
Add: Other Manufacturing Costs / Cost of Production (Footnote:(b))	1,474.97	834.34
Less: Inventory at the end of the year	(13,109.70)	(5,847.30)
Total	29,545.30	17,194.53

Footnote:

(a) Above purchase figures are shown as net of rate differences, Debit Notes issued for defective materials and warranty claims.

(b) Other Manufacturing Cost / Cost of Production:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Manufacturing Cost / Cost of Production		
Freight Inward	137.69	99.88
Conversion Cost – Manufacturing	531.09	243.24
Electricity & Fuel Charges	174.74	82.20
Customs Duty	400.07	153.44
Clearing & Forwarding Expenses	221.45	250.10
Loading & Unloading Charges	2.96	0.19
Packing & Water Charges	0.36	4.98
Tooling Cost	6.61	0.32
Total	1,474.97	834.34

Note 22: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories at the beginning of the year		
Work-in progress	-	-
Finished goods	483.63	527.74
Sub-Total	483.63	527.74
Inventories at the end of the year		
Work-in progress	253.00	-
Finished goods	479.47	483.63
Sub-Total	732.47	483.63
(Increase) / Decrease in Inventories	(248.85)	44.11

Note 23: Employee Benefit Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefit Expenses		
Salary , Wages and Bonus	473.90	285.06
Directors' Remuneration	30.00	30.00
Stipend Expenses - Internship	154.93	10.89
Contribution to provident fund	17.79	12.85
Contribution to ESIC fund	2.56	2.39
Expenses for Gratuity	2.57	5.51
Expenses for Leave Encashment	4.93	3.00
Staff Welfare Expenses	21.23	12.15
Education, Training and Development	1.51	-
Total	709.42	361.85

Note 24: Finance Cost

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Finance Cost		
Interest on Loan	1,190.48	752.97
Other Borrowing Costs	163.47	152.53
Total	1,353.95	905.50

Note 25: Other Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Expenses		
Payment to Auditors	6.00	5.50
Printing & Stationery	0.73	2.58
Professional & Legal Fees	40.08	61.87
Rent, Rates & Taxes	213.44	250.07
Office Expenses	9.80	6.81
Freight Outward	4.50	8.41
Income Tax & Interest Payment (Dues)	14.07	8.15
Insurance Charges	13.51	10.68
Telephone Expenses	2.53	2.00
Travelling Expenses	31.03	11.56
Sales Promotion Expenses	17.54	6.13
Repairs & Maintenance	3.87	9.19
Security Service Charge	18.30	19.08
Foreign Exchange Gain & Loss	-	33.42
Total	375.40	435.45

Note 25(a) : Details of Payments to Auditors

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
As Auditor:		
Statutory Audit Fees	4.50	4.00
Tax Audit Fees	1.50	1.50
	6.00	5.50
In Other Capacities		
Professional Fees	2.75	2.00
Total	8.75	7.50

Note 26: Gratuity Calculations

Retirement benefits in the form of Gratuity have been valued by an independent actuary as on the Balance Sheet date. The accrued benefits are projected to the due date and valued prospectively by applying proper economic and demographic assumptions stated below. The liability is computed on current salary levels projected to the probable due date using "Projected Unit Credit (PUC) Method".

(a) Gratuity : The following table summaries the components of net benefit expenses recognized in respect of Gratuity:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Expense recognized in the statement of Profit and Loss		
Interest Cost	0.76	-
Current Service Cost	5.03	-
Past Service Cost	-	-
Expected return on plan assets	-	-
Net Actuarial Gain/(Loss) recognized in the period	(5.17)	10.50
Expenses to be recognized in P&L	0.63	10.50

Liability recognized in Balance Sheet		
Present Value Obligations	11.12	10.50
Fair Value of plan assets at end of the period	-	-
Funded Status – Surplus/(Deficit)	(11.12)	(10.50)
Current Liability (Short Term)	1.25	1.53
Non-Current Liability (Long Term)	9.88	8.97
Reconciliation of liability recognized in balance sheet		
Opening gross defined benefit liability / (asset)	10.50	-
Expenses to be recognized in P&L	0.63	-
Benefit paid (if any)	-	-
Closing gross defined benefit liability /(asset)	11.12	10.50
Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	-	-
Adjustments to the opening fund	-	-
Expected return on plan assets	-	-
Contributions	-	-
Mortality Charges and Taxes	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	-	-
Actual return on plan assets	-	-

The principal assumptions used in determining gratuity as shown below:		
Discount Rate	7.50%	7.25%
Rate of increase in compensation levels	5.00%	5.00%
Withdrawal Rate	5.00%	5.00%

Note 27: Other Disclosures (As certified by Management)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities - TDS Outstanding Demand	0.98	0.88
Contingent Liabilities - Custom Duty Payable (EPCG Obligations)	585.00	293.76
Corporate Guarantees	NIL	NIL
Commitments	NIL	NIL
Value of Imports on CIF Basis	4,870.01	4,934.69
Expenditure in Foreign Currency	NIL	NIL
Earnings in Foreign Exchange - Exports	NIL	66.62

Footnote:

Contingent Liabilities is towards Custom Duty amount waived under EPCG Scheme, for import of plant and machinery. This contingent liability may arise in case the company fails to honor the export obligation in future.

Note 28: Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The information of MSME Creditors has been determined to the extent of such parties identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors. Company has not made any provision for interest to be paid / payable to micro and small enterprises during the year.

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
1. The principal amount and the interest due thereon as at the end of each accounting year.	8.75	66.55
2. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	--	--
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	--	--
4. The amount of interest accrued and remaining unpaid at the end of each accounting year.	--	--
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	--	--

Footnote:

(a) Company had received intimation from three suppliers about their status as 'MSME Supplier' as per 'Micro, Small and Medium Enterprises Development Act, 2006'.

(b) Company has not made any provision for interest to be paid / payable to micro and small enterprises during the year.

Note 29: Related Party Disclosures

A. List of Related Parties and Relationship

(a) Key Management Personnel

1. Sukrit Bharati
2. Sajid Shaikh
3. Hariom Khushawaha

(b) Relatives of Key Management Personnel

1. Nikitha Shravan Poddatur
2. Arvind Bharati
3. Vishrut Bharati
4. Ashu Bharti

(c) Enterprises over which Key Management Personnel exercise significant influence or control

1. YLP Solutions Private Limited
2. Swami Shanti Prakash Virtuoso Esco Private Limited

(d) Enterprises over which their relatives exercise significant influence or control

1. Solarcopyer Limited
2. Starlite Components Limited
3. Paragon Plastics Private Limited

B. Transactions with Related Parties during the year

(₹ in Lakhs)

Particulars	2022-23		2021-22	
	Transaction Value for the year	Closing Balances	Transaction Value for the year	Closing Balances
A) Key Management Personnel -				
Issue of Share Capital (including Share Premium)	-	-	400.00	-
Share Application Money	-	-	(300.00)	-
Director's Remuneration	30.00	-	30.00	3.46
Unsecured Loans / (Repayments)	(450.00)	-	450.00	450.00
B) Transactions with the entities which is controlled by the Key Management Personnel				
Sale of Goods / Services	-	-	0.20	0.91
Purchase of Goods / Services	57.89	-	8.28	-
C) Transactions with the entities which is controlled by the Relatives of KMP -				
Sale of Goods / Services	9.92	-	399.42	46.85
Purchase of Goods / Services	-	2.34	1312.03	2.34

Footnote:

- (a) The transactions with the related parties are made on terms equivalent to those that prevail in arms' length transactions
- (b) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from / to above related parties.
- (c) Reimbursement for expenses / payments made by the directors on behalf of the company in the ordinary course of business is not reported above.

Note 30: Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Net profit / (loss) for calculation of Basic EPS	776.71	394.01
Weighted Average Number of Equity Shares outstanding during the year: basic and Diluted EPS	1,81,64,818	1,26,72,014
Basic and Diluted Earnings Per Share (₹)	4.28	3.11
Nominal Value per Share (₹)	10	10

Note 31: Segment Reporting

The Company is primarily engaged in the manufacturing, selling and marketing of White Goods. The range of products manufactured by the company includes Air Conditioners, Water Heaters, Lighting and their components. The Company also offers Electronics Manufacturing Services (EMS) and related products to its customers. The Company has only one operating segment, hence disclosure under AS 17 on Segment Reporting is not applicable.

Note 32: Balance Confirmations

The balances in the accounts of Trade Receivables, Trade Payables, Loans and Advances, Other Current Assets and Other Current Liabilities are subject to confirmation / reconciliation, if any; the Management does not expect any significant variance from the reported figures.

Note 33: General Remarks to Financial Statements

(a) The company is registered person under the Goods and Service Tax (GST) Act, 2017. During the year, the company has availed various input tax credits of GST paid on procurement of goods and services. The company is in the process of reconciliation of such input tax credits with its vendors and the GST returns filed during the year. Effects of such reconciliation, if any, have not been considered in the books of accounts.

(b) We have applied test check method of vouching regarding purchase, sales, vouchers, expenses, whenever we found necessary.

(c) Normally the company is regular in payment of all statutory dues. There were no statutory dues outstanding for more than six months as on 31-03-2023.

(d) We have not physically verified cash in hand and closing stock as on 31-03-2023. Cash balance and quantitative details of stock have been certified by the management and accepted & relied upon by us. Due to the high volume and nature of business, it is not possible to verify quantitative details of the goods manufactured and traded by the Company.

(e) There have been no events subsequent to the Balance Sheet date, which require adjustment of, or disclosure in, the financial statements or notes thereto.

(f) The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. To the best of our knowledge there has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

(g) No personal expenses have been debited to Profit & Loss Account other than those incurred in the normal business commitments.

(h) Previous year's figures have been re-grouped and re-cast wherever found necessary and to give the effect of reinstatement of the previous financials.

(i) The Company has evaluated subsequent events from the balance sheet date through May 29, 2023, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose.

Note 34 : Other Statutory Information

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(d) The Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(e) To the best of our knowledge and representation received from the management, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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

(g) To the best of our knowledge and representation received from the management, the Company has not granted any loans or advances in nature of loans to promoters, directors and KMPs either severally or jointly with any other person during the quarter and year ended March 31, 2023 and March 31, 2022.

(h) The Company has not been declared wilful defaulter by any bank, financial institution, government or government authority.

(i) The Company has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets during the year ended March 31, 2023.

(j) As per information received from the management, there were no transactions entered with the companies which are struck off.

Note 35: Analytical Ratios

Ratios	Numerator-Basis	Denominator-Basis	Current Period FY 22-23	Previous Period FY 21-22	% Variance	Reasons for Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.23	1.00	23.56%	-
Debt - Equity Ratio(in times)	Debt consists of borrowings and lease liabilities.	Total Equity (TNW)	0.94	3.20	-70.57%	During the current period, fresh equity capital has been raised through IPO and Preferential allotment. Hence, there has been a significant decrease in the Debt - Equity Ratio.
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	1.28	1.31	-2.85%	
Return on Equity Ratio (%)	Profit for the year less Preference dividend (if any)	Average Total Equity	13.52%	20.97%	-35.52%	During the current period, total equity has been increased due to fresh equity capital raised through IPO and preferential allotment; accordingly, this ratio has decreased.
Inventory Turnover Ratio (in times)	Cost of raw materials consumed + Changes in inventories of finished goods, work-in-progress and stock-in-trade	Average Inventory	2.90	3.43	-15.34%	
Trade Receivables Turnover Ratio (in times)	Revenue from operations (including other income)	Average Trade Receivables	19.25	20.38	-5.55%	
Trade Payables Turnover Ratio (in times)	Cost of raw materials consumed + Changes in inventories of finished goods, work-in-progress and stock-in-trade	Average Trade Payables	5.00	8.54	-41.47%	Small reduction in trade payable turnover ratio is the output of well negotiated favorable payment terms with the suppliers as there is increase in volume of the supplies with the increase in the volume of sales of the Company.
Net Capital Turnover Ratio (in times)	Revenue from operations (including other income)	Average Working Capital (i.e. Total Current Assets less Total Current Liabilities)	20.97	35.04	-40.16%	Company has improved its liquidity and the net capital turnover ratio has reduced but the company continues to work towards increase in its liquidity to support its sales growth plan.
Net Profit Ratio (%)	Profit after Tax	Revenue from Operations	2.30%	1.97%	17.00%	-
Return on Capital Employed (%)	Profit before tax and finance costs	Capital Employed = Net worth + Lease Liabilities + Deferred Tax Liabilities	25.66%	64.71%	-60.35%	During the current period, total equity has been increased due to fresh equity capital raised through IPO and preferential allotment; accordingly, this ratio has decreased.
Return on Investment (%)	Interest on bank deposits	Average invested funds in bank deposits	4.67%	4.93%	-5.24%	-

As per our report attached of even date

**For Jain Chhaged & Associates
Chartered Accountants**

ICAI Firm Reg No. 127911W

**For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited**

CIN – U74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

CA Suyash Chhaged
Partner
Membership No. 121597

Sajid Shaikh
Chief Financial Officer

Hariom Kushawaha
Company Secretary

Place : Nashik
Date: May 29, 2023

Place : Nashik
Date: May 29, 2023

Contact Us

In case any problem or query
shareholders can contact at:

Company Secretary & Compliance Officer

Address: Plot No. 7, MIDC,
Satpur, Nashik 422007.

Phone : +91 253-2350461

Email : cs@voepl.com

Shareholders may also Contact
Company's Registrar & Share
Transfer Agent at:

Cameo Corporate Services Limited.

Subramanian Building No. 1, Club
House Road, Chennai-600 002.

Phone: 91-28460390

Fax : 91-40020700

Email : investor@cameoindia.com



Phone Number

+91 253 2350461



Email Address

cs@voepl.com



Website

www.voepl.com

Virtuoso
Optoelectronics Limited