

September 07, 2024

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

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

Dear Sir/Madam,

Subject : Submission of Annual Report along with Notice of 35th Annual General Meeting (AGM) of the Company for financial year 2023-2024

Pursuant to Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the Notice convening 35th Annual General Meeting (AGM) of the Members of Virinchi Limited ("the Company") scheduled to be held on **Monday, September 30, 2024 at 12:30 PM (IST)** through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) and Annual Report for the financial year 2023-2024. The same is also made available on the website of the Company at www.virinchi.com.

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company will provide to its members the facility to cast their vote(s) on all resolutions set forth in the Notice by electronic means ("e-voting") or voting through electronic means during the AGM, on the businesses specified in the Notice convening the 35th AGM of the Company.

This is for your information and records.

Thanking You,

Yours faithfully

For Virinchi Limited

Kolli
Ravindranath Tagore
ath Tagore
K Ravindranath Tagore
Company Secretary
M.No.A18894

Digitally signed by
Kolli Ravindranath
Tagore
Date: 2024.09.07
15:42:30 +05'30'

Encl. as above

Virinchi Limited (Formerly Virinchi Technologies Limited)

CIN NO. L72200TG1990PLC011104

Registered & Corporate Office Address:

8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate, Road No. 1, Banjara Hills,
Hyderabad - 500 034, Telangana, India, Tel: 91 (40) 4372 8111
Email: investors@virinchi.com

Global Development Centre:

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To define is to limit;
With AI (in Fintech & Healthcare)
we shatter those limits for our customers





Contents

Corporate overview

- 02 Corporate snapshot
- 04 Our financial snapshot of the last few years
- 06 Vice-Chairman's statement
- 08 AI and its applications in our business segments
- 16 Our Healthcare business
- 22 Our SaaS business (US Fintech: QFund)
- 26 vCard – Payment and Credit Services Business
- 30 Our Internet Data Centre and IT services business
- 34 Management discussion and analysis

Statutory Reports

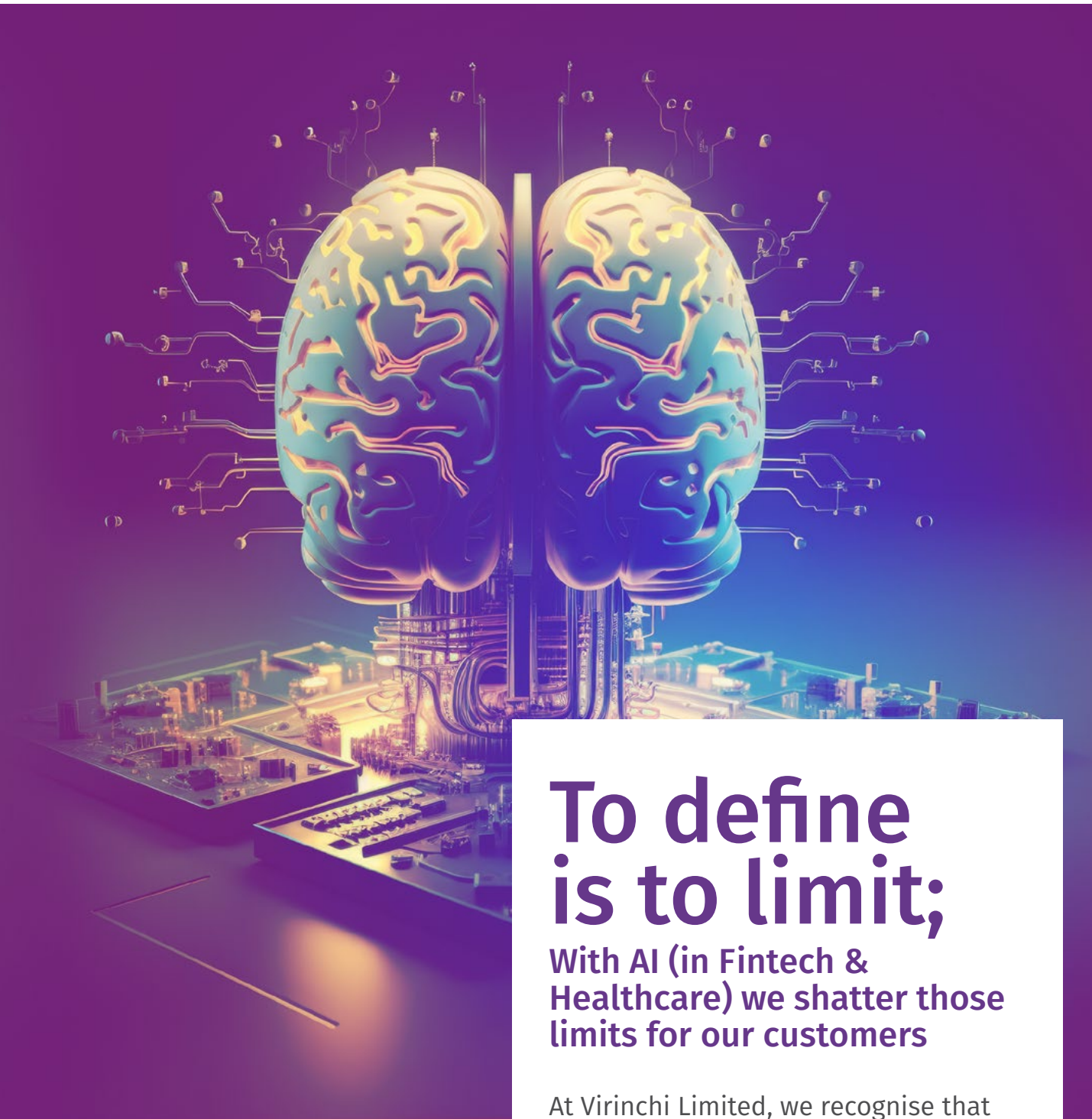
- 41 Notice of Annual General Meeting
- 52 Board's Report
- 76 Report on Corporate Governance

Financial Statements

- 94 Standalone Financial Statements
- 129 Consolidated Financial Statements

Forward-looking statement

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



To define is to limit;

With AI (in Fintech & Healthcare) we shatter those limits for our customers

At Virinchi Limited, we recognise that humankind is at the cusp of its most potent technology introduction.

This technology – Artificial Intelligence – can completely transform our businesses for the better.

The company has proactively embraced AI across its Fintech and Health care businesses with the objective to serve customers quicker and better.

CORPORATE SNAPSHOT

Virinchi Limited.

The Company addresses the prospects coming out of four sectors that embody India's growth.

These businesses encompass the following:

Software as a Service (US fintech)

Internet data centre and IT services

Payment and credit services (Indian fintech)

Healthcare infrastructure and related services

The synergy across these businesses lies in their integrated use of advanced digital technologies (machine learning and process automation).

The combination of digitalisation and core competencies is anticipated to result in leadership in the niches of the company's presence and superior stakeholder returns.

TARGETS



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

- Develop a suite of fintech products targeting under served markets.
- Create specialised technology solutions for healthcare and fintech sectors.
- Expand delivery capabilities and client reach in next-generation technology services, focusing on SMAC domains, especially machine learning and data analytics.



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

- Establish a strong presence in medically under served markets across India.
- Implement personalised medicine via data analytics and combinatorics on a unified healthcare mobility platform.

VISION

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

MISSION

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

TRACK RECORD

Over the past three decades, Virinchi Limited has earned a reputation for leveraging its existing businesses' experience to successfully enter new markets. The company has expanded from one to four business segments, establishing multiple revenue streams along the way.



PRESENCE

The Company operates healthcare facilities in Banjara Hills, Barkatpura, and Hayathnagar in Hyderabad. It also manages two offshore IT development centers in Hyderabad (Banjara Hills and Hakimpet) and an onshore facility in Marlboro, New Jersey, USA. The Company's headquarters are based in Hyderabad, India.

BUSINESS OFFERINGS

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

Building on its renowned expertise, the Company's flagship product QFund™ is a globally recognised SaaS solution, supported by strategic partnerships tailored for the retail micro-lending sector in North America. Leveraging its technological, financial, and infrastructural capabilities, the Company expanded into India's payment and credit services sector. It introduced vCard, a fintech platform comprising technology integration with partner financial institutions to extend credit access to under served populations.

Healthcare services

The Company operates three multi-specialty hospitals in Hyderabad. The flagship hospital, located in Banjara Hills, Hyderabad, features state-of-the-art medical advancements and sophisticated IT and mobility frameworks.

EMPLOYEES

Virinchi employed 463 individuals (SaaS, IDC & IT services and Payment & Credit Services) as on March 31, 2024. Nearly 95% employees possessed professional degrees at the close of FY 2023-24. The average age of the employees in the IT vertical stood at 27 years.

CERTIFICATIONS

The Company's quality commitment is showcased in ISO 9001:2000 and CMMI Level 3 certifications.

AWARDS AND RECOGNITIONS

Virinchi was recognised with the following awards:

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

CONSOLIDATED FINANCIAL HIGHLIGHTS, FY 2023-24

Consolidated operating revenue decreased 3.82% to Rs. 300.03 Crore and total revenue decreased 3.40% to Rs. 304.83 Crore

Consolidated PAT increased 5.98% to Rs. 13.48 Crore

Consolidated EBITDA margin decreased 254 bps from 34.81%; PAT margin increased 39 bps from 4.03%

EBITDA increased 3.36% to Rs. 113.88 Crore

EPS decreased 5.67% to Rs. 1.43

Receivables increased from 77 days of turnover to 90 days

Our Healthcare business: YoY revenue decreased 11.9% to Rs. 119.07 Crore with an EBIT of Rs. 34.60 Crore YoY healthcare EBITDA increased 25.8% to Rs. 59.68 Crore with an overall EBITDA margin of 45.3%

Our SaaS (US Fintech) business: SaaS business revenue increased 4.05% to Rs. 127.69 Crore compared to Rs. 122.72 Crore in the previous year.

Our IDC & IT services: IDC & IT services revenue decreased 0.37% to Rs. 44.91 Crore compared to Rs. 45.07 Crore in the previous year.

Our payment & credit services (India fintech): Payment & Credit services business generated a revenue of Rs. 2.99 Crore.

Our financial snapshot of the last few years



Revenues (Rs Crore)

Definition

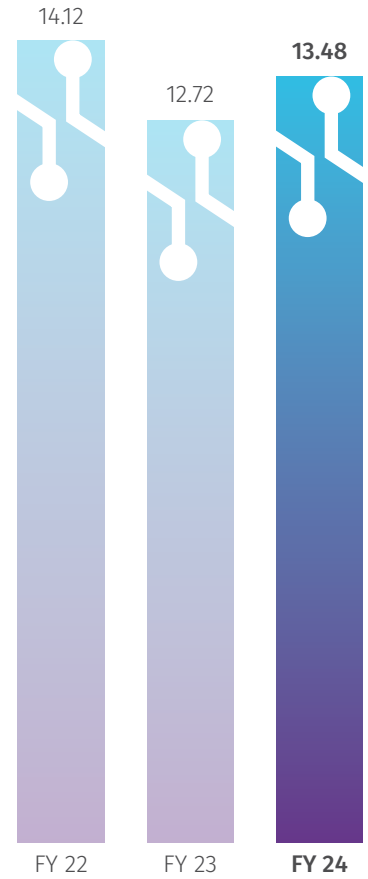
Revenue is the income generated by a business from the sale of goods or services before the deduction of costs and expenses, taxes and promotions.

Why this is measured

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

Virinchi’s performance

Revenues decreased 3.40% to Rs. 304.83 Crore in FY 2023-24, a decline of Rs. 10.74 Crore.



Net profit (Rs Crore)

Definition

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

Why this is measured

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

Virinchi’s performance

The Company reported a 5.97% increase in net profit to Rs. 13.48 Crore in FY 2023-24.



EBITDA margin (%)

Definition

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

Why this is measured

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

Virinchi's performance

EBITDA margin increased by 255 bps to 37.36% in FY 2023-24.



Debt-equity ratio (x)

Definition

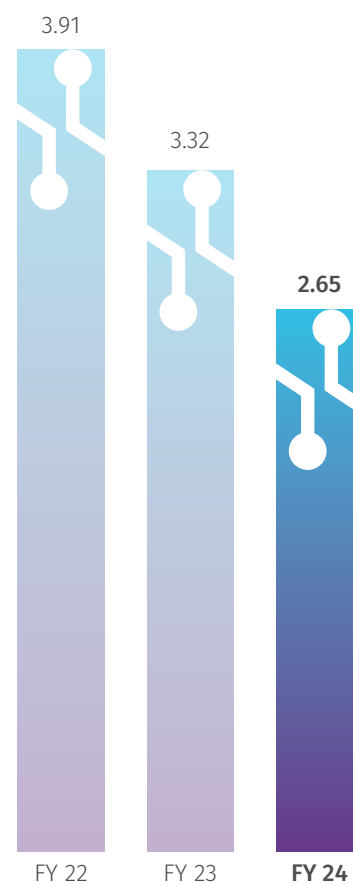
This is calculated by dividing the total debt by the net worth (less revaluation reserves)

Why this is measured

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

Virinchi's performance

The Company's gearing strengthened 4 bps to 0.44x in FY 2023-24.



Interest cover (x)

Definition

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

Why this is measured

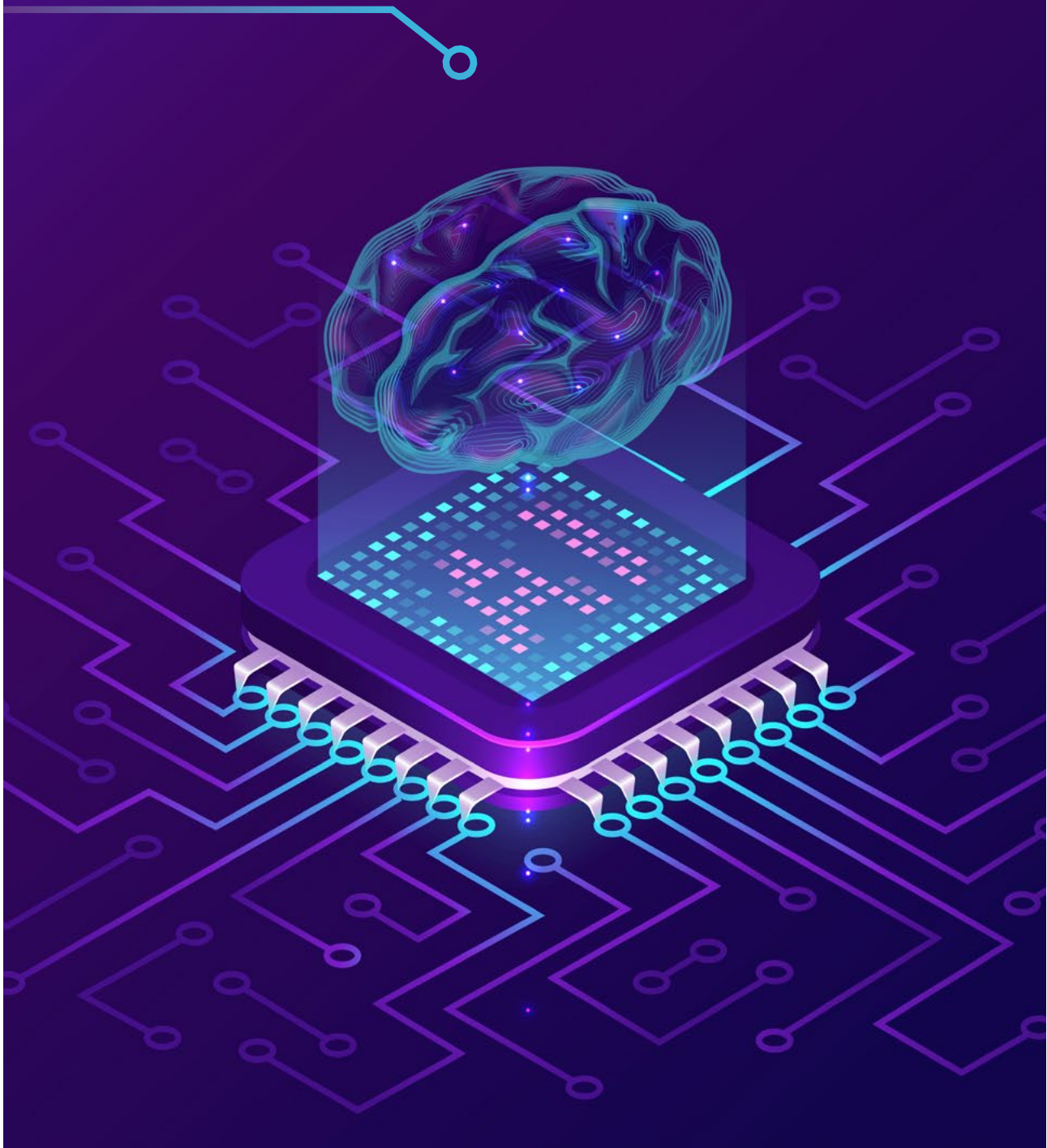
Interest cover indicates comfort in servicing interest, the higher the better

Virinchi's performance

The Company's interest cover decreased from 3.32 during FY 2022-23 to 2.65 during FY 2023-24.

VICE CHAIRMAN'S STATEMENT

Adopting AI in Fintech and Healthcare delivery



OVERVIEW

Building on last year's theme of Lend-Tech and Health-Tech, Virinchi is in the process of implementing AI technologies in its flagship SaaS platform, Qfund™ and in healthcare delivery.

The company reinforced its Machine Learning algorithms for credit scoring and risk management and deployed Predictive Analytics for loan default prediction, enabling our customers, the alternative lending institutions, in making enhanced and insightful lending decisions. The latest version of Qfund with these reinforced AI features aided in gaining two customers during the financial year under review. This will have a relatively large positive impact on the revenues and profits in FY 2024-25 and beyond as the contracts are long-term in nature. SaaS revenues increased 4.05% to Rs. 127.69 Crore during the year under review.

During the year, the company started work on Clinical Decision Support System – Right to Science (RTS) to augment doctor decision making through patient similarity model development involving a gathering and analysis of clinical and diagnostic data of a large number of patients over multiple parameters.

Though the external healthcare revenues were lower compared to last year's revenue at Rs. 119.07 Crore, the adjusted EBITDA strengthened due to the efficient management of operations.

Patients are investing more in health insurance than ever; in turn, this insurance coverage is providing them with the incentive to be treated in better hospitals. This is enhancing the bed utilisation of organised and professional health care providers.

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

At Virinchi, we are optimistic of commissioning our 100-bed oncology health care facility during FY 2025-26. This facility in Hyderabad will capitalise on the following advantages: it is contiguous to the company's flagship Banjara Hills health care facility; its dedicated oncology focus addresses a growing social priority; a singular vertical will help develop the facility into a centre of excellence that attracts the best professionals; by the nature of its focus, the facility is expected to deepen specialisation over general health care facilities, resulting in superior outcomes.

The Vizag facility would be commissioned once the Oncology facility at Banjara Hills is up and running. When you put these two expansions together, you get a Virinchi that is likely to grow its bed count across the next two years and emerge as a 1100-bed health care organisation. This is expected to enhance the company's scale to be among the ten largest corporate health care companies in the country, enhancing visibility, talent access and quicker ramp up in new centres of the company's presence.

At Virinchi, the key to enhancing the profitability of these facilities lies in the company's contrarian approach.

One, the company's approach to acquiring new facilities has been asset-light (leasing), ensuring that the Balance Sheet remains under-borrowed.

Two, the company invested these facilities with digital interventions, pricing patients with an advanced experience without compromising the personal touch. We believe that this combination – digital yet humane – has emerged as our most effective calling card.

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

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

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

The enhanced use of technology will accelerate patient recovery and make it possible for them to be discharged around shorter tenures. This will enhance our respect in the following ways: It will strengthen our recall as patient-focused and widen our prospective patient reach leading to superior capacity utilisation; it will generate attractive billings within shorter time frames (strengthening our capital efficiency). We are optimistic that the synergistic play from the above factors will enhance overall value from this business.

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

Satyanarayana Vedula
Vice Chairman & Executive Director

Artificial Intelligence.

How this breakthrough technology can help rethink and transform our business

OVERVIEW

Artificial Intelligence refers to a completely new field of computer science. This science is focused on creating systems or machines that can perform tasks that otherwise normally warranted human intelligence.

The result is that tasks comprising learning from data, reasoning, problem-solving, understanding natural language, and perception can now be delegated to automated systems. These AI systems draw techniques from machine learning, where algorithms improve performance by drawing inspiration from the structure and function of the human brain.

At Virinchi, we are making a growing use of AI on our business with the objective to emerge nimbler, more productive and more profitable.



AI application in our QFund business

At QFund, our commitment to leveraging cutting-edge technology is exemplified by the integration of Artificial Intelligence (AI) across our SaaS platform. Our AI-driven enhancements have strengthened capabilities, delivering enhanced value to clients by setting new benchmarks in the area of financial management.

AI can drive efficiency, enhance decision-making, and provide deeper insights in our QFund business by automating processes, credit scoring, managing risks, and improving customer interactions, strengthening our competitiveness.



Portfolio management

Risk assessment: AI evaluates the lending risk profile of customers and their borrowers, considering factors like interest rate volatility, unemployment, and economic growth to help manage business viability.

Performance monitoring: AI tools monitor and analyse the performance of lending assets, providing insights into trends and improvement areas.

Automated rebalancing: AI helps automate the process of lending book rebalancing, adjusting disbursement allocations based on predefined criteria or changes in market conditions.

Operational efficiency

Automated reporting: AI can generate reports on customer performance, compliance, and key metrics, reducing the time and effort required for manual report generation.

Data integration and analysis: AI integrates data from various sources, such as financial markets, client interactions, and performance metrics, providing a unified view.

Fraud detection: AI algorithms can detect unusual patterns or anomalies in the customer's financial transactions that may indicate fraudulent activity, enhancing security and compliance.

Credit analysis and decision making

Predictive analytics: Our AI model analyses market trends, historical data, and financial indicators to forecast lending opportunities and risks. This helps customers make data-driven lending decisions.

Client onboarding and compliance

Document management: AI tools can automate the processing and verification of client documents, improving efficiency and accuracy.

Customer Relationship Management (CRM)



Personalised interactions: AI-driven CRM systems analyse customer or consumer data to provide personalised recommendations, enhancing systemic integrity.

Predictive lead scoring: AI can predict which borrower leads are likely to convert into business based on historical data and behavioural patterns.

Automated support: AI chatbots and virtual assistants handle routine inquiries, provide information about the customer's performance, and assist with account management, liberating human resources for complex tasks.

Market research and insights



Trend analysis: AI analyses large data volumes to identify emerging trends and lending opportunities, providing valuable insights for strategic planning.

Competitive analysis: AI tools track and analyse competitor activity, pricing strategies, and market positioning to inform the customer's competitive strategy.

Scenario analysis: AI can simulate market scenarios and their potential impact on the customer's lending book, aiding in strategic decision-making and risk management.

Product development and innovation



Feature enhancement: AI can analyse user feedback and usage patterns to identify opportunities for improving or developing new features within the SaaS platform.

Custom solutions: AI can help create customised solutions or tools for specific client needs, enhancing the value proposition of the SaaS offering.

Client and market communication



Content generation: AI can generate and optimise content for marketing campaigns, newsletters, and social media, ensuring consistent and relevant messaging.

Feedback analysis: AI tools can analyse client feedback and reviews to identify common issues, preferences, and areas for improvement.



Application of AI in Healthcare

AI in healthcare aims to enhance accuracy, efficiency, and personalisation of care while reducing costs and administrative burdens. At Virinchi, an increased use of AI will transform our healthcare delivery, enhancing patient care and administrative efficiency.

Diagnostics and imaging

Medical imaging analysis: AI algorithms can analyse medical images (like X-rays, MRIs, and CT scans) to detect abnormalities (tumours or fractures). These systems can often identify issues with a higher accuracy than conventional interventions and sometimes outperform human radiologists in specific tasks.

Disease detection: AI models are used to identify early signs of diseases like cancer, diabetic retinopathy, and cardiovascular conditions by analysing imaging data, genetic information, and patient history.

Personalised medicine

Treatment plans: AI can analyse a patient's genetic profile, lifestyle, and medical history to recommend personalised treatment plans. This helps in tailoring interventions that are most likely to be effective for individual patients.

Drug discovery: AI accelerates drug discovery by predicting how different compounds will interact with disease targets. It helps in identifying potential drug candidates faster and more efficiently than traditional methods.

Predictive analytics

Risk prediction: AI models can predict the likelihood of diseases or adverse events based on patient data. For example, they can forecast which patients are at risk of developing chronic disease conditions.

Early warning systems: In critical care, AI can monitor patient data in real time to detect early signs of deterioration, enabling timely intervention.

Administrative tasks

Medical record management: AI assists in organising and managing electronic health records by extracting relevant information, automating data entry, and ensuring data accuracy.

Scheduling and logistics: AI-powered systems can optimise appointment scheduling, manage patient flow, and coordinate between different departments to improve operational efficiency.

Virtual health assistants

Chatbots and virtual assistants: AI-driven chatbots provide patients with information, answer common questions, and offer basic diagnostic support. They can help with appointment scheduling, medication reminders, and managing chronic conditions.

Telemedicine: AI tools are integrated into telemedicine platforms to enhance remote consultations, assist with preliminary diagnostics, and provide real-time support during virtual visits.

Clinical decision support

Decision support systems: AI can provide clinicians with evidence-based recommendations and alerts, improving decision-making. For example, it can suggest treatment options based on the latest research and clinical guidelines.

Drug interaction checks: AI systems can analyse patient prescriptions to identify potential drug interactions and suggest safer alternatives.

Genomics and precision medicine

Data analysis: AI helps in interpreting complex genomic data, identifying genetic mutations associated with diseases, and personalising treatments based on genetic profiles.

Genetic research: AI accelerates research into the genetic basis of diseases, leading to better understanding and potential new treatments.

Behavioural health

Mental health monitoring: AI tools analyse speech, text, and behavioural patterns to assess mental health conditions like depression and anxiety. They can provide support through therapy chatbots and monitor patient progress.

Predicting behavioural risks: AI models can predict behaviours that might lead to mental health crises or substance abuse, enabling early intervention.

Robotic surgery and assistance

Robotic surgery: AI-powered robotic systems assist surgeons by providing precision in delicate procedures, enhancing control, and reducing recovery times.

Rehabilitation robotics: AI-driven robots aid in physical rehabilitation, helping patients recover motor functions through tailored exercise programs.

Research & development

Clinical trials: AI helps identify suitable candidates for clinical trials, analyse trial data, and even design trials based on predictive modelling.

Literature review: AI tools assist researchers in reviewing vast amounts of medical literature, identifying trends, and synthesising findings.



Business: **SaaS
Business (US Fintech –
QFund)**

2002: This business was set up.

Rationale: Analyzed IT opportunities in the U.S. alternative finance sector, with an emphasis on microloans to address the credit needs of subprime customers.



Business: **Healthcare**

2016: Founded a 350-bed facility in Hyderabad, which has since grown to 400 beds, in addition to 200 beds in two smaller hospitals in Hyderabad. We are building a Radiation Oncology facility in Banjara Hills, Hyderabad, with 100 beds, expected to be completed by mid-October 2025 and a 300-bed facility in Vizag, expected to be completed by the end of FY 2025-26. The third block in Banjara Hills campus has a provision for expanding bed capacity by another 100 at a future date, leading to a capacity visibility of 1100 beds in the near future.



"Leveraging comparable digital technologies to boost synergy, capabilities, and competitive advantage."



Business: **IDC & IT
services (KSoft)**

2006: This business was launched.

Rationale: Investigated prospects for outsourcing IT solutions.



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

2019: The Company introduced its Payment & Credit Services division in India, providing partner financial institutions with its Fintech platform, vCard. This platform enables credit distribution to underserved communities.

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



How Virinchi strengthened its effectiveness through strategic investments and priorities

FIRST MOVER

Pioneered the investment in data science techniques to analyze clinical outcomes, leading this initiative in India.

100% SUBSIDIARY

Virinchi Combinatorics & Systems Biology successfully explore 95% of previously uncharted dimensions, leading this initiative in India.

ANNUITY REVENUES

Leveraging annuity surpluses from one business to launch and develop other ventures, outcomes, leading this initiative in India.

ASSET-LIGHT

Providing tertiary healthcare services from a leased facility in Hyderabad for a duration of 8 years.

WIDENING THE MARKET

Venturing into the credit card industry to serve low-income customers, a notably underserved market.

LIQUIDITY

Building a business with an Oemphasis on generating significant cash profits.



Cost management

- Improved cost management strategies
- Aligned budgets with periodic outcomes
- Established a scalable foundation for cost reduction
- Invested in advanced equipment, integration, and favorable trade terms



People and practices

- Recruited and retained subject matter experts
- Supported personal and professional development
- Implemented effective talent appraisal processes
- Prioritised employee retention



Preferred consultant

- Increased customer value
- Elevated product quality
- Strengthened client relationships
- Partnered with key QFund clients



Creative thinking

- Adopted cutting-edge operational strategies
- Deployed advanced technologies, such as robotic process automation
- Upgraded QFund™, our leading lending management system
- Created machine learning tools for underwriting

The core drivers of our business



Revenues pipeline

- Fortified project pipeline
- Enhanced company stability through diversification across multiple businesses
- Completed the commissioning of a leased brownfield hospital in just 14 months
- Achieved a commissioning cost of Rs. 45 Lakh per bed, compared to the industry average of Rs. 60 Lakh per bed



Responsible citizenship

- Promoted business activities that enhance well-being and prosperity
- Undertook meaningful CSR initiatives
- Addressed healthcare, education, sanitation, and hygiene sectors
- Invested Rs. 32.10 Lakh in CSR for FY 2023-24

BUSINESS REVIEW 1

Our healthcare business

119.07
Rs Crore, Divisional revenue, FY 2023-24

(11.49)
Revenue growth (%) in FY 2023-24

The Company is embarking on the consolidation of its flagship operations, completion of the radiation oncology unit and a widening of its footprint to Vizag

OVERVIEW

The promoter initially invested in a 60-bed entity called the Bristlecone Hospitals Private Limited in Hyderabad, Telangana. Bristlecone Hospital was a specialty hospital that started with eminent doctors and state-of-the-art facilities. Thereafter, Bristlecone Hospitals Private Limited acquired Titan Hospital, which proved successful. The success of the hospitals helped



39.7
Revenue as a share of overall revenue (%) in FY 2023-24

54.7
Share of company's EBITDA (%) in FY 2023-24

the company acquire a software company called Asclepius Consulting & Technologies Private Limited with a robust healthcare management and information systems platform that helped create data-driven solutions for the healthcare vertical. The Company was scouting for the opportunity to set up a multi-specialty tertiary care hospital designed for 600 beds and found an opportunity in a super mall in the heartland of Hyderabad. Around 63

owners of the mall entered into a 30-year lease agreement with Virinchi. The project was conceptualised in 2015 and Virinchi Hospitals was inaugurated in 2016. A couple of new facilities were opened in Hyderabad and with that the demand for doctors with established track record increased.

Virinchi Hospitals now comprises 11 modular operational theatres and state-of-the-art 3 Tesla functional

Magnetic Resonance Imaging machine with 128 slice Dual Energy CT scan and the latest technological medical devices. The hospital comprises talented surgeons and medical professionals, reinforcing the Virinchi brand for care and competence.



Focused approach

The Company possesses 40-plus departments focused on 'CONNECT' (Cardiology, Orthopedics, Nephrology, Neurology, Emergency, Cancer and Transplant) specialties. The Company generates success in nurturing and developing competencies; Virinchi runs multiple innovations in terms of service.

Right to science

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

State-of-the-art infrastructure

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

Transparency

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

Our competitive strengths

Quality

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

Wholesomeness

The Company provides a wholesome knowledge experience to employees and a comfortable hospitable environment.

Advancement

Cardiac sciences were strengthened with the onboarding of a reputed cardiothoracic surgeon with his support team, which can establish Virinchi Hospitals as a formidable institute in the area of cardiac care.

Optimisation

A cross-functional team involving internal professionals from operations, internal audit and procurement have been constituted to optimise the utilisation of operation theaters, accurate and timely billing, inventory and consumable management.

CULTURE OF SEAMLESS INNOVATION

The Company emerged as the second in South India and the first in Telangana to have done a Regenerative Stem Cell Therapy for osteoarthritis for an orthopedic patient. The Stem Cell preparation was injected with local anesthesia without the need for a surgery and the patient was discharged the same day and relief delivered within three months. The operation was undertaken for the first time in August 2022 and the company has been receiving repeated requests since. The Company attracted patients not only from India but also South Africa and the Gulf.

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

NEW HEALTHCARE PRACTICES

The Company implemented new healthcare practices in infertility treatment in terms of andrology and IVF treatment procedures to enable the less fortunate in natural conception. The Company implemented new healthcare practices in infertility treatment in terms of andrology and IVF treatment procedures to enable the less fortunate in natural conception. The Company created a dedicated facility for undertaking related procedures (IUI and IVF) with success and aims to set-up a dedicated Mother & Child unit in the flagship hospital premises in Banjara Hills. The Company aims to focus on liver transplants as it has obtained liver transplant accreditation for live donor and cadaver-based transplants. The Company obtained necessary equipment and is prepared to conduct liver transplant surgeries. With 400 beds in Banjara Hills with a provision to add another 200 beds, 100 in the Oncology unit and 100 for the other specialities, Virinchi Hospitals (600 beds in a single location) will emerge among the

top five tertiary care multi-specialty centers in Hyderabad.

The Company is setting up a dedicated oncology team to make sure that those in need of this particular cure are channeled, counselled and treated. The Company seeks to address cancer and commenced building an oncology block, expected to be completed in October 2025 and connected with a skyway to the main building. In the run up to cancer care operations, the Company seeded the market and developed capabilities to treat cancer in all its forms (except radiation).

OFFERING BETTER CUSTOMER EXPERIENCES

The facility comprises 600 beds, including 400 beds at the flagship hospital in Banjara Hills, 60 beds in Barkatpura, and 140 beds in Hayathnagar. The Company has been a comprehensively digitalised entity from the time it went into operations. It developed mobile-based applications for patients that provide access to doctors for all kinds of investigation reports and medical history. The Company has access to patient status reported in real time through mobile applications.

The business comprises a CEO dashboard that helps monitor clinical and non-clinical performances and evaluate the progress of all departments. The hospital runs on an electronic medical record solution called vHealth with mobile applications. These digital solutions have helped the hospital provide improved customer experiences.

TAKING OUR BUSINESS AHEAD

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

WAY FORWARD

The Company commenced its journey to start a cancer care establishment; the radiation therapy will be operational by October 2025. The Company plans to cover Telangana and adjoining States (Maharashtra and Andhra Pradesh). The Company's vision is to develop catchment areas near metropolitan areas to spread awareness of its services. The Company provides advanced life support vehicles in Telangana to extend the reach of its services. The Company intends to train more than 25 people per day to use these vehicles to widen societal impact.

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

Satyanarayana Vedula
Vice Chairman & Executive Director

The outlook of the healthcare segment is positive and the business is poised to grow with the management working on a multi-pronged strategy to improve utilisation levels and enhance the patient experience.

The Company's healthcare profile				
Departments	Capabilities	Professionals employed	Experience profile	Qualifications/ knowledge capabilities
35	Each surgical and medical department can handle complex cases	70 full-time and 50 FFS (fee for service)	Department heads with average experience of 20 years	Hired from premier institutions (AIIMS, PGIMER Chandigarh, CMC Vellore, NIMS Hyderabad etc.)
			Other consultants with an experience of 10-15 years	Most department heads and consultants possessing postgraduate degrees (USA, UK and Australia)
			Junior doctors with an experience of 3-5 years	Physicians with familiarity in protocol-driven healthcare practices, seasoned in navigating the challenges of the Indian healthcare system.





Virinchi Hospitals: Creating a healthcare showcase, driven by a culture of innovation

Business model innovation	Healthcare technology innovation	Marketing innovation	Healthcare delivery innovation	Medical science innovation	Process innovation
<ul style="list-style-type: none"> ▪ Leveraging economies of scale across the entire delivery chain ▪ Implementing IT-driven cost management strategies ▪ Employing full-time salaried senior medical professionals ▪ Engaged in a population data partnership with Aadhar NSDC to achieve a high patient-provider ratio 	<ul style="list-style-type: none"> ▪ Offering personalised preventive healthcare solutions ▪ Utilising public health evidence-based treatments ▪ Implementing clinical collaboration tools ▪ Incorporating targeted therapy options ▪ Facilitating 'functional' virtual visits through mobile medicine ▪ Promoting inter-disciplinary therapies 	<ul style="list-style-type: none"> ▪ Offering a mobile app and patient portal for enhanced accessibility ▪ Deepening our culture as an accountable organisation ▪ Utilising analytics and a focused patient CRM ▪ Creating a mobility-based doctor referral network ▪ Demonstrating a leadership in content marketing 	<ul style="list-style-type: none"> ▪ Introducing color-changing dressing technology ▪ Implementing robotic interventions ▪ Incorporating ingestible sensors ▪ Utilising image-guided minimally invasive surgery techniques ▪ Making use of rapid diagnostics kits 	<ul style="list-style-type: none"> ▪ Investigating gene therapy ▪ Ensuring availability of clinical trial drugs ▪ Enhancing stem cell growth methods ▪ Advancing regenerative medicine practices ▪ Utilising xenograft/GEMM models for in-vivo studies ▪ Embracing genomics-based preventive care approaches 	<ul style="list-style-type: none"> ▪ Implementing IT-enabled checklists ▪ Promoting digital targeted medical literacy ▪ Streamlining patient-centric IT-enabled processes ▪ Ensuring cross-chain patient identity management ▪ Facilitating seamless payment integration

BUSINESS REVIEW **2**

Our SaaS business (US Fintech: QFund)

127.69

Rs Crore, Revenues
in FY 2023-24

4.1

% Revenue growth
in FY 2023-24

74.0

Revenue as a % of
IT revenues

OVERVIEW

Virinchi recognised the room to make an impact in the QFund business two decades ago on account of a growing need for small loans in US and a corresponding technology intervention to help loan providers manage their business. During this period, the company reinforced its leadership in servicing the alternative finance industry of the world's largest economy.

The company has consistently focused on a distinctive market segment: servicing individuals with sub-optimal credit histories seeking loans from non-banking lenders. This is a sizable market by quantum even as it accounts for only 10-15% of the US population. The Company's competence is reflected in the fact that its primary clientele comprises four of the largest alternative finance companies in the US.



Over the years, the company has distinguished itself with evolving cutting-edge technology interventions, resulting in a quicker customer appraisal and loan disbursement, strengthening the business of its customers. This intervention comprises loan applications by end borrowers at lender locations followed by immediate application eligibility checks, seamless collaboration with credit rating

cum fraud check agencies to access customer data and employ the QFund engine to assess loans. The result is a one-stop solution related to loan origination and disbursement.

QFund supports customers through technology interventions as they make regular payments and provide assistance in collection management (in the event that they

miss payments, declare bankruptcy, or expire during the loan tenure). By covering the loan lifecycle, QFund offers customers a loan access flexibility –in person, online or an interactive voice response system – that enhances the brand's appeal.



Respect

QFund is respected for its industry competence and domain leadership, reflected in systems, practices and product efficacy.

Omni-channel capability

QFund widens the Company's ability to support physical, online, mobile, text and voice response systems, making it possible to apply for loans from anywhere through any means.

Systemic accuracy

QFund has delivered a high systemic accuracy that has enhanced credibility and the confidence of customers and their consumers.

Diverse loan structures

QFund addresses solutions through various loan structures, including cash advances, installment loans, title loans, and lines of credit.

Our competitive strengths

Secure

QFund has demonstrated comprehensive cyber security, deepening customer and consumer trust.

Responsive

QFund has demonstrated responsiveness in the face of evolving market realities through dedicated customer teams, deepening the relevance of its products and the business of its customers.

Hosted software model

QFund operations are run on a hosted model, eliminating server infrastructure concerns.

Configuration flexibility

QFund offers complete configurability on its products, allowing customers to select payment terms and methods.

Payroll deduction

QFund's payroll deduction option streamlines loan repayment by partnering customer employees and reducing write-off risks.

HIGHLIGHTS, FY 2023-24

Client accretion: The company signed a large client (with a retrospective experience of having worked with six loan management system providers), its largest in years, comprising multiple solutions, expected to roll out during the current financial year and expected to generate revenues for five years. The company also attracted another large client within a short lead closure (a month), derived through a successful reference from an existing customer, validating the company's competence.

Market-linked: The revenue arrangement was based on a pay-per-use basis, validating the company's effectiveness through revenues.

Interface: The company developed a contemporary user interface, enhancing customer engagement and to be introduced during the current financial year. This new interface is expected to improve usability and compliance features.



OUTLOOK

- The storefront payday loans segment is expected to witness high revenue growth on account of the ease of access, with lenders operating a large number of stores across various States in the US.
- In the case of storefront payday lenders, customers may not have to seek much as there are hundreds of retail payday lending stores where they may walk in and obtain a small loan to avert an emergency.
- The storefront payday loans eliminate all extra costs, such as processing fees.

- The key reason for the adoption of storefront payday loans by lenders is that the customer gets to deal directly with the lender, where the customer is assured that the lender abides by the state's payday lending regulations.
- The adoption of storefront payday loans is expected to grow and contribute to the growth of the global payday loans market.
- North America dominated the market with significant demand arising from countries such as the US and Canada due to the increasing awareness about payday loans among the youth and the aggressive

adoption of the latest and advanced technologies by payday lenders.

- In the US, the payday loan market is substantial, with millions of Americans using payday loans each year.

The company is optimistic of prospects on account of an industry consolidation that could translate into quicker organic growth as clients transition to Qfund platform in the acquired stores as well, leading to an increase in the market share of Qfund.

Amar Sivaji Pendyala
CEO - US Business

BUSINESS REVIEW **3**

vCard – Payment and Credit Services Business

OVERVIEW

vCard is India's pioneer mobile-based credit application, offering financial products through collaborations with prominent banks and non-banking financial companies (NBFCs).

The Company's vCard business comprises distinct models:

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

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

These alternative approaches empower Virinchi to provide services within the Indian financial landscape, facilitating customer-focused servicing and turnkey solutions for its partner financial institutions.

CHALLENGES FACED AND RESPONDED

The Company encountered challenges when dealing with payment processing and disbursements. This was related to a lower transaction success rate, leading to customer dissatisfaction. However, the Company is addressing this issue in collaboration with processing partners; these efforts have been yielding positive results.

To mitigate a reliance on any single processor and enhance transaction efficiency, the Company is diversifying its payment processing options. This approach ensures that multiple payment processors are available to facilitate the same set of transactions.

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

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

The Company has been successful in adapting to and remaining compliant with RBI's evolving regulations. These changes not only pose challenges but also offer opportunities to conduct business in a regulated and

transparent manner, reinforcing the Company's commitment to do things the right way.

SECTORIAL OPPORTUNITIES

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

Virinchi recognises that there is a substantial room for growth, even without necessarily adding new cardholders. By replacing existing debit cards and tapping into the expanding adoption of card-based financial transactions, coupled with the ongoing digitisation efforts and India's vast population of 1.44 Billion, we anticipate a substantial increase in the number of credit card users. This projection depends on the proactive stance of the fintech industry. The industry has already witnessed substantial growth in the payment technology sector and is poised to experience significant expansion in the lending technology (lend tech) and insurance technology (insurance tech) segments as well.

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

CAPITALISING ON THE OPPORTUNITY

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

In a noteworthy development, one of Virinchi's QFund customers in the United States invested USD 2 Million through a convertible debenture vehicle in one of our subsidiaries approximately 30 months ago. The trust in Virinchi to set up and operate a turnkey business in conjunction with a local NBFC is a testament to our capability. Our position stems from having a longstanding partner in one of Virinchi's QFund customers who has close to three decades of

lending experience and Virinchi has over three decades of experience in the technology sector. This invaluable knowledge exposure places us on a trajectory that aligns with our vCard business objectives.

The Company has a customer base of 25,000 customers that constitute credit line and credit card customers sourced for the bank. The credit line business has an ongoing book of USD 1 Million. In the credit line business, we have successfully disbursed of more than USD 6 Million, and when considering our banking customers, this figure increases to more than USD 50 Million in total disbursements. Our strong foundation, reinforced by strategic partnerships, cutting-edge technology tools, and deep industry knowledge, positions us exceptionally well to capitalise on the burgeoning growth opportunities within our reach.

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



What makes our vCard special

Instant credit activation

Risk-based credit pricing

Small ticket credit limits

Alternate credit metrics

Banks and NBFC aggregation

Understanding of machine learning tools

Aadhar-based eKYC

Video KYC

Instant bank account analysis





THE VCARD USP

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

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

TECHNOLOGICAL DEVELOPMENTS, FY 2023-24

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

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

ACHIEVEMENTS, FY 2023-24

- The Company crossed more than 25,000 customers in the vCard segment between both partners.
- The Company improved the business credit line model and updated itself with digital lending guideline issued by the Reserve Bank of India.
- The Company completed successful disbursements of more than USD 6 Million in the credit line segment and USD 50 Million of cumulative disbursements in the two segments as on March 31, 2024.
- The Company continued its digital marketing outreach through multiple channels.
- The vCard platform demonstrated resilience, with its machine learning algorithms contributing to a reduction in non-performing assets over the course of the year.

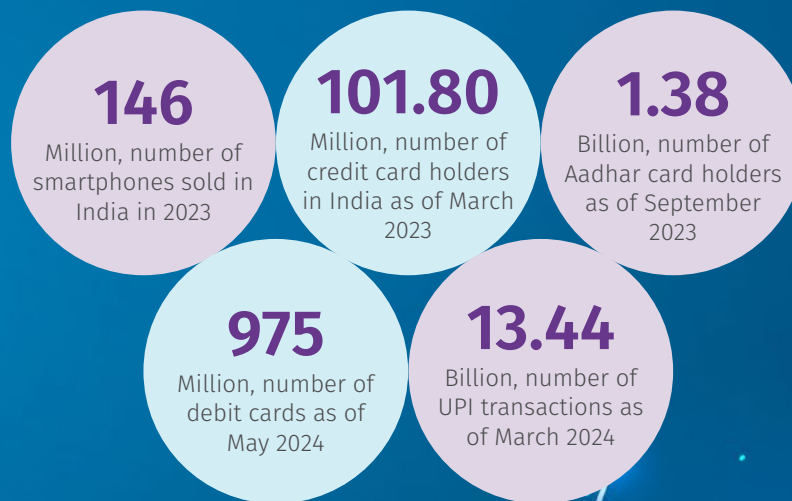
WAY FORWARD

The goal will onboard more lending partners and expand the customer base from 25,000 customers during FY 2024-25.

The Virinchi eco system

vCard leverages Virinchi eco systems by providing service to support the entire lending lifecycle from customer sourcing to collection. Virinchi provides the technology knowhow and has been successful in getting partners with multiple decades of lending experience.

The increasing optimism of our vCards business



BUSINESS REVIEW **4**

Our Internet Data Centre and IT services business

44.91
Rs Crore, Revenues
in FY 2023-24

(0.4)
% Revenue growth
in FY 2023-24

26.0
Revenue as a % of IT
revenues

OVERVIEW

Virinchi, through its wholly-owned U.S. subsidiary KSoft Systems Inc., offers an extensive array of consulting and technology services. The company's IT services encompass enterprise applications and SMAC (Social, Mobility, Analytics, Cloud), drawing upon an expertise in

social media, mobility solutions, data analytics, cloud computing, package product services and application services. Virinchi's clientele is primarily drawn from the technology, telecom and banking sectors, contributing to more than 80% of its total revenues.



OUR KEY STRENGTHS

The IT Service division comprises a rich tapestry of industry exposure, complemented by its adeptness in various service delivery domains. These encompass ERP, mobility solutions, cloud services and custom application development,

among others. The service division was designed to cater to a spectrum of project types including onsite, offshore and hybrid models.

Moreover, the captive internet data center capabilities serve as

a robust foundation for venturing into the establishment of third-party data centers. Besides, the team's proficiency in mobile technologies and analytics positions it favorably for the growth and expansion of this particular business segment.





The Indian software development sector is globally competitive for several reasons

Cost-effectiveness

India offers skilled labor at significantly lower costs compared to many Western countries, making it an attractive option for outsourcing and offshore development.

Skilled workforce

India comprises a large pool of talented software engineers and IT professionals. With a strong emphasis on STEM (Science, Technology, Engineering, and Mathematics) education, many graduates enter the workforce each year.

Language proficiency

English is widely spoken and used in business communication in India, which facilitates easier collaboration with international clients.

Adaptability and innovation

The Indian software sector is known for its flexibility and adaptability to changing technology trends. Companies often embrace new technologies and practices to stay relevant.

Robust IT infrastructure

Over the years, India has developed a solid IT infrastructure, including reliable internet connectivity and supportive business ecosystems, which are essential for software development.

Government support

The Indian government's initiatives and policies that promote the IT sector comprise tax incentives, special economic zones, and support for start-up incubators.

Global delivery model

Indian software firms often implement a global delivery model, enabling them to provide round-the-clock services across different time zones.

Experience with global clients

Many Indian IT companies have years of experience working with international clients across various sectors, giving them insight and expertise in delivering quality services tailored to global standards.

Strong industry associations

Organisations like NASSCOM (National Association of Software and Service Companies) play a vital role in promoting the Indian IT sector and enhancing its global competitiveness.

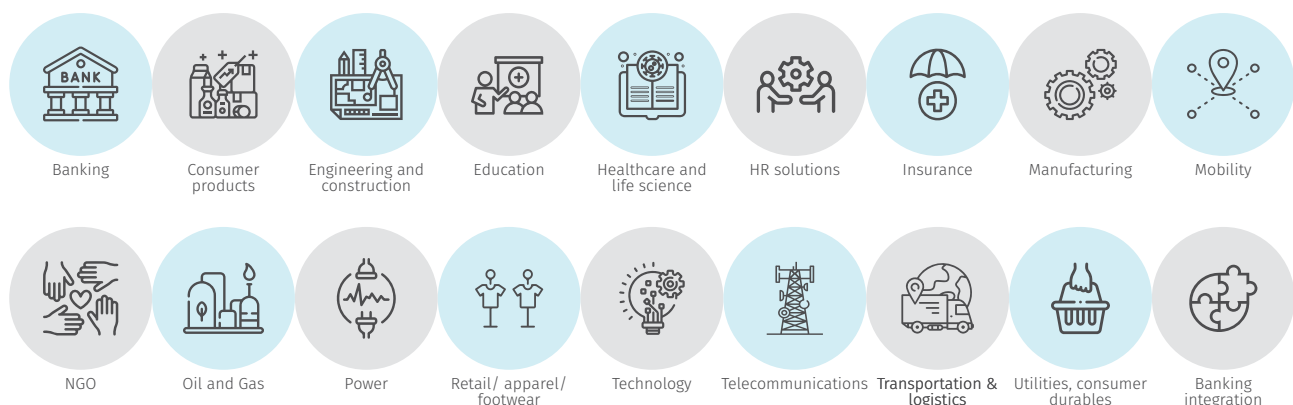
WAY FORWARD

With the proliferation of AI applications, there is a growing anticipation of increased demand

for on-site resources within the United States. The surge in consumer spending in the US has led to heightened lending by financial institutions, expected to provide a

significant boost to the data centre industry as they play a pivotal role in supporting the operations of US Fintech Software as a Service (SaaS) business.

OUR DOWNSTREAM CLIENT PORTFOLIO



Management discussion and analysis

GLOBAL ECONOMY

Overview

Global economic growth declined from 3.5% in 2022 to an estimated 3.1% in 2023. A disproportionate share of global growth in FY 2023-24 is expected to come from Asia, despite the weaker-than-expected recovery in China, sustained weakness in USA, higher energy costs in Europe, weak global consumer sentiment on account of the Ukraine-Russia war and the Red Sea crisis resulting in higher logistics costs. A tightening monetary policy translated into increased policy rates and interest rates for new loans.

Growth in advanced economies is expected to slow from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024 as policy tightening takes effect.

Emerging market and developing economies are projected to report a modest growth decline from 4.1% in 2022 to 4.0% in 2023 and 2024. Global inflation is expected to decline steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, due to a tighter monetary policy aided by relatively lower international commodity prices. Core inflation decline is expected to be more gradual; inflation is not expected to return to target until 2025 in most cases. The US Federal Reserve approved a much-anticipated interest rate hike that took the benchmark borrowing costs to their highest in more than 22 years.

Global trade in goods was expected to have declined nearly USD 2

Trillion in 2023; trade in services was expected to have expanded USD 500 Billion. The cost of Brent crude oil averaged USD 83 per barrel in 2023, down from USD 101 per barrel in 2022, with crude oil from Russia finding destinations outside the European Union and global crude oil demand falling short of expectations.

Global equity markets ended 2023 on a high note, with major global equity benchmarks delivering double-digit returns. This outperformance was led by a decline in global inflation, slide in the dollar index, declining crude and higher expectations of rate cuts by the US Fed and other Central banks.

Regional growth (%)	2023	2022
World output	3.1	3.5
Advanced economies	1.69	2.5
Emerging and developing economies	4.1	3.8

(Source: UNCTAD, IMF)

Performance of major economies, 2023

United States: Reported GDP growth of 2.5% in 2023 compared to 1.9% in 2022

China: GDP growth was 5.2% in 2023 compared to 3% in 2022

United Kingdom: GDP grew by 0.4% in 2023 compared to 4.3% in 2022

Japan: GDP grew 1.9% in 2023 unchanged from a preliminary 1.9% in 2022

Germany: GDP contracted by 0.3% in 2023 compared to 1.8% in 2022

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

Outlook

Asia is expected to continue to account for the bulk of global growth

in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy has demonstrated resilience amid high inflation and monetary tightening, growth around previous levels for the next two years

(Source: World Bank).

INDIAN ECONOMY

Overview

The Indian economy was estimated to grow 7.8% in the FY 2023-24 fiscal against 7.2% in FY 2022-23. India retained its position as the fifth largest economy. The Indian rupee has demonstrated resilience compared to the preceding year, outperforming many other Asian currencies. Since April 2023, it has experienced a 0.6% depreciation against the dollar, indicating its relative stability. This resilience is underpinned by the robust growth anticipated for the Indian economy, expected to reach 7.6% during the

fiscal year 2023-2024 according to government projections. The rupee's stability is strengthened by the country's surplus in balance of payments.

In the 11 months of FY 2023-24, the CPI inflation averaged 5.4% with rural inflation exceeding urban inflation. Lower production and erratic weather led to a spike in food inflation. In contrast, core inflation averaged at 4.5%, a sharp decline from 6.2% in FY 2022-23. The softening of global commodity prices led to a moderation in core inflation.

The nation's foreign exchange reserves surged to a record high of USD 645.6 Billion as of March 2024 surpassing the previous high of USD 642.49 Billion recorded in March 2023. The credit quality of Indian companies remained strong between October 2023 and March 2024 following deleveraged Balance Sheets, sustained domestic demand and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in H2 FY 2023-24. UPI transactions in India posted a record 56% rise in volume and 43% rise in value in FY 2023-24.

Growth of the Indian economy

	FY 21	FY 22	FY 23	FY 24
Real GDP growth (%)	-6.6%	8.7	7.2	8.2

Growth of the Indian economy quarter by quarter, FY 2023-24

	Q1 FY 24	Q2 FY 24	Q3 FY 24	Q4 FY 24E
Real GDP growth (%)	8.2	8.1	8.4	7.8

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

India's monsoon in 2023 hit a five-year low, with August marking the driest month in a century. Despite receiving only 94% of its long-term average rainfall from June to September, wheat production estimatedly recorded 114 Million tonnes in the 2023-24 crop year due to higher coverage. Rice production was anticipated to decrease to reach 106 Million metric tons (MMT) in comparison to 132 Million metric tonnes in the previous year. Total kharif pulses produced in 2023-24 stood at an estimated 71.18 Lakh metric tonnes, which is lower than FY 2022-23 due to climatic conditions.

As per the first advance estimates of national income released by the National Statistical Office (NSO), the manufacturing sector output is projected to have grown 6.5% in FY 2023-24 compared to 1.3% in FY 2022-23. The Indian mining sector experienced an estimated growth of 8.1% in FY 2023-24 compared to 4.1% in FY 2022-23. Financial services, real estate and professional services

grew a projected 8.9% in FY 2023-24 compared to 7.1% in FY 2022-23.

Real GDP or GDP at constant prices increased from to Rs. 160.71 Lakh Crore in FY 2022-23 (provisional GDP estimate released on May 31, 2023) to an estimated Rs. 173.82 Lakh Crore in FY 2023-24. Growth in real GDP during FY 2023-24 stood at 8.2% compared to 7.2% in FY 2022-23. Nominal GDP or GDP at current prices was estimated at Rs. 295.36 Lakh Crore in FY 2023-24 as compared to the provisional FY 2022-23 GDP estimate of Rs. 269.50 Lakh Crore. The gross non-performing asset ratio for scheduled commercial banks improved from 4.1% as of March 2023 to 2.8% as of March 2024.

India's exports of goods and services were expected touch USD 900 Billion in FY 2023-24 compared to USD 770 Billion in the previous year despite global headwinds. Merchandise exports were expected to expand between USD 495 Billion and USD 500 Billion, while services exports were

expected to touch USD 400 Billion during the year. India's net direct tax collection increased 17.7% to Rs. 19.58 Lakh Crore in FY 2023-24. Gross GST collection amounted to Rs. 20.2 Lakh Crore, marking an 11.7% increase, with an average monthly collection of Rs. 1,68,000 Crore, surpassing the previous year's average of Rs. 1,50,000 Crore.

The agriculture sector was expected to see a growth of 1.8% in FY 2023-24, lower than the 4% expansion recorded in FY 2022-23. Trade, hotel, transport, communication and services related to broadcasting segment are estimated to grow at 6.3% in FY 2023-24, a contraction from 14% in FY 2022-23. The Indian automobile segment was expected to close FY 2023-24 with a growth of 6-9%, despite global supply chain disruptions and rising ownership costs.

The construction sector was expected to grow 10.7% year-on-year from 10% in 2022-23. Public administration,

defence and other services were estimated to grow by 7.7% in FY 2023-24 compared to 7.2% in FY 2022-23. The growth in gross value added (GVA) at basic prices was pegged at 6.9%, down from 7% in FY 2022-23.

India reached a pivotal phase in its S-curve, characterised by acceleration in urbanisation, industrialisation, household incomes and energy consumption. India emerged as the fifth largest economy with a GDP of USD 3.6 Trillion and nominal per capita income of Rs. 1,23,945 in FY 2023-24.

India's Nifty 50 index grew 30% in FY 2023-24 and India's stock market emerged as the world's fourth largest with a market capitalisation of USD 4 Trillion. Foreign investment in Indian government bonds jumped in the

last three months of 2023. India was ranked 63 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. India's unemployment declined to a low of 3.2% in 2023 from 6.1% in 2018.

Outlook

India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass USD 4 Trillion in FY 2024-25.

Union Budget FY 2024-25

The Interim Union Budget 2024-25 retained its focus on capital

expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem and technology. In FY 2024-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence reported the highest allocation at Rs. 6,21,541 Crore, accounting for 13% of the total budgeted expenditure of the central government. Other ministries with high allocation included Road transport and highways (5.8%), Railways (5.4%) and Consumer Affairs, food and public distribution (4.5%).

(Source: Times News Network, Economic Times, Business Standard, Times of India, The Hindu Businessline, fxstreet.com)

GLOBAL IT INDUSTRY REVIEW

The information technology market size has grown strongly in recent years. It is expected to grow from USD 8,508.63 Billion in 2023 to USD 9,039 Billion in 2024 at a CAGR of 6.2%. The information technology market size is expected to grow to USD 12,417.21 Billion by 2028 at a CAGR of 8.3%. The growth in the forecast period can be attributed to globalisation of its services, digital transformation, cybersecurity innovations, smart cities development and e-commerce

evolution. Major trends during the forecast period include hybrid work environment, cloud computing, climate tech solutions, AI business processes, sustainable it practices and blockchain technologies.

The United States IT services market size is estimated at USD 461.03 Billion in 2024 and is anticipated to reach USD 630.76 Billion by 2029, growing at a CAGR of 6.47%. While the IT services market in China is expected to reach USD 78.03 Billion in 2024.

Worldwide IT spending is expected to reach USD 5.06 Trillion in 2024, an increase of 8% from 2023. In 2024, global data generated to 147 zettabytes, marking a 22.5% increase from the previous year. The installed base of storage capacity worldwide is expected to grow 16.6% this year to reach 6.8 zettabytes.

(Source: gartner.com, thebusinessresearchcompany.com, explodingtopics.com)

Global IT spending (in USD Billion)

	2023 spending	2023 growth (%)	2024 spending	2024 growth (%)
Data center systems	2,36,179	4.0	2,59,680	10.0
Devices	6,64,208	-9.1	6,87,943	3.6
Software	9,14,689	12.6	1,04,21,74	13.9
IT Services	1,385,120	6.1	1,519,928	9.7
Communication services	1,487,161	3.3	1,551,288	4.3
Overall IT	4,687,177	3.8	5,061,013	8.0

(Source: gartner.com)

Virinchi's service offering

The Company is a prominent leader in providing IT solutions for retail micro-lending in the USA. Over time, it has delivered comprehensive solutions in business analytics,

artificial intelligence and enterprise mobility. The Company manages complete projects for diverse US clients in healthcare and financial technology sectors. It has expanded its presence in IT-enabled healthcare

delivery in recent years. Virinchi Hospitals stands out with its unique approach to patient care, emphasising modern flexibility to ensure a consistent patient-doctor experience.

INDIAN HEALTHCARE INDUSTRY REVIEW

Healthcare ranks among one of India's largest sectors, encompassing hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. The sector is gaining momentum with expanded coverage, improved services, and increased investment from both public and private entities.

The Indian healthcare industry continued its healthy growth in 2023, reaching a value of USD 372 Billion, driven by both the private sector and the government. In 2024, the Indian healthcare sector is one of the country's largest employers, employing a total of 7.5 Million people. India's hospital market was valued at USD 98.98 Billion in 2023 and is expected to grow at a CAGR of

8.0% from 2024 to 2032, reaching an estimated value of USD 193.59 Billion by 2032.

Revenue in the digital health market is projected to reach USD 5.34 Billion in 2024. Revenue is expected to grow at 13.14% CAGR from 2024 to 2029, resulting in a projected market volume of USD 9.90 Billion by 2029.

(Source: ibef.com, statista.com)

GOVERNMENT INITIATIVES

Increased government allocation:

In 2024-25, the budget allocated Rs.90,171 Crore to the health sector, marking an increase from Rs. 79,221 Crore allocated in FY 2023-24. This large increase shows a strong commitment to improving healthcare infrastructure and services across the country, aiming to address public health challenges and enhance the well-being of citizens.

PMABHIM: The allocation for the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission

(PMABHIM) has seen a significant increase, rising from Rs. 2,100 Crore in FY 2023-24 to Rs. 4,108 Crore in FY 2024-25. This substantial boost highlights the government's enhanced focus on strengthening the country's health infrastructure, aiming to provide better healthcare services and address the growing health needs of the population.

Ayushman Bharat-PMJAY: The allocation to Ayushman Bharat (PMJAY) has increased from Rs. 7,200cr. in 2023-24 to Rs. 7,500

Crore in 2024-25. This increase demonstrates the government's commitment to expanding and improving the Ayushman Bharat scheme, ensuring that more citizens have access to affordable healthcare services and financial protection against health-related expenses.

PLI scheme: The allocation for the production linked incentive scheme has increased from Rs. 4,645 Crore in FY 2023-24 to Rs. 6,200 Crore in FY 2024-25.

GROWTH DRIVERS OF THE INDIAN HEALTHCARE SECTOR

Population: India's population is expected to reach 1.45 Billion in 2024 and is anticipated to peak at 1.69 Billion by 2054. Population growth is expected to drive increased demand in the Indian real estate sector.

Increasing disposable income:

India's per capita disposable income is expected to reach Rs. 2.14 Lakh in 2023-24. Per capita disposable income grew 8% in FY 2023-24 and 13.3% in the previous year. Gross national disposable income is expected to expand 8.9% in FY 2023-24 and 14.5% in FY 2022-23. (Source: economictimes.com)

Increasing elderly population: The total estimated target for senior living facilities in 2024 is around 1 Million, projected to increase to 2.5 Million in the next 10 years. In 2024, there are approximately 150 Million

elderly individuals in India, a number expected to rise to 230 Million over the next 10-12 years. (Source: Financial express.com)

Medical tourism: The medical tourism industry in India is expected to be valued at Rs. 0.88 Lakh Crore in 2024. It is anticipated to surpass Rs. 4.3 Lakh Crore by 2034. The industry growth in India is expected to develop at a healthy 17.2% CAGR from 2024 to 2034. (Source: medical buyer.co.in)

Robotic process automation: India is poised to lead the global RPA market with the fastest growth rate, projected at 20.8% CAGR. It is expected that 84% of Indian organisations will adopt RPA by 2025.

Growing medical colleges: As of 2024, India's healthcare landscape

includes a total of 706 medical colleges across the country. This extensive network of educational institutions plays a crucial role in training and producing healthcare professionals to meet the nation's healthcare needs. In 2024-25, India will see the establishment of 113 new medical colleges, substantially expanding MBBS seats to tackle the country's shortage of healthcare professionals. (Source: vedantu.com)

Healthcare insurance: The Indian healthcare insurance market is expected to reach USD 82.5 Billion by 2030. The growth of the Indian healthcare insurance market significantly drives the health sector, enhancing accessibility, reducing out-of-pocket expenses, stimulating infrastructure investment, and fostering economic stability through improved financial protection.

COMPANY'S OVERVIEW

Established in 1990 and headquartered in Hyderabad, India, Virinchi Limited has evolved into a prominent global company specialising in fintech, technology services, and healthcare. The company has grown its expertise in analytics, mobility, and healthcare delivery, operating three hospitals and offering a nationwide healthcare mobility solution. Virinchi Limited has also extended its footprint across North America.

Opportunities

- Government's proactive backing of the healthcare sector
- Implementation of blockchain-as-a-service for decentralised and scalable IT infrastructure
- Increasing migration of IT workloads to private and public clouds by numerous companies
- Embracing ESG-driven clean technologies

- Implementation of stringent cybersecurity measures by companies
- Technology serving as the cornerstone of business operations

Threats

- Rising cyber attacks
- Increasing attrition within the IT industry
- Shortage of semiconductor chips
- Technological obsolescence

RISK MANAGEMENT

Customer risk: The company could potentially lose customers because of ineffective services.

Mitigation: The Company is focused to develop a customer-centric business environment. The Company addressed more than 5 Million customers in fintech in the US and more than 20 customers in the IT Services space in FY 2023-24. The Company emerged as a market leader in the fintech space for the retail micro-credit industry.

Competition risk: The entry of new competitors could impact the company's market share.

Mitigation: The company integrated top-rated technologies and upgraded facilities to ensure it provides quality services to patients at an affordable price.

Compliance risk: The company risks facing penalties due to potential non-compliance with regulatory norms.

Mitigation: Virinchi invests in initiatives to enhance employee engagement, fostering ownership and empowerment within the organisation. Additionally, the company stays updated with the latest regulatory and compliance norms.

Employee risk: Failure to maintain a safe work environment could impact employee retention.

Mitigation: The Company's employee strength in IT stood at 463 as on March 31, 2024 while talent retention stood at 92% for FY 2023-24. The Company's employee strength in

Healthcare stood at 500 for FY 2023-24.

Financing risk: Lack of a safe work environment may affect employee retention.

Mitigation: The Company's net worth stood at Rs. 453.80 Crore and total debt stood at Rs. 199.58 Crore as on March 31, 2024. The Company's gearing stood at 0.44 during FY 2023-24.

Geographic risk: Relying too heavily on a particular geographic region could negatively impact the company's financial health.

Mitigation: The Company services clients across North America and generated 57.5% of its revenues from exports in FY 2023-24.

FINANCIAL OVERVIEW

Analysis of the Profit & Loss statement

Revenues

Revenues from operations reported a 3.8% decrease from Rs. 311.94 Crore in FY 2022-23 to Rs. 300.03 Crore in FY 2023-24. Other income of the Company accounted for a 1.6% share of the Company's total revenues, reflecting the Company's dependence on core operations.

Expenses

Total expenses of the Company decreased by 7.2% from Rs. 205.71 Crore in FY 2022-23 to Rs. 190.95 Crore in FY 2023-24. Administrative expenses accounting for a 40.4% share of the Company's expenses, decreased by 11.7% from Rs. 87.24 Crore in FY 2022-23 to Rs. 77.05 Crore in FY 2023-24, owing to a decrease in the operational scale of the Company.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased by 8.7% from Rs. 600.85 Crore as on March 31, 2023 to Rs. 653.38 Crore as on March 31, 2024 owing to a Rs. 46.7 Crore increase in net worth and Rs. 5.83 Crore increase in total debt. Return on capital employed, a measurement of returns derived from every rupee invested in the business, increased

by 24 basis points from 9.38% in FY 2022-23 to 9.62% in FY 2023-24.

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

The net worth of the Company increased by 11.5% from Rs. 407.10 Crore as on March 31, 2023 to Rs. 453.80 Crore as on March 31, 2024, owing to an increase in reserves and surplus and increase in equity on account of exercise of ESOPs by employees and exercise of warrants by the promoters. Long-term debt of the Company increased by 25.6% to Rs. 92.08 Crore as on March 31, 2024 due to increase in borrowings for purchase of a property in Jubilee Hills, Hyderabad for setting up internet data centers and city Development Center. Long-term debt-equity ratio of the Company stood at 18% in FY 2022-23 compared to 20.3% in FY 2023-24. Finance costs of the Company increased by 29.6%

from Rs. 33.09 Crore in FY 2022-23 to Rs. 42.90 Crore in FY 2023-24. The Company's interest cover stood at a comfortable 2.65 x in FY 2023-24 (3.32x in FY 2022-23).

Applications of funds

Fixed assets (Net) of the Company increased by 10.6% from Rs. 569.94 Crore as on March 31, 2023 to Rs. 630.32 Crore as on March 31, 2024. Depreciation and amortisation decreased by 4.5% from Rs. 56.07 Crore in FY 2022-23 to Rs. 53.54 Lakh in FY 2023-24.

Investments

Non-current investments, loans and advances and other non-current assets increased by 7.6% from Rs. 10.65 Crore in FY 2022-23 to Rs. 11.46 Crore in FY 2023-24.

Working capital management

Current assets of the Company increased by 1.5% from Rs. 206.04 Crore as on March 31, 2023 to

Rs. 209.14 Lakh as on March 31, 2024 owing to the growing scale of business of the Company. The Current and Quick Ratios of the Company stood at 1.52 and 1.47, respectively in 2023-24, compared to 1.81 and 1.74, respectively in 2022-23. Inventories including raw materials, work-in progress and finished goods among others decreased by 21% from Rs. 8.71 Crore as on March 31, 2023 to Rs. 6.88 Crore as on March 31, 2024 owing to a decrease in healthcare operations. Trade receivables increased by 11.9% from Rs. 66.18 Crore as on March 31, 2023 to Rs. 74.04 Crore as on March 31, 2024. All receivables were secured and considered good. The Company's debtors' turnover cycle increased to 90.07 days of turnover equivalent in FY 2023-24 compared to 86.63 days in FY 2022-23. Cash and bank balances of the Company decreased by 34.8% from Rs. 30.71 Crore as on March 31, 2023 to Rs. 20.03 Crore as on March 31, 2024.

Key ratios and numbers

Particulars	2023-24	2022-23
EBITDA/Turnover (%)	37.4	34.8
EBITDA/Net interest ratio	2.65	3.32
Debt-equity ratio (x)	0.44	0.48
Return on equity (%)	3.13	3.27
Book value per share (Rs.)	48.30	48.67
Earnings per share (Rs.)	1.43	1.56
Debtors' turnover (days)	90.07	86.36
Interest coverage ratio (x)	2.65	3.32
Current ratio (x)	1.52	1.81
Operating profit margin (%)	19.79	17.04
Net profit margin (%)	4.42	4.03

INTERNAL ECOSYSTEMS AND THEIR ADEQUACY

The internal control and risk management system adheres closely to the principles and criteria outlined in the organisation's corporate governance code. It is deeply integrated into both the Company's and Group's overall organisational

framework, involving coordinated efforts from various personnel in executing their respective roles. The Board of Directors provides strategic guidance and oversight to the Executive Directors, management, monitoring committees, and support

committees. Additionally, the Control and Risk Committee, along with the Audit Department headed by the Board-appointed Statutory Auditors, operates under the supervision of the Board.

HUMAN RESOURCES

The Company places a strong emphasis on its dedicated and motivated employees, viewing them as the foundation of its success. It supports their growth by offering competitive compensation packages

and maintaining a nurturing work environment. Recognition of outstanding performance is central to its structured reward and recognition program. Committed to fostering an environment where each

individual can thrive, the Company encourages employees to pursue voluntary projects that stimulate learning and innovation, empowering them to achieve their highest potential.

CAUTIONARY STATEMENT

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

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

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

Notice of Annual General Meeting

NOTICE is hereby given that the 35th Annual General Meeting of the Members of the Company will be held on Monday, the 30th day of September, 2024, at 12.30 PM IST through Video Conferencing / Other Audio Visual Means ("VC/OAVM") to transact the following business

ORDINARY BUSINESS:

Item# 1 To receive, consider and adopt:

- (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon; and
- (b) the Audited Consolidated Financial statements of the Company for the financial year ended March 31, 2024, together with the Report of the Auditors thereon.

Item# 2 To appoint a Director in place of Mr. V. Satyanarayana (DIN: 09070986) who retires by rotation, and being eligible, offers himself for re-appointment.

Explanation: Based on the terms of appointment, office of executive directors and the non-executive & non independent chairman are subject to retirement by rotation. Mr.V. Satyanarayana, who was appointed initially on 22nd February, 2021, whose office is liable to retire at the ensuing AGM, being eligible, seeks re-appointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends his re-appointment.

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

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. V. Satyanarayana (DIN: 09070986) who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

Item# 3

To appoint a Director in place of Mr. K. Sri Kalyan (DIN: 03137506) who retires by rotation, and being eligible, offers himself for re-appointment.

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

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. K. Sri Kalyan (DIN: 03137506) who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation.

SPECIAL BUSINESS:

Item#4

To considered if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 185 of the Companies Act, 2013 ('Act') and any other applicable provisions of the Act & Rules made there under read with the Companies (Amendment) Act, 2017 (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and subject to such approvals, consents, sanctions and permissions, as may be necessary, provisions of other applicable laws, the Articles of Association of the Company, consent of the members of the Company be and is here by accorded to the Board of Directors of the Company (herein after referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loans/ debentures/ bonds etc. to entities which are a subsidiary or associate or joint venture of the Company, in whom any of the Director of the Company is interested up to an aggregate amount not exceeding INR 1000 crores (Rupees One Thousand Crores Only) or in other currency for an equivalent amount.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate."

"RESOLVED FURTHER THAT all such transaction(s) entered by the Company with its subsidiaries be and is hereby approved and ratified."

Date: 26/08/2024
Place: Hyderabad

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

Virinchi Limited

Registered Office:
8-2-672/5&6, 4th Floor,
Road#1, Banjara Hills, Hyderabad-500034
Telangana
CIN: L72200TG1990PLC011104
Email: investors@virinchi.com
Website: www.virinchi.com

K. Ravindranath Tagore
Company Secretary

Notes:

1. Pursuant to the General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2024. Members seeking to inspect such documents can send an email to investors@virinchi.com.
4. The relevant details as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, of directors proposed for appointment and seeking re-appointment is annexed hereto.
5. The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 24th September, 2024 to 30th September 2024 (both days inclusive).
6. Members holding shares in physical form may write to the Company/Company’s R&T agents for any change in their address and bank mandates. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants.
7. Members are requested to send all communication relating to shares to the Company’s R&T Agents (Physical and Electronic) at the following address: M/s. Aarthi Consultants Private Ltd, Unit: Virinchi Ltd, 1-2-285, Domalguda, Hyderabad-500 029 Email-info@aarthiconsultants.com.
8. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company’s Unpaid Dividend Account, be transferred to the IEPF. The company has transferred the unpaid dividend for the year 2004-05,2005-06, 2006-07,2009-10, 2010-11, 2011-12 to IEPF.
9. The Certificate from the Secretarial Auditors of the Company under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended, will be available for inspection by the shareholders.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN and other details to the company’s R&T Agents in accordance with SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018.
11. Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the R&T Agent of the company for assistance in this regard.
12. Pursuant to section 72 of the Act, shareholders are entitled to make a nomination in respect of shares held by them. Shareholders desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13, to the R&T Agent of the company. Further, shareholders desirous of cancelling/ varying nomination pursuant to the rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the R&T Agent of the company.
13. In accordance with the MCA’s “Green Initiative in Corporate Governance” allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the Electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail.
14. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Company has provided a facility to its members to exercise their votes electronically through the

electronic voting (“e-voting”) facility provided by the Central Depository Services India Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. G. Vinay Babu, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

15. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
16. Any person who acquires shares of the Company and becomes a Member of the Company after dispatching of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
17. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 35th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
18. The Scrutinizer will submit his report to the Chairman of the Company (‘the Chairman’) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the stock exchanges, CDSL, and RTA and will also be displayed on the Company’s website, www.virinchi.com
19. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

20. CDSL e-Voting System – For Remote e-voting and e-voting during AGM:

- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) by the companies (Management and Administration) Amendment Rules, 2015 and Pursuant to SEBI Circular No. SEBI/

HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 under Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with M/s. Aarthi Consultants Private Ltd and Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- b. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- e. The Notice calling the 35th AGM has been uploaded on the website of the Company at www.virinchi.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

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

- (i) The e-voting period commences on Thursday, September 26, 2024 (9:00 a.m. IST) and ends on Sunday, September 29, 2024 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 23, 2024 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 23, 2024.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional

shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

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

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

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

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

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

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

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

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

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

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

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

Note for Non – Individual Shareholders and Custodians-Remote Voting

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

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

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

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

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

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

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

Date: 26/08/2024
Place: Hyderabad

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

Virinchi Limited

Registered Office:
8-2-672/5&6, 4th Floor,
Road#1, Banjara Hills, Hyderabad-500034
Telangana
CIN: L72200TG1990PLC011104
Email: investors@virinchi.com
Website: www.virinchi.com

K. Ravindranath Tagore

Company Secretary

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

Item#4

The Company is expected to render support to its group companies for their business requirements, from time to time. Pursuant to the provisions of Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities. The members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and/or any other appropriate sources, from time to time, only for principal business activities of the other entities. The Company's subsidiary(ies) explore various options to raise funds through loan/issuance of debentures/bonds etc. which may be backed by corporate guarantee of the Company. The proceeds raised by the subsidiary (ies) of the Company would be utilized for their principal business activities.

In terms of the amended Section 185 of the Act, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested subject to the condition that approval of the shareholders of the Company is obtained by way of Special Resolution. In view of the above, the Board at its meeting held on 26th August, 2024, decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan including any loan represented by book debt, or give guarantee or provide any security

in connection with any loans /debentures etc. raised by any subsidiary company(ies)/body corporate or private companies/other group entities in whom any of the Director of the Company is interested up to an aggregate amount not exceeding Rs.1000 Crores or in other currency for an equivalent amount. This will also enable the Company to provide the requisite corporate guarantee or security in relation to raising of loans/debentures etc. by the said subsidiary (ies)/body corporates, as and when it is raised

In view of this, the Board of Directors recommends resolution as set out in item no.4 for approval of the members of the Company by way of a Special Resolution.

Except for the Director(s) who are interested in the said subsidiary (ies) / Associates / Group Companies/entities, None of the Directors, Key Managerial Personnel of the Company and their relatives are, in anyway, concerned or interested, financially or otherwise, in the said resolution.

Place: Hyderabad
Date: 26/08/2024

BY ORDER OF THE BOARD
For **Virinchi Limited**

Registered Office:
8-2-672/5&6, 4th Floor,
Road#1, Banjara Hills, Hyderabad-500034
Telangana
CIN: L72200TG1990PLC011104
Email: investors@virinchi.com
Website: www.virinchi.com

K. Ravindranath Tagore
Company Secretary

Annexure

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

Details of Directors proposed to appoint / re-appoint:

Name of the Director	V. Satyanarayana
Director Identification No	09070986
Date of Birth	15-01-1966
Age(Years)	58
Qualification	B.Com, ACA
Brief Resume	<p>Mr. Satyanarayana Vedula is a qualified Chartered Accountant, a Certified Global Business Leader (U21 and Harvard Business School Publishing) and a Six Sigma Black Belt. Prior to joining Virinchi, he was employed in various executive leadership roles with Tech Mahindra (for over 23 years) in Sales, Relationship Management/Business Development, Global Delivery, Global Presales & Large deal management, Contract negotiations, Consulting, Design of Service offerings /productising and Program Management and in driving Automation and Innovation. He has extensive client interaction experience having worked in Australia, USA and Middle East for several years. His cross functional expertise spans most verticals with focus on BFSI, Health and Life Sciences. He has championed the set-up of multiple technology COEs and contributed to enhancing growth in existing accounts and acquiring marquee new logos across all market segments by leading cross functional technical teams in Digital and New Age AD/AMS and Cloud technologies. His last role was in the Health & Life Sciences vertical where he was a global growth enabler spanning all sub-verticals of Payor, Health care Provider, Pharma and Medical Devices Prior to Tech Mahindra, he had worked in leadership roles at a Motorola JV, an Industrial major group in Hyderabad and with A F Ferguson (now Deloitte) where he has contributed in Accounts, Finance, Treasury, Taxation, MIS, Planning and Budgeting and Audit/ Assurance.</p>
Nature of expertise in specific functional areas;	Sales, Relationship Management/Business Development, Global Delivery, Global Presales & Large deal management, Contract negotiations, Consulting including Accounts, Finance, Treasury, Taxation, MIS, Planning and Budgeting and Audit/Assurance
Disclosure of relationships between directors inter-se;	There is no relationship with other directors inter-se
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	No Directorships in listed Companies

Name of the Director	V. Satyanarayana
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable
shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	Not Applicable

Details of Directors proposed to appoint / re-appoint:

Name of the Director	K. Sri Kalyan
Director Identification No	03137506
Date of Birth	17-08-1979
Age(Years)	45 Years
Qualification	B.E (Mech. Engg.), MBA (SCM)
Brief Resume	He has worked for seven years in Tecumseh Products India Private Limited in Quality Assurance, Production and Project Management and has Four years of Administration and Operations experience. He is a certified ISO 9001 internal auditor, ISO 14001 Lead Auditor and an in-house trainer for Lean Manufacturing and Six Sigma. As the head of the Manufacturing unit, he has worked on several cost saving and quality improvement projects involving TPM and SPC and Quality Circle Techniques. He is a post graduate from SP Jain Centre of Management, a leading B- School in Asia and has specialized in Global Logistics and Supply Chain Management.
Nature of expertise in specific functional areas;	Facility Management, Supply Chain Management
Disclosure of relationships between directors inter-se;	There is no relationship with other directors inter-se
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Vivo Bio Tech Limited- holds the position of Whole Time Director Committees Membership- Member of SRC Committee in Vivo Bio Tech Limited listed entities from which the person has resigned in the past three years- NIL
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable
shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	4402 shares

Place: Hyderabad
Date: 26/08/2024

BY ORDER OF THE BOARD
For **Virinchi Limited**

Registered Office:
8-2-672/5&6, 4th Floor,
Road#1, Banjara Hills, Hyderabad-500034
Telangana
CIN: L72200TG1990PLC011104
Email: investors@virinchi.com
Website: www.virinchi.com

K. Ravindranath Tagore
Company Secretary

Board's Report

Dear Members,

Your Directors have pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'Virinchi'), along with the audited financial statements, for the financial year ended March 31, 2024. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

1. Financial Summary or Highlights

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

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Total Income	30483.21	31557.38	14300.65	13677.73
Profit before finance Cost, Depreciation & Amortization, Taxation & Exceptional Item	11387.81	10986.01	3770.79	3813.86
Less: Finance Cost	4290.13	3309.46	1082.11	806.99
Depreciation and Amortization Expenses	5353.70	5607.36	1323.54	1616.05
Profit before Tax & Exceptional items	1743.97	2069.19	1365.14	1390.82
Less: Exceptional items	0.00	0.00	0.00	0.00
Profit Before Tax	1743.97	2069.19	1365.14	1390.82
Less: Tax Expenses	396.42	797.60	257.05	147.84
Profit before minority interest	1347.56	1271.58	-	-
Less: Minority Interest	22.78	(13.32)	-	-
Profit After Tax	1370.33	1284.90	1108.09	1242.97

Rs. In Lacs

Summary of operations, State of Company's Affairs & Future Outlook

Summary of Operations:

Consolidated Revenues: The total consolidated income of the Company for the FY 2023-24 is Rs. 30483.21 lakhs as against Rs. 31557.38 Lakhs in FY 2022-23.

Standalone Revenues: The total income of the Company for the FY 2023-24 is Rs. 14300.65 Lakhs as against Rs. 13677.73 Lakhs in FY 2022-23.

Consolidated Profits:

Profit before Tax (PBT) stood at Rs. 1743.97 Lakhs as against Rs. 2069.19 Lakhs for the previous year.

Profit after Tax (PAT) stood at Rs.1370.33 Lakhs as against Rs. 1284.90 Lakhs for the previous year.

Standalone Profits:

Profit before Tax (PBT) stood at Rs. 1365.14 Lakhs as against Rs. 1390.82 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs.1108.09 Lakhs as against Rs. 1242.97 Lakhs for the previous year.

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

(March 31, 2024) to which the financial statements relate and the dates of this report (August 26, 2024).

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

Amounts transferred to reserves

The Board of the company has decided to carry Rs. 1108.09 Lakhs to its Reserves.

Dividend

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

Performance Subsidiaries Information

Virinchi Healthcare Private Limited

Virinchi Healthcare Private Limited (VHPL) has three units in Hyderabad with a total operating bed capacity of 600 which can be enhanced upto 800. The flagship hospital at Banjara Hills, Hyderabad with bed capacity of 400, delivers therapeutic care over 35 specialties. Virinchi has a dedicated clinical team pursuing MoUs and medical partnerships with globally reputed institutions in the

US, UK, China, Israel and other countries to deliver a unique 'Right to Science' program to make global medical innovations available to Indian patients to treat previously incurable conditions.

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

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

For FY 2023-24 the revenue and EBIT were Rs. 133.78 crores and Rs. 35.23 crores respectively. While the revenue and EBIT in FY 2022-23 were Rs. 135.58 crores and Rs. 24.82 crores respectively. Though the revenue in FY 2023-24 is lower by Rs. 1.80 Crores compared to FY 2022-23, the EBIT in FY 2023-24 is higher by Rs. 10.42 Crores as the overall expenses in FY 2023-24 were lower by Rs. 14.93 Crores compared to FY 2022-23 and depreciation and amortization went up up by Rs. 2.71 Crores to Rs. 25.08 Crores compared to Rs. 22.37 Crores in FY 2022-23.

Virinchi Learning Private Ltd

We have successfully trained and placed 200 students under NSDC program this year. We are planning to partner NSDC on few more training programs to increase the training potential so that rural youth can make the most out of this program. We have developed training material for 10 courses, of which 7 courses are approved by NSDC and 3 are awaiting approval. There is a dedicated

learning portal for the students who enroll in our training programs. We have partnered with reputed hospitals to provide placements to the candidates trained under our NSDC program. Our next year plan is to soon expand the program across Andhra Pradesh and Telangana, attain more number of placement partners, and train as many aspirants as possible.

KSoft Systems Inc

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

For the year under review FY 2023-24, the total income is Rs. 85.14 crores as against Rs. 79.12 crores in FY 2022-23 and the EBIT is Rs. 10.17 crores as against Rs.13.16 Crores in FY 2022-23.

Virinchi Capital Private Limited and Tensor Fields Consultancy Services Private Limited

Virinchi Capital Private Limited and Tensor Fields Consultancy Services Private Limited together run vCard, the Payment and Credit Services (Fintech) business in India. Virinchi Capital offers small denomination unsecured line of credit to customers in partnership with an NBFC, while Tensor Fields originates credit cards for a partner bank. In addition, vCard doubles up as a payment platform as UPI payment rails are built into vCard technology platform.

For the year under review FY 2023-24, the total income under the vCard platform is Rs. 2.99 crores as against Rs. 4.33 crores in FY 2022-23 and the EBIT is Rs. 0.64 crores as against Rs.1.64 Crores in FY 2022-23.

Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Ltd (BSE) and NSE Ltd. During the year under review we were listed on NSE also with effect from 3rd May, 2023. During the year under review, 40,00,000 Convertible Warrants were converted into equity shares by the promoters and as per the Chapter V of the SEBI (ICDR) Regulations, 2018 and 63,23,653 shares allotted to the employees of the company under various esop plans. Consequently, the Equity Share Capital of your Company increased from 8,36,38,968 Equity shares of Rs.10/-each to 9,39,62,621 Equity shares of Rs.10/- each

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of Shares	Rs.	Number of Shares	Rs.
Share capital				
(a) Authorised Equity Shares of Rs.10/-each	15,00,00,000	150,00,00,000	15,00,00,000	150,00,00,000
(b) issued Subscribed and fully paid up: Equity Shares of Rs. 10/-each	9,39,62,621	93,96,26,210	8,36,38,968	83,63,89,680
	9,39,62,621	93,96,26,210	8,36,38,968	83,63,89,680

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

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares				
Shares outstanding at the beginning of the year	7,93,20,468	79,32,04,680	7,93,20,468	79,32,04,680
Add: issued and allotted during the year				
i. Allotment of shares pursuant to VESOS,2016 &2018&2022	63,23,653	63236530	43,18,500	4,31,85,000
ii. Allotment of shares under preferential issue guidelines	40,00,000	-		
Less; Shares bought Back during the year	-	-	-	-
Shares outstanding at the end of the year	9,39,62,621	93,96,26,210	8,36,38,968	83,63,89,680

Terms/Rights and restrictions attached to the Equity Shares:

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

Preferential Issue of Shares

During the year the promoters exercised 40,00,000 warrants out of 1,00,00,000 warrants allotted to them. The company also allotted 10,00,000 warrants to a public shareholder during the year .

Composition of the Board as on 31st March, 2024 and Details of Board meetings:

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

Number of Board Meetings

During the year under review, 8 (Eight) Board meetings were held. The details are as under:

Sl. No	Date of Board Meeting	No. of Directors attended
1	15 th May, 2023	5
2	12 th June, 2023	5
3	14 th July, 2023	6
4	30 th August, 2023	6
5	22 nd September, 2023	6
6	7 th October, 2023	6
7	13 th November, 2023	6
8	24 th January, 2024	6

Committees of the Board

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

Meeting of Independent Directors

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

Familiarization Programme for Independent Directors

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

Declaration by Independent Directors

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

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

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

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

During the year Mr. T. Shyam Sunder is appointed as an independent director. With regard to the proficiency, Ms. Kalpana and Mr. J. Suresh independent directors are exempted from taking the online assessment test as per the exemptions given by the Ministry of Corporate Affairs. Mr. T. Shyam Sunder took the online assessment test and qualified the exam.

Changes in Directors and Key Managerial Personnel

Appointments:

During the year under review Mr. T. Shyam Sunder appointed as an independent director with effect from 12th June, 2023 and is appointed for a period of 5 years. Also, Mr. J. Suresh Independent Director whose First Term expired on 27th February, 2024 has been re-appointed for another term of five years i.e till 27th February, 2029

Cessations:

Mr. Sunder Kanaparthi Resigned from the Board on 31st March, 2023 and will be effective from 1st April, 2023

Key Managerial Personnel

Mr.M.V.Srinivasa Rao, Whole Time Director & CFO, Mr. V. Satyanarayana, Vice Chairman & Executive Director and Mr. K. Ravindranath Tagore, Company Secretary are the Key Managerial Personnel (KMP) of the company in terms of the provisions of the Act.

Retirement of Directors:

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

Mr. K. Sri Kalyan who is Presently there on the board as Non independent and Non executive Director and the board decided to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Nomination and Remuneration committee and the Board recommend his re-appointment for the approval of the Members of the Company at the forthcoming Annual General Meeting.

Brief profile of Mr. K. Sri Kalyan given in the Notice convening the Annual General Meeting.

Policy on Directors Appointment and Remuneration

The details of Policy on Directors appointment and Remuneration (i.e. Nomination and Remuneration Policy),

criteria for determining qualifications, positive attributes, independence of directors are included in Report on Corporate Governance forming part of the Board's Report.

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

Transfer of unpaid/unclaimed dividend and corresponding equity shares

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

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

Transfer of Shares to IEPF

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

Annual Return:

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on 31st March, 2024 is available on the Company's website and can be accessed at www.virinchi.com

Particulars of Loans, Guarantees Or Investments By the company

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

Contracts or arrangements with Related Parties

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

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

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

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

Board Evaluation

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

Corporate Social Responsibility Committee

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, the Board of Directors of your Company have constituted a CSR Committee.

Composition as on 31st March, 2024

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

Terms of Reference

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

on the activities pertaining to CSR and monitoring CSR activities.

CSR Policy

The Company's CSR Policy is disseminated on the Company's website at www.virinchi.com . During the year 2023-24, 2 (Two) meetings of the Corporate Social Responsibility Committee were held.

CSR Expenditure during the year 2023-24

As per the Section 135(5) of the Companies Act, 2013, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial Year 2023- 24, the amount to be spent towards CSR activities works out to 26.66 Lacs. The Company has spent Rs.32.10 Lacs towards the CSR activities in the financial year 2023-24. The detailed Report, on the CSR Activities is annexed to Board's Report at Annexure-2.

Material Subsidiary

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

Sexual Harassment Policy

The company as required under the provisions of "The Sexual Harassment of women at Workplace (Prohibition, prevention and Redressal) Act, 2013 has framed a policy on Prohibition, Prevention and Redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto. Internal complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, temporary, trainees) are covered under this policy.

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

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

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

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

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

Governance Policies

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

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

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

Vigil mechanism / Whistle blower policy:

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

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board. Whistle Blower Policy is posted on company's website under following link

<http://virinchi.com/pdf/whistleBlowersPolicy.pdf>

Risk Management Policy

Risk Management

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

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

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

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

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

Internal Control Systems and Adequacy

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

Internal audit

In terms of Section 138 of the Companies Act, 2013 and the relevant Rules, the Company appointed M/s. K.L.V S Prasad Rao & Co Chartered Accountants as an Internal Auditor. The Internal Auditor directly reports to the Audit Committee.

Independent Auditors, their Report and Notes to Financial Statements

M/s. P. Murali & Co., Chartered Accountants, (ICAI firm Registration Number :007257S) were appointed as

Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 33rd Annual General Meeting (AGM) held on 28th September, 2022 until the conclusion of 38th AGM of the company to be held in the year 2027.

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

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

Auditor's Certificate on Corporate Governance

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

Compliance with Secretarial Standards

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

Secretarial audit:

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

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

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2024, on compliance of all applicable SEBI Regulations and circulars / guidelines, issued by M/s. G. Vinay Babu., Practicing Company Secretary, was submitted to BSE and NSE Limited.

Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE and NSE Limited. The Annual Listing fee for the year 2024-25 has been paid to the stock exchange.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2024, the applicable accounting standards had been followed and there are no material departures.

- b) The directors have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the company for that period.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) We have prepared the annual accounts for the financial year ended 31st March, 2024 on a going concern basis.
- e) The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2024.

Significant and Material Orders Passed by the Regulators

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

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

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

Public Deposits

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

Consolidated Financial Statements

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

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

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

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

Reporting of Frauds by Auditors

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

Details about Employees Stock Option Scheme

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

Maintenance of Cost Records

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

Report on Corporate Governance

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

Management Discussion and Analysis Report

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

Statutory Information And Other Disclosures

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with the Rule

8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure -6** and forms an integral part of this Report. The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure '1'** and forms an integral part of this Report. A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure '1A' and forms an integral part of this annual report. The above Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

Acknowledgments

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

For **Virinchi Ltd**

M.V. Srinivasa Rao

Date: 26/08/2024
Place: Hyderabad

Chairman & Whole Time Director
DIN: 00816334

Annexure-1

Statement of Disclosure of Remuneration

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

Sl. No	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Director	Ratio (In X Times)
		M.V.Srinivasa Rao	16.91:1
		V. Satyanarayana	21.02:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of the Director	% increase in Remuneration
		M.V.Srinivasa Rao	26.31%
		V. Satyanarayana	Nil
		K. Ravindranath Tagore- Company Secretary	Nil
3	The percentage increase in the median remuneration of employees in the financial year.	During FY 2023-24, the percentage Decrease in the median remuneration of employees as compared to previous year was approximately 39.66%	
4	The number of permanent employees on the rolls of Company.	There were 570 employees as on March 31, 2024.	
5	a) The Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year	a) Average increase in remuneration is 32.58% for Employees other than Managerial Personnel.	
	b) its comparison with the percentage increase in the managerial remuneration	b) There is 7.85% increase in the managerial remuneration during the year under review.	
	c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	c) Not Applicable	
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, It is confirmed.	

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

For **Virinchi Ltd**

M.V. Srinivasa Rao

Chairman & Whole Time Director

DIN: 00816334

Date: 26/08/2024

Place: Hyderabad

Annexure-2

The Annual Report on CSR Activities For Financial Year Ended 31st March, 2024

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

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee: As on 31st March, 2024

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

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

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

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	14,12,496.63	Nil
2	2021-22	6,40,246	Nil
3	2022-23	38,000	Nil
	Total	20,90,742.63	Not Applicable

6. Average net profit of the company as per section 135(5)- Rs. 13,33,42,969

7. (a) Two percent of average net profit of the company as per section 135(5)- Rs.26,66,859

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- Nil

(c) Amount required to be set off for the financial year, if any- Nil

(d) Total CSR obligation for the financial year (7a+7b-7c).- Rs. 26,66,859

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
32,10,000	Nil	Not Applicable	Not applicable	Nil	Not applicable

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Education Sanitation and Health care	Promoting Education among children & providing Health Care	No	Andhra Pradesh, East Godavari Dt		5,30,000	No	Viswanadha Foundation	CSR00005612
2.	Education Sanitation and Health care	Promoting Education among children & providing Health Care	Yes	Telangana, Hyderabad		10,30,000	No	Lopa Mudra Charitable Trust	CSR00005613
3	Education	Promoting Education	Yes	Telangana, Hyderabad		16,50,000	No	The ICFAI Foundation For Higher Education Trust	CSR00047519
Total						32,10,000			

(d) Amount spent in Administrative Overheads- Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- 32,10,000

Annexure-3 Form AOC-1

Part-A

Statement showing salient features of the financial statements of subsidiaries for the year ended March 31, 2024

S. No	As on 31.03.2024	Ksoft Systems Inc	Qfund Technologies Pvt. Ltd.	Tyohar Foods Pvt Ltd	Virinchi Learning Private Ltd	Virinchi Media & Entertainment Pvt Ltd	Virinchi Infra & reality Pvt Ltd	Virinchi Health Care	Asclepius Consulting & Technologies	Tensor Fields Consultancy Services Pvt Ltd	Virinchi Combinatorics & Systems Biology Pvt Ltd	V23 Medical Solutions Pvt Ltd	Virinchi Capital Pvt Ltd
1	Share Capital	45,91,087	1,00,000	1,00,000	19,50,000	1,00,000	1,00,000	5,43,59,780	58,82,360	1,00,000	1,00,000	1,00,000	5,00,00,000
2	Reserves & Surplus	1,06,65,17,084	8,85,059	(1,14,57,525)	(2,60,87,544)	(75,45,817)	10,68,282	26,23,71,028	(2,90,01,981)	(2,05,75,202)	(18,78,521)	(6,04,234)	(1,92,556)
3	Total Assets	1,40,56,68,026	9,91,70,739	63,18,972	64,30,289	1,49,84,404	20,06,297	4,03,59,80,336	5,06,67,881	2,00,31,094	13,33,613	1,37,280	39,06,59,607
4	Total Liabilities	33,45,59,854	9,81,85,681	1,76,76,497	3,05,67,833	2,24,30,221	8,38,015	3,71,92,49,527	7,37,87,501	4,05,06,296	31,12,135	6,41,514	34,08,52,165
5	Investments	1,00,42,082	-	-	-	-	-	1,79,95,030	-	-	-	-	-
6	Turnover	81,86,73,587	7,51,000	12,16,000	9,10,000	10,20,077	17,89,704	1,33,14,84,813	-	1,84,76,206	10,42,503	9,51,436	2,01,44,491
7	PBT	8,47,40,748	(64,50,286)	(11,11,274)	(32,17,087)	(17,15,236)	1,27,592	(3,59,82,442)	(46,19,455)	5,03,915	(15,04,446)	(5,00,960)	76,12,409
8	Tax	84,74,075	(2,72,601)	(30,482)	(4,41,143)	8,849	32,115	61,37,145	28,604	-	-	-	-
9	PAT	7,62,66,673	(61,77,684)	(10,80,792)	(27,75,944)	(17,24,085)	95,477	(4,21,19,586)	(46,48,059)	5,03,915	(15,04,446)	(5,00,960)	76,12,409
10	Dividend	-	-	-	-	-	-	-	-	-	-	-	-
11	% of shareholding	100%	100%	100%	100%	100%	100%	100%	51%	100%	100%	100%	100%

Part-B

Joint Venture/Associate Companies

There are no joint ventures/associates companies to report.

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

As per our Report of Even Date

For **P.Murali & Co.**

Chartered Accountants

Firm Registration No.0072575

For and on behalf of the Board of Directors of

Virinchi Limited

M.V. Joshi

Partner

M. No. 024/784

Place : Hyderabad

Date: 03/05/2024

M.V.Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Whole Time Director

DIN: 09070986

K.Ravindranath Tagore

Company Secretary

M.No.A18894

Annexure-4

Form No. AOC-2

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

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

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

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2023-24.

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

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

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

(b) Nature of contracts/arrangements/transactions

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

The scope of the advisory services to be provided by Mr. Viswanath Kompella shall include advising the Board and the Management with broad strategic aspects of the business, supporting in establishing and enabling relationships with external forums like industry chambers, institutions, government and other agencies on policy matters and in brand and image building

of the Company apart from advising the Company's board on any other areas that the Board/ Management may seek his advice.

(c) Duration of the contracts/arrangements/ transactions

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

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

The appointment of Mr. Viswanath Kompella as advisor shall be effective from 10th November, 2018 initially for a period of 5 years, renewable by the Board from time to time. The Board renewed the appointment for another 5 years and will be valid till 10th November, 2028

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

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

1. The payment terms of each project as per the intercompany agreements entered with the respective subsidiaries.
2. The payment terms are like Rs. 25,000 per month for the leasing of Premises at Banjara Hills, Hyderabad
3. Monetary Terms with Mr. Viswanath Kompella
 - a) Fixed monthly Fee/Remuneration of Rs.15,00,000 (Rupees Fifteen Lacs Only)
 - b) an annual variable incentive of 0.50% only on the consolidated revenues of the company.
4. Reimbursements: All the expenses incurred on travelling, boarding, lodging etc. while performing advisory services for and on behalf of the Company shall be reimbursed on actual basis.
5. Facilities: Mr. Viswanath Kompella shall be provided requisite office facilities, chauffeur driven car and communication facilities to effectively discharge his duties.

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

1. Not applicable as these are at arms' length basis and in the ordinary course of the business.
2. The Audit Committee in its meeting held on November 12, 2018, has approved the proposal for appointment of Mr. Viswanath Kompella, Chairman Emeritus, as an Advisor of the Company and the same has also been discussed and approved by the Board in its meeting held on November 12, 2018, and subsequently has been approved by the members through postal ballot. The company through postal ballot Notice dated 12th July, 2022 obtained approval of the members for revision in the remuneration limits. The company took shareholders approval for renewal of the appointment for 5 years from 10th November, 2023 to 10th November, 2028 in the AGM held on 30th September, 2023
2. Amount paid as advances, if any: Nil

For **Virinchi Ltd**

M.V. Srinivasa Rao

Date: 26/08/2024

Place: Hyderabad

Chairman & Whole Time Director

DIN: 00816334

Annexure -5

Secretarial Audit Report of M/S. Virinchi limited

For The Financial Year Ended On 31st March, 2024

Form No MR-3

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

To,
The Members,
Virinchi Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Virinchi Limited. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year ended on March 31, 2024 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained

by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the PCS	Management Response	Remarks
1	listing of equity shares within 7 working days from the date of grant of listing approval pursuant to preferential issue.	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Circular: SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019	Company has not approached to the Exchange for listing of equity shares within 7 working days from the date of grant of listing approval pursuant to preferential issue	National Stock Exchange of India Limited vide letter Ref: NSE/LIST/37217 dated September 13, 2023, for application no. 37217	Fine	-	47,200	-	-	-
2				National Stock Exchange of India Limited vide letter Ref: NSE/LIST/37217 dated September 13, 2023, for application no. 37218	Fine	-	47,200	-	-	-
3				National Stock Exchange of India Limited vide letter Ref: NSE/LIST/37217 dated September 13, 2023, for application no. 37219	Fine	-	47,200	-	-	-
4				BSE Ltd, for application no. 183735	Fine	-	47,200	-	-	-
5				BSE Ltd, for application no. 183731	Fine	-	47,200	-	-	-
6				BSE Ltd, for application no. 183726	Fine	-	47,200	-	-	-
7	Submission of copy of the Resignation letter of KMP within 7 days from the date of resignation.	Schedule III Part A, Clause 7C	The company submitted the copy of resignation letter on 8 th Day	NSE issued a warning letter to the company and also to disseminate the information to the exchanges on this.						

- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2021 ;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
- vi. Other laws applicable specifically to the Company namely:
- a. Information Technology Act, 2000 and the rules made thereunder
 - b. Software Technology Parks of India rules and regulations
 - c. Copyright Act, 1957
 - d. The Patents Act, 1970
 - e. The Trade Marks Act, 1999
2. During the year the Company has conducted 8 Board Meetings, 6 Audit Committee Meetings, 1 Independent Director's Meeting, 8 Nomination and Remuneration Committee and 10 Stakeholders Relationship Committee Meeting and 2 Corporate Social Responsibility Committee meetings . We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on meeting of the Board of Directors and General Meeting.
3. I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 4. I further report that the Compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals
 5. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 6. The Company has framed various policies and displayed the same on the company's website i.e., www.virinchi.com
 - Policy on Preservation of Documents
 - Whistle Blower Policy
 - Related Party Transaction Policy
 - Familiarization programme for Independent Directors
 - Nomination and remuneration Policy
 - Policy on material subsidiaries
 - Corporate Social Responsibility Policy
 7. We further report that:-
 - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b. Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

- c. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- d. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- e. We further report that during the year under report, the Company has not undertaken any event/ action having a major bearing on the company's affairs in pursuance of the above

referred laws, rules, regulations, guidelines, standards etc.

Vinay Babu Gade

Company Secretary in Practice

M.No: A20592

CP NO: 20707

UDIN: A020592F001043746

Place: Hyderabad

Date: 26/08/2024

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

Annexure to Secretarial Audit Report

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

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

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

Place: Hyderabad
Date: 26/08/2024

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592F001043746

Secretarial Audit Report of M/S. Virinchi Health Care Private Limited

For The Financial Year Ended 31st March, 2024

FORM NO MR 3

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

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

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

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March 2024 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended 31st March 2024 (“Audit Period”) according to the provisions of:
 - 1.1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - 1.2. The Secretarial Standards on the Meetings of the Board of Directors, Committees (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
2. We report that during the period under review the Company has substantially complied with Secretarial Standards on Board Meeting issued by the Institute of Company Secretaries of India.
3. In our opinion and as identified and informed by the Management, the Company has adequate systems to monitor and ensure compliance (including the process of renewal/fresh/pending applications with Government Authorities), the following laws are specifically applicable to the Company.
 - i. Atomic Energy Act, 1962
 - ii. Birth and Death and Marriage Registrations Act, 1886
 - iii. The Air (Prevention and Control of Pollution), Act, 1981
 - iv. The Water (Prevention and Control of Pollution), Act, 1981
 - v. Gas Cylinder Rules, 2016
 - vi. The Dentists Act, 1948
 - vii. Drugs and Cosmetics Act, 1940 and Rules made thereunder
 - viii. Epidemic Diseases Act, 1897
 - ix. ICMR Guidelines
 - x. Excise Permit (For Storage of Spirit) under Central Excise Act, 1956
 - xi. Legal Metrology Act, 2009
 - xii. Legal Metrology Rules, 2011
 - xiii. Medical Termination of Pregnancy Act, 1971
 - xiv. NACO Guidelines
 - xv. Narcotic Drugs and Psychotropic Substances Act, 1985
 - xvi. Hazardous Waste and other Wastes (Management and Transboundary Movement), Rules, 2016
 - xvii. Pharmacy Act, 2015

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

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

4. We further report that:

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

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

Vinay Babu Gade
 Company Secretary in Practice
 M.No: A20592
 CP NO: 20707
 UDIN: A020592F001043867

Place: Hyderabad
 Date: 26/08/2024

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

Annexure to Secretarial Audit Report of Virinchi Health Care Private Limited

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

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

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

Place: Hyderabad
Date: 26/08/2024

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592F001043867

Annexure-6

Particulars of Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outflow required under Companies (accounts) Rules, 2014

Conservation of Energy:

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

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

Research and Development

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

Foreign Exchange Earnings and Outgo:

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

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

(Rs. in Lakhs)

Particulars	FY 2023-2024	FY 2022-2023
Foreign Exchange Earnings	5847.11	8019.12
Foreign Exchange Outgo	Nil	Nil

Technology Absorption, Adaptation and Innovation

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

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

For **Virinchi Ltd**

M.V. Srinivasa Rao

Date: 26/08/2024
 Place: Hyderabad

Chairman & Whole Time Director
 DIN: 00816334

Report on Corporate Governance

1. Company's Philosophy:

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

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

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

8 Board Meetings were held during the Financial Year 2023-24 and the gap between two Meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

15th May, 2023, 12th June, 2023, 14th July, 2023, 30th August, 2023, 22nd September, 2023, 7th October, 2023, 13th November, 2023, 24th January, 2024,

The necessary quorum was present for all meetings.

2. Board of Directors:

Composition and Category of Directors:

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

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

Name of the Director	Category	No. of Board Meetings Attended	Whether attended last AGM	No of Other Directorships#	Committee Memberships	Committee Chairmanship
M.V.Srinivasa Rao	Chairman & Whole Time Director	8	Yes	0	0	0
V. Satyanarayana	Vice Chairman & Executive Director	8	Yes	0	0	0
K. Sri Kalyan	Non Independent Non-Executive Director	8	Yes	1	3	0
K.Kalpana	Independent Non-Executive Director	8	Yes	1	0	4
J. Suresh	Independent Non-Executive Director	8	Yes	0	2	0
T. Shyam Sunder	Independent Non-Executive Director	6	Yes	1	1	0

Directorships in other listed companies.

The following directors have Directorships in other Listed companies.

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

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

Mr. T. Shyam Sunder is an Independent Non-executive Director in Vivo Bio Tech Ltd.

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

During the financial year 2023-24, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, has been placed before the Board for its consideration.

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

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

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

Training of board members

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

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

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

Newly inducted directors spend approximately a week at the time of their induction and interact with the Chairman, Whole Time Director & CFO, and other members of the senior management. They interact with the heads of all business units and other functional heads. They are provided a walk through among some of the centres of excellence and

given a detailed understanding of the business and its operations. Directors are regularly updated on changes in policies and programmes, laws and the general business environment. Details of the familiarization programme for Non-Executive Directors and their letter of appointment are published on the website of the company

Accordingly, your Company arranged technical sessions to familiarize the Independent Directors, the details of which are disclosed on the website of the company at

<http://virinchi.com/pdf/familiarisation-programme-to-independent-directors.pdf>

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met once on 15th February, 2024 inter alia, to discuss:

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

Details of skills / expertise / competence available with the Board

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

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

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

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

Resignation of Independent directors during the year

Mr. Sunder Kanaparthi Resigned from the Board on 31st March, 2023 and will be effective from 1st April, 2023

3. Audit Committee:

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

During the year under review Six (6) meetings were held for approval of Unaudited Financial Results and Audited results and to approval other matters. The constitution of the Committee and the attendance of each member of the Committee are given below:

Meeting Dates: 15th May, 2023, 12th June, 2023, 14th July, 2023, 30th August, 2023, 13th November, 2023, 24th January, 2024,

Name of the Director	Designation	Nature of Directorship	Committee Meetings attended
K. Kalpana	Chairman	Independent Non-Executive Director	6
K Sri Kalyan	Member	Non Independent Non-Executive Director	6
J. Suresh	Member	Independent Non-Executive Director	6

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

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

The primary responsibilities of the Audit Committee are to

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

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

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

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

4. Nomination and Remuneration Committee:

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

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOPs, Pension Rights and any Compensation Payment.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.
- Recommend to the board, all remuneration, in whatever form, payable to senior management

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

Meeting dates: 15th May, 2023, 12th June, 2023, 9th August, 2023, 30th August, 2023, 10th November, 2023, 30th December, 2023, 24th January, 2024, 20th February, 2024,

The Nomination and Remuneration Committee is constituted as follows.

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

Remuneration policy:

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

This Policy is accordingly derived from the said Charter.

1. Criteria of Selection of Non-Executive Directors

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

During FY 2023-24, the Board had also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the

context of the business and sector applicable to the Company and those actually available with the Board. The Company has also mapped each of the skills, expertise and competencies against the names of the Board Members possessing the same.

2. Remuneration

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

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

Board member Evaluation

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

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

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

Remuneration of Directors

Details of remuneration paid to the Directors during the financial year 2023-24 are as follows:

a. Executive Directors

(Amount in Lacs)

Name	Salary	Benefits (perquisites)	Bonus	Pension	Commission	TOTAL
M.V.Srinivasa Rao	57.61	-	-	-	-	57.61
V. Satyanarayana	71.61	-	-	-	-	71.61
TOTAL						129.22

b. Non-Executive Directors

There were no pecuniary transactions with any non-executive director of the Company

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

Sl. No	Name of the Director	Sitting Fees	Shares held as on 31 st March, 2024
1	Ms. K. Kalpana	1,20,000	Nil
2	Mr. J. Suresh	1,20,000	Nil
3	Mr. T. Shyam Sundar	1,20,000	Nil
4	Mr. K. Sri Kalyan	1,20,000	4402

5. Stakeholders Relationship Committee:

- The Board constituted a stakeholders Relationship committee which looks into shareholders and investors grievances under the Chairmanship of K. Kalpana who is an Independent and Non- Executive director. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities, allotment of shares. The committee looks into shareholders complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- The Board of Directors has delegated the power of approving transfer of securities to M/s. Aarthi Consultants Private Limited.

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

Dates of Meetings: 11th April, 2023, 13th April, 2023, 14th April, 2023, 15th May, 2023, 18th May, 2023, 22nd May, 2023, 25th May, 2023, 30th August, 2023, 30th December, 2023, 26th March, 2024

Composition of the Committee:

Name	Designation	Category	Attendance
K. Kalpana	Chairman	Independent Non-Executive Director	10
K Sri Kalyan	Member	Non Independent Non -Executive Director	7
J. Suresh	Member	Independent Non-Executive Director	10

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

Received: 0 Complied:- 0 Pending: 0

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

The outstanding complaints as on 31st March, 2024 were: NIL

Name & Designation of the Compliance officer:

Mr.K.Ravindranath Tagore
Company Secretary, Chief Investor Relations & Compliance Officer
8-2-672 / 5 & 6, 4th Floor
Illyas Mohammed Khan Estate,
Road No. 1, Banjara Hills
Phone# 040-43728111 Email:investors@virinchi.com,
www.virinchi.com

6. Corporate Social Responsibility Committee (CSR)

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

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

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

- i. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the company;
- ii. Recommending the amount of expenditure to be incurred on CSR activities of the company;

- iii. Reviewing the performance of the Company in the area of CSR;
- iv. Providing external and independent oversight and guidance on the environmental and social impact of how the company conducts its business;
- v. Monitoring CSR policy of the company from time to time;
- vi. Monitoring the implementation of the CSR projects or programs or activities undertaken by the company.

The CSR Committee comprises of three Directors viz.,

During the financial year 2023-24, the CSR Committee met Two times and all the members were present for the meeting.

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

7) Details of Annual General Meetings:

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

Financial Year	Date & Time	Venue	Special Resolutions Passed
2022-23	30/09/2023 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34(VC/OAVM)	Yes
2021-22	28/09/2022 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34(VC/OAVM)	Yes
2020-21	28/09/2021 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34(VC/OAVM)	No

b) Extraordinary General Meeting:

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

c) Postal Ballot.

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

Special Resolutions passed on July 15, 2023:

Description	No of votes polled	Votes cast in favour	Votes cast against	Invalid/abstain votes
Appointment of Mr. Shyam Sunder Tipparaju, DIN: 07167885 as an Independent Director of the Company:	1,93,06,896	1,93,06,664	232	-

Special Resolutions passed on February 24, 2024

Description	No of votes polled	Votes cast in favour	Votes cast against	Invalid/abstain votes
Re-Appointment of Mr.Suresh Juthuga , DIN: 08369715 as an Independent Director of the Company:	9,23,656	8,96,296	27,360	-

Mr. G. Vinay, Company Secretary in Practice was appointed as scrutinizer.

(d) Procedure for postal ballot

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

8. Means of Communication

i. Publication of Results

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

ii. Website and news release

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

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

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

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

Annual Report:

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

Disclosures to Stock Exchanges:

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

E-voting

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

SEBI Complaints Redress System (SCORES):

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

Dedicated e-mail ID

Investors@virinchi.com

Particulars of Senior Management

Sl. No	Name	Designation	Remarks
1	Satyajet Prasad	CEO- North America	Resigned with effect from 31 st December, 2023
2	Amar Sivaji Pendyala	CEO- US Business	Appointed with effect from 1 st January, 2024
3	Rajesh Putta	Chief Technology Officer	
4	Ravindranath Tagore Kolli	Company Secretary	

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Sl.No	Name of Material Subsidiary	Date and place of Incorporation	Name of Statutory auditor	Date of appointment
1	Virinchi Health Care Private Limited	16/12/2013, Hyderabad, India	P. Murali & Co	27/09/2022
2	KSoft Systems Inc	20/11/1996 New Jersey, USA	NA	NA

9. General Shareholder Information :

Annual General meeting

Date: 30th September, 2024

Time: 12.30 P.M

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

Financial Calendar: Financial year 1st April to 31st March

Tentative calendar for declaration of financial results in Financial Year 2024-25

Tentative calendar for declaration of financial results in Financial Year 2024-25

Results for the quarter ended June 30, 2024	on or before August 14, 2024
Results for the quarter ended September 30, 2024	on or before November 14, 2024
Results for the quarter ended December 31, 2024	on or before February 14, 2025
Results for the year ended March 31, 2025	on or before May 30, 2025

Book Closure dates:

The dates for book closure are from 24th September, 2024 to, 30th September, 2024 (both days inclusive).

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai - 400 001 and the shares of the company are listed on National stock Exchange (NSE) limited from 3rd May, 2023 onwards.

The listing fee for the financial year 2024-25 has been paid to the above stock exchange.

Stock Code & ISIN

Trading scrip code on BSE: 532372 NSE: Virinchi

International Securities Identification Number (ISIN)

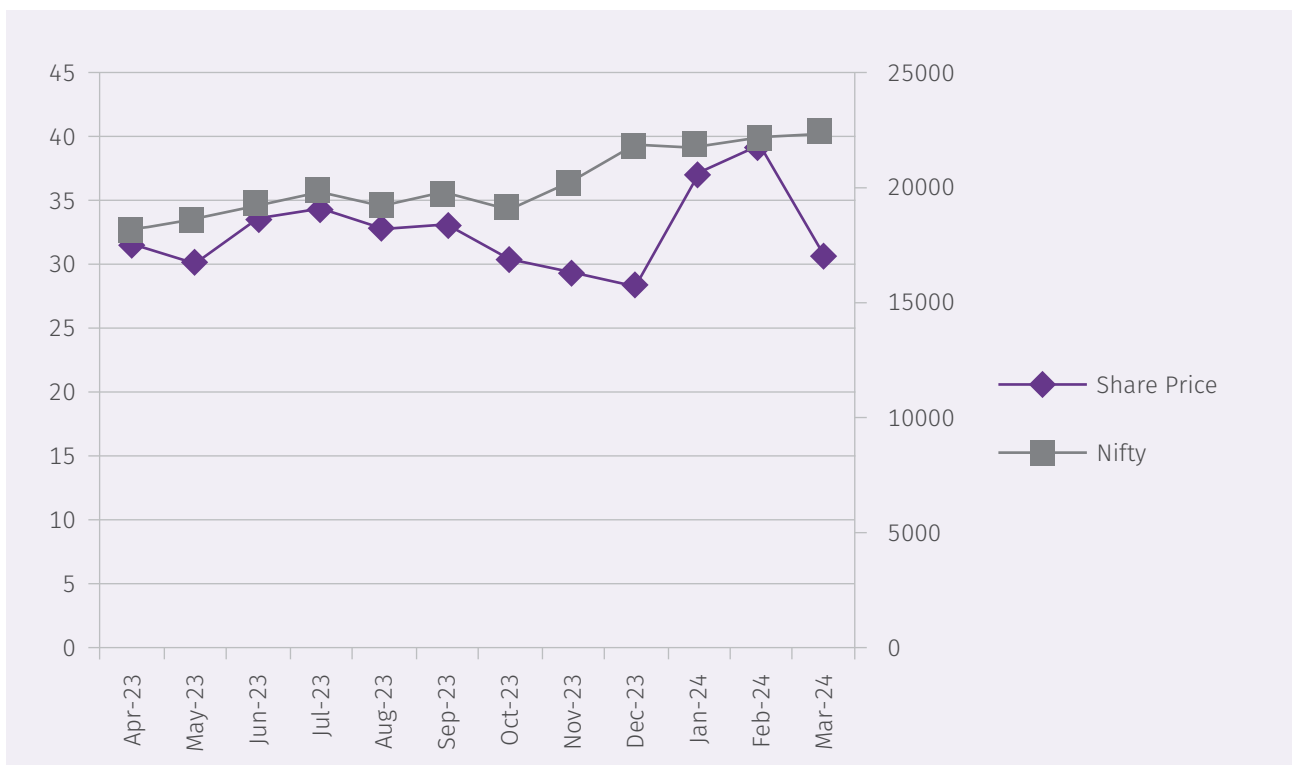
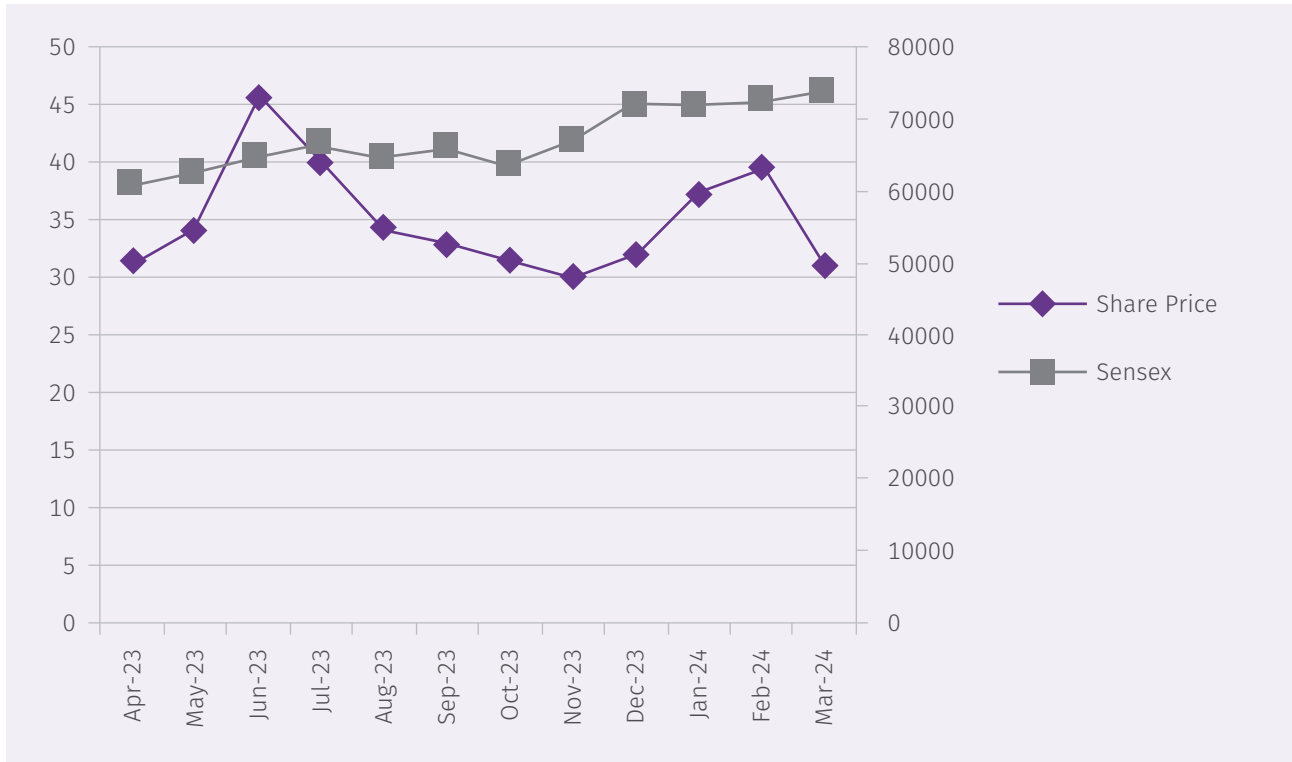
ISIN is a unique identification number of traded scrip. The Company's ISIN for equity shares is INE539B01017.

Market Price Data :

The Monthly high and low prices of your company's share at BSE and NSE for the year ended March 31, 2024 are as under:

Month	NSE				BSE				Index	
	High	Low	Close	No of shares Traded (In Lakhs)	High	Low	Close	No of shares Traded (In Lakhs)	BSE	NSE
April, 2023	NA	NA	NA	NA	38.15	28.70	31.44	116.07	61,112.44	18,065.00
May, 2023	37.40	30.35	34.05	161.29	37.49	30.50	34.06	53.45	62,622.24	18,534.40
June, 2023	53.70	33.50	46.10	398.81	52.79	33.51	45.58	55.09	64,718.56	19,189.05
July, 2023	46.80	34.45	39.90	70.11	47.20	34.55	39.98	24.49	66,527.67	19,753.80
August, 2023	43.85	33.00	34.00	26.27	43.70	33.10	34.22	10.02	64,831.41	19,253.80
September, 2023	39.30	33.15	33.45	17.27	38.88	33.00	33.00	8.04	65,828.41	19,638.30
October, 2023	39.40	30.30	31.60	36.37	39.70	30.50	31.53	8.48	63,874.93	19,079.60
November, 2023	33.65	29.40	29.65	43.44	33.65	29.50	29.69	10.72	66,988.44	20,133.15
December, 2023	36.50	28.25	32.15	158.11	36.44	28.29	32.15	35.17	72,240.26	21,731.40
January, 2024	38.65	31.10	37.40	215.41	38.67	31.71	37.31	45.21	71,752.11	21,725.70
February, 2024	44.00	35.40	39.35	462.16	45.00	35.50	39.40	68.14	72,500.30	21,982.80
March, 2024	41.80	29.60	30.70	202.70	41.78	29.55	30.66	45.74	73,651.35	22,326.90

Performance of the share price of the Company in comparison to the S&P BSE Sensex & NSE Nifty



Registrar and Share Transfer Agents, Share Transfer System

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

M/s. Aarathi Consultants Private Ltd (Unit: Virinchi Ltd)

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

Distribution of Shareholding as on 31st March, 2024

Sl. No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 – 5000	20683	68.33	33,53,240	3,35,32,400	3.57
2	5001 – 10000	3940	13.02	32,86,876	3,28,68,760	3.50
3	10001 - 20000	2267	7.49	36,16,869	3,61,68,690	3.85
4	20001 - 30000	943	3.12	24,66,202	2,46,62,020	2.62
5	30001 - 40000	492	1.63	18,04,861	1,80,48,610	1.92
6	40001 - 50000	479	1.58	22,94,334	2,29,43,340	2.44
7	50001 - 100000	728	2.41	5543868	5,54,38,680	5.90
8	100001 & Above	737	2.43	7,15,96,371	71,59,63,710	76.20
	Total:	30269	100	9,39,62,621	93,96,26,210	100.00

Dematerialisation of Shares and liquidity

The Company's shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2024, 9,37,90,011 equity shares forming part of 99.82% of the share capital are in demat form and 1,72,610 equity shares forming 0.18% of the share capital are in physical form. Dematerialization of shares is done through M/s. Aarathi Consultants Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Shareholding Pattern as on March 31, 2024

Sl. No	Description	No. of Shares	% of Total Capital
1	Promoter / Promoter group	3,50,41,173	37.29
2	Foreign Institutional Investors	4,61,363	0.49
3	Banks / Mutual Funds / NBFC	-	-
4	Bodies Corporate	58,08,627	6.18
5	Individuals / HUF	4,96,61,084	52.85
6	Directors and KMP	2,51,491	0.27
7	Non Resident Indians	24,06,399	2.56
8	Foreign Bodies	81,290	0.09
9	Central Government / IEPF	2,48,594	0.26
10	Clearing Members / Trusts	2,600	0.01
	TOTAL	9,39,62,621	100.00

Dematerialisation of Shares and Liquidity as on 31st March 2024

	No. of Shares	% of Total
NSDL	6,26,99,874	66.73
CDSL	3,10,90,137	33.09
Physical	1,72,610	0.18
Total	9,39,62,621	100.00

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

The company has allotted 1,00,00,000 convertible equity warrants on 31st March, 2023 to promoters and 10,00,000 warrants to public on April 14th, 2023 . They can be converted into equity shares with 18 months from the date of allotment. The promoters have exercised 40,00,000 Warrants resulting into 40,00,000 equity shares during the year 2023-24 and have exercised further 46,82,538 warrants resulting in 46,82,538 equity shares till the date of the report.

Commodity Price Risk or foreign exchange risk and hedging activities.

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

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

Plant Locations

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

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

Address for Correspondence:

For queries relating to shares	For queries relating to Financial Statements and other contents of Annual Report
M/s. Aarthi Consultants Private Limited (Unit-Virinchi Ltd) 1-2-285, Domalguda, Hyderabad. Phone # 040-27634445 / 27638111 Email : info@aarthiconsultants.com Bank, Hyderabad - 500034.	M/s. Virinchi Ltd., 8-2-672/5 & 6, 4 th Floor, Illyas Mohammed Khan Estate Banjara Hills, Road # 1, Above Kotak Mahindra Phone # 040-43728111 Email : investors@virinchi.com

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

Credit Rating of Virinchi limited is done by Acuité Ratings & Research Limited. They have assigned ACUITE BB+/Stable/Reaffirmed for Long Term Loans availed and ACUITE A4+ Reaffirmed for short term borrowings.

Other Disclosures:

Related party transactions

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

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

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

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

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

Year	Compliance Requirement	Deviations	Remarks
2023-24	Listing of equity shares within 7 working days from the date of grant of listing approval pursuant to preferential issue.	Company has not approached to the Exchange for listing of equity shares within 7 working days from the date of grant of listing approval pursuant to preferential issue	BSE and NSE imposed a penalty of Rs.47,200 each for each application and the company has three applications.
	Submission of copy of the Resignation letter of KMP within 7 days from the date of resignation.	The company submitted the copy of resignation letter on 8 th Day	NSE issued a warning letter to the company
2022-23	Nil	Nil	Nil
2021-22	Nil	Nil	Nil

Details of establishment of Vigil Mechanism (Whistle Blower policy)

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee.

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

Policy on Material Subsidiaries

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

The company has a material Indian subsidiary company viz. M/s. Virinchi Health Care Private Ltd and has complied with the necessary compliances. However the company has M/s. KSoft Systems Inc. which is located in USA has its material unlisted foreign subsidiary company and is required to appoint Independent Director on the Board of its material subsidiary. Pursuant to regulation 16(1)(c) and Regulation 24 of the SEBI(LODR) Regulations, 2015 the Company has appointed Mr.T. Shyam Sundar on the Board of Ksoft Systems Inc., and Virinchi Health Care Private Limited as on 31st March, 2024.

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

after positive recommendation by the Board/ Executive Committee of the Company.

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

Details of Utilisation of funds raised through preferential allotment.

During the year 2022-23 the company raised Rs10,50,00,000 (Ten Crores Fifty Lacs Only) through the allotment of 1,00,00,000 Convertible Equity Warrants of Rs.10/- at a premium of Rs.32/-. The proceeds of the preferential issue received by the company on the last day of 31st March, 2023.

During the year 2023-24, the company raised Rs.1,05,00,000(One Crores Five Lacs Only) through the allotment of 10,00,000 Convertibel Equity Warrants of Rs.10/- at a premium of Rs.32.

During the year 2023-24, the promoters have converted 40,00,000 warrants into equity shares and thereby raised Rs. 12,60,00,000 (Twelve Crores Sixty Lacs Only)

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

Disclosure requirements for certain types of agreements binding listed entities as per Regulation 30A of SEBI (LODR) Regulations, 2015

The company has not entered into any agreement which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity

Recommendations of Committees of the Board

There were no instances during the financial year 2023-24 wherein the Board had not accepted the recommendations made by any Committee of the Board.

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

During the year ended March 31, 2024, fees paid to the Statutory Auditors (P. Murali &CO) and its network firms are as follows:

Amount in Lakhs

Fees(Including Taxes)	Virinchi Limited to Statutory Auditors	Virinchi Ltd to network firms of Statutory Auditors	Subsidiaries of Virinchi Limited to Statutory Auditors and its network firms
Statutory Audit	2.95	-	1.77
Certification and other attestation services	-	-	-
Non Audit Services	-	-	-
Outlays and Taxes	-	-	-

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

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

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

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

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

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

The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)

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

Equity shares in Demat Suspense Account/Unclaimed Suspense Account

As per Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015, the Company reports that No Equity Shares are lying in the suspense account as on 31st March 2024

CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company gave certification on financial reporting and internal controls for the financial year 2023-24 to the Board of Directors at their meeting held on May 03, 2024 , as required under regulation 17(8) of SEBI Listing Regulations. See Annexure-8.

Compliance with Secretarial Standards

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

For **Virinchi Ltd**

Date: 26/08/2024
 Place: Hyderabad

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

Annexure-7

Independent Auditors Certificate on Corporate Governance

To
The Members of
Virinchi Limited.

1. We, P. Murali & Co, Chartered Accountants, the Statutory Auditors of Virinchi Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Managements’ Responsibility

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

Auditors’ Responsibility

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

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

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

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

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2024.

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

Restrictions on Use

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

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

M.V.Joshi
Partner

M.No: A20592

Place: Hyderabad
Date: 26/08/2024

Membership No: 020085
UDIN: 24024784BKAUHX8684

Annexure-8

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

To
The Board of Directors
Virinchi Limited

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

- a) We have reviewed the Balance Sheet and Profit and Loss Account, and its Schedules and Notes on Accounts, as well as the Cash Flow statement and the Directors Report.
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting

and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated to the Statutory Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Virinchi Limited**

Place : Hyderabad
Date : 03/05/2024

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

V. Satyanarayana
Vice Chairman & Executive Director
DIN : 09070986

Annexure-9

Certificate of Non-Disqualification of Directors

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sl. No	Name of the Director	DIN	Date of appointment in Company
1	Mr. M.V.Srinivasa Rao	00816334	12-11-2018
2	Mr. K.Sri Kalyan	03137506	12-08-2013
3	Mr. V. Satyanarayana	09070986	22-02-2021
4	Ms.K.Kalpana	07328517	28-08-2017
5	Mr. T. Shyam Sunder	07167885	12-06-2023
6	Mr. J. Suresh	08369715	28-02-2019

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

Place: Hyderabad
Date: 26/08/2024

G. Vinay Babu
Company Secretary in Practice
M.NO: A20592
CP.NO: 20707
UDIN: A020592F00104614

Declaration regarding compliance with the code of conduct and ethics

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Virinchi Limited Code of Business Conduct and Ethics for the year ended March 31, 2024.

Place: Hyderabad
Date: 26.08.2024

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

Independent Auditor's Report

To
The Members of
VIRINCHI LIMITED

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Virinchi Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the Material accounting policies and other explanatory information (hereinafter referred to as the "standalone Ind AS Financial Statements")

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

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements section of our report. We are independent of the Company in

accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 Standalone 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 Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

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

Information Other than the Standalone Ind AS financial statements and Auditor’s Report Thereon

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

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

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

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

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

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance(including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section

133 of the Act, read with Relevant Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Standalone Ind AS financial statements

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

expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

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

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

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company have pending litigations, the liabilities in respect of which are disclosed as contingent liabilities - Refer Note 36 of the Notes on accounts to the standalone financial statements. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or Otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - vii. The company has not declared or paid any dividend during the year.
 - viii. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

M V Joshi
Partner

Place: Hyderabad
Date: 03.05.2024.

M.No:024784
UDIN: 24024784BKAUEY6191

“Annexure A”

Annexure to Independent Auditors’ Report of even date on The Standalone Ind As Financial Statements of Virinchi Limited

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

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

- i. In respect of the Company’s Property, Plant & Equipment and Intangible assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.
 - (B) The company has maintained proper records showing full particulars of intangible assets.
 - (b) All Property, Plant and Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties (other than properties where the Company is the Lessee and the lease agreements are duly executed in the favor of the Lessee) included in the PPE are held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment (Including Right of Use Assets) or intangible assets during the period under review.
 - (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- ii. (a) The Company is in the business of providing software services and does not have any physical inventories. Accordingly, the requirements to report clause 3(ii)(a) of the order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has

been sanctioned working capital limits in excess of Rupees five crores, in aggregate, from its banker on the basis of security of Current assets. The quarterly returns/statement filed by the Company with the bank is in agreement with the books of account of the Company.

- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records the company, during the year the company has not made, except as stated below, any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties The Details of loans granted during the year and balance outstanding as at the balance sheet date of such loans is as under

(Rs. in lakhs)

Particulars	Loans
Aggregate amount granted/ provided during the year (Net)- subsidiaries	3,480.05
Balance outstanding as at the Balance sheet date in respect of the above cases (Net)	20,094.80

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company, are not prejudicial to the interest of the Company
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) There are no Loans or advance in the nature of loan granted which has fallen due during the year which has been renewed or extended or fresh loans are granted to settle the overdue of existing loans given to the same parties.

- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under to the extent applicable. Accordingly, the Requirement to report on Clause 3(v) of the order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the Requirement to report on Clause 3(vi) of the order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company had delay in depositing the undisputed statutory dues, including Provident Fund, Income-tax (TDS), and other material statutory dues, as applicable, with the appropriate authorities.

- (b) There were undisputed amounts payable in respect of Provident Fund, Income-tax (TDS), and other material statutory dues in arrears as at 31st March 2024 for a period of more than 6 months from the date they became payable.

Statute	Nature of Due	(Rs. in lakhs)
Employees Provident Fund & Misc Provisions Act, 1952	Provident Fund	251.67
Telangana Professional tax Act, 1987	Professional Tax	12.29
Employee State Insurance Act, 1948	Employee State Insurance	11.38
Income Tax Act, 1961	Self-Assessment Tax	381.78

- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues as on March 31st 2024 of Goods and Service Tax, customs duty, Excise duty which have not been deposited with appropriate authorities on account any dispute except Income Tax as given below:

S. No	Nature	Assessment Year	Amount of Dispute (Rs. in Lakhs)	Forum where it is pending
1	Income Tax	2017-18	572.91	CIT(A)
2	Income Tax	2017-18	268.76	CIT(A)
3	Income Tax	2019-20	405.03	CIT(A)
4	Income Tax	2020-21	450.81	CIT(A)
5	Income Tax	2013-14	7.89	CIT(A)

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. The Company has not issued any debentures.
- (b) The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- (c) According to the information and explanations given to us, the Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence the requirement to report on clause (ix)(f) of the order is not applicable to the company.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).
- (b) During the year the company made preferential allotment or private placement of Equity shares and convertible securities. Details are as follows :

i) Allotment of convertible Equity Warrants :

Company has allotted preferential allotment of convertible equity Warrants @ Rs 42/- per warrant and Received 25% of Rs. 42/-

S. No.	Name of the Allottee	Total share warrants allotted	No of Share Warrants Outstanding as on 31/03/2024 (Nos.)	Amount Collected for o/s warrants pending conversion (Rs. in Lakhs)
1.	Gajwel Developers Pvt Ltd	60,00,000	30,00,000	315.00
2.	Kompella Viswanath	40,00,000	30,00,000	315.00
3.	Kamala Bai	10,00,000	10,00,000	105.00

ii) Conversion of Equity Warrants to Equity Shares :

S. No.	Name of the Allottee	No of Share Warrants (Nos.)	Amount Collected (Rs. in Lakhs)
1.	Gajwel Developers Pvt Ltd	30,00,000	945.00
2.	Kompella Viswanath	10,00,000	315.00

- xi. (a) According to the information and explanations given to us, No fraud by the company or on the company has been noticed or reported during the year.
- (b) During the year, no Report has been filed in form ADT-4 with the Central Government as prescribed under Sub section (12) of Section 143 of the companies Act, 2013
- (c) According to the information and explanations given to us, The Company has not received any Whistle-blower complaints during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.
- xiv. (a) In our opinion the company has an adequate internal audit system which commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were duly considered by us in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 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) There is no Core Investment Company as part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors' and management's 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. In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified under sec 135 of Companies Act 2013.
- xxi. In our opinion and according to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements.

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

M V Joshi
Partner

Place: Hyderabad
Date: 03.05.2024.

M.No:024784
UDIN: 24024784BKAUEY6191

“Annexure B”

Annexure to Independent Auditors’ Report of even date on The Standalone Ind As Financial Statements of Virinchi Limited

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

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

We have audited the internal financial controls over financial reporting of VIRINCHI LIMITED (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial

reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Hyderabad
Date: 03.05.2024

M V Joshi
Partner
M.No:024784
UDIN: 24024784BKAUEY6191

Standalone Balance Sheet as at March 31,

(Rs. in Lakhs)

Particulars	Note No	2024	2023
ASSETS			
1) NON CURRENT ASSETS			
Property, Plant and Equipment	1	11,266.40	5,468.37
Right of Use Asset	1	2,040.84	2,246.67
Capital Work-In-Progress	1	1,243.63	1,093.63
Goodwill	1	4,142.16	4,142.16
Other Intangible Assets	1	2,363.84	2,320.14
Financial Assets			
Investments	2	6,755.43	6,755.43
Loans and Advances	3	22,493.54	18,690.75
Other Financial Assets	4	209.46	194.80
Other Non-Current Assets	5	81.10	47.93
Total Non Current Assets		50,596.40	40,959.87
2) CURRENT ASSETS			
Financial Assets			
Trade Receivables	6	3,704.19	3,166.09
Cash and Cash Equivalents	7	1,051.79	1,801.36
Loans and Advances	8	1,571.34	1,390.52
Other Current Assets	9	1,336.19	1,018.84
Total Current Assets		7,663.51	7,376.81
Total Assets		58,259.91	48,336.68
EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	10	9,396.26	8,363.90
Other Equity	11	29,202.77	25,900.61
Total Equity		38,599.03	34,264.51
Liabilities			
(2) Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	6,744.49	3,728.30
Lease Liability	13	3,076.82	3,213.47
Other Non current Liabilities	14	332.51	301.02
Deferred Tax Liabilities (Net)	15	46.95	165.93
Total Non-Current Liabilities		10,200.76	7,408.72
(3) Current Liabilities			
Financial Liabilities			
Borrowings	16	7,491.22	5,006.14
Trade Payables	17	80.89	66.42
Provisions	18	1,888.01	1,590.90
Total Current Liabilities		9,460.12	6,663.46
Total Equity and Liabilities		58,259.91	48,336.68

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Statement of Profit and Loss for the Year ended March 31, (All amounts are in Rupees in Lakhs, except share & per share data, Unless otherwise stated)

Particulars	Note No	2024	2023
Revenue from Operations	19	13,247.67	12,696.65
Other Income	20	1,052.98	981.08
Total Income		14,300.65	13,677.73
Expenses:			
Employee Benefit Expenses	21	5,091.02	4,422.23
Depreciation	1	1,299.91	1,603.79
Amortization Expenses		23.63	12.27
Finance costs	22	1,082.11	806.99
Administrative & Other Operating Expenses	23	5,438.84	5,441.64
Total Expenses		12,935.51	12,286.92
Profit Before Tax		1,365.14	1,390.82
Tax expense:			
(a) Current tax		376.03	412.89
(b) Deferred tax		-118.98	-265.05
Profit for the period		1,108.09	1,242.97
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income		1,108.09	1,242.97
Earning Per Equity Share (Par value of Rs.10 Each)			
(1) Basic		1.23	1.51
(2) Diluted		1.17	1.51

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Standalone Cash Flow Statement for the Year Ended March 31

(Rs. in Lakhs)

Particulars	2024	2023
A. Cash Flow from Operating Activities:		
Net Profit before taxation and extraordinary items	1,365.14	1,390.82
Adjustments for:		
Depreciation & Amortization	1,323.54	1,616.05
Finance Cost	1,082.11	806.99
Changes in Deferred Tax Asset/Liability	(118.98)	(265.05)
Operating Profit before Working Capital Changes	3,651.81	3,548.81
Change in Assets & Liabilities		
Trade and Other Financial Assets	(1,084.11)	(1,781.83)
Trade and Other Financial Liabilities	2,828.14	522.87
Cash Generated from Operations	5,395.84	2,289.85
Interest paid on working capital loans	(559.45)	(127.42)
Taxation for the year	(257.05)	(147.84)
Net Cash Generated from Operating Activities	4,579.35	2,014.59
B. Cash Flow from Investing Activities:		
Purchase/(Sale) of Fixed Assets (Net)	(7,109.44)	(54.51)
Payment for Investments	-	(280.00)
Loans & Advances (net)	(3,802.79)	(3,401.59)
Net Cash used in Investing Activities	(10,912.23)	(3,736.10)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	3,226.44	2,426.85
Interest and Finance Cost	(522.67)	(679.57)
Long Term Borrowings	2,879.54	367.35
Net Cash Generated from Financing Activities	5,583.31	2,114.62
Net (decrease)/increase in cash and cash equivalents	(749.58)	393.12
Cash and Cash equivalents as at Beginning of the Year	1,801.36	1,408.25
Cash and Cash equivalents as at End of the Year	1,051.79	1,801.36

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Standalone Statement of Changes in Equity for the year ended 31st March 2024

a. Equity Share Capital

(All amounts in Lakhs, except Share data and where otherwise stated)

Particulars	No. of Shares	Amount
Balance as at 31 March 2023	8,36,38,968	8,363.90
Balance as at 31 March 2024	9,39,62,621	9,396.26

b. Other equity

Particulars	Reserves and Surplus						Total
	Securities Premium	Share Options Outstanding	Money Received against Share warrants	Loss on Slump Sale	Share Application Money Pending Allotment	Retained Earnings	
Balance as of 31 March 2022	9,841.54	509.08	-	-1,194.21	-	13,506.22	22,662.64
Additions for the year	945.00	-	1,050.00	-	-	1,242.97	3,237.97
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax	-	-	-	-	-	-	-
Income-tax effect	-	-	-	-	-	-	-
Less : Leases	-	-	-	-	-	-	-
Balance as of 31 March 2023	10,786.54	509.08	1,050.00	-1,194.21	-	14,749.20	25,900.61
Additions for the year	2,488.46	-	-315.00	-	20.61	1,108.09	3,302.16
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax	-	-	-	-	-	-	-
Income-tax effect	-	-	-	-	-	-	-
Less : Leases	-	-	-	-	-	-	-
Balance as of 31 March 2024	13,275.00	509.08	735.00	-1,194.21	20.61	15,857.29	29,202.77

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2024

1. Corporate Information

Virinchi Limited, India (“Virinchi”) is an IT Products & Services company offering customized solutions to companies across the globe since 1990. Virinchi is a public Limited Incorporated and domiciled in India. The company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Virinchi has developed & retained IP in several software products operating in supply chain management, alternate financial services, however, has had limited success in offering most of the solutions barring the software product for financial services where Virinchi has reached leadership position considering the market share of this niche industry. The Organisation is led by First Generation IIT/IIM Entrepreneurs and operates out of its Corporate Office at Road No.1, Banjara Hills, Hyderabad, India & US Head Quarters at Marlboro, New Jersey.

The Board of Directors approved the Standalone financial statements for the year ended March 31, 2024 and authorized for issue on May 03, 2024

2. Material Accounting Policies

(a) Statement of Compliance

The Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of Preparation

These Standalone Financial statements have been prepared in Indian Rupee (₹) which is the Functional Currency of the Company. All amounts have been reported in Indian Rupees in Lacs, except for share and earnings per share data, unless otherwise stated.

These Standalone financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS), under historical cost convention on accrual basis, except for certain Financial Instruments which are measured at Fair Value or amortised cost at the end of each reporting Period, as explained in the Accounting Policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of twelve months.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

The statement of cash flows has been prepared under indirect method.

(c) Use of Estimates and Judgements:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

- i) Income tax expense comprises current tax expense and the net change in the Deferred Tax Asset or Liability during the year. The major tax jurisdiction for the Company is India. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Standalone Notes and other explanatory information to financial statements for the year ended March 31, 2024

- ii) Current income taxes: The company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.
- iii) Deferred Income taxes: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.
- iv) Useful Life of property, plant and equipment The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(d) Revenue Recognition

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

The Company's revenues are derived from sale of services and recognized as per IND AS 115.

▪ Sale of Services:

Service income is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(e) Cost Recognition

Cost and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised into employee benefit expenses, Depreciation & Amortisation expense, Finance Cost and Administrative & Other operating expenses. Employee benefit expenses include Salaries including bonus, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Administrative and Other Operating expenses include Power & Fuel, Fees to external consultants, facility expenses, travel expenses, etc.

(f) Foreign Currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2024

(g) Financial assets and liabilities

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(h) Cash and Cash Equivalents : Cash and cash equivalents comprise cash at bank and in hand and Deposits.

Cash and Cash Equivalents includes as at 31st Mar 2024 and 31st Mar 2023 restricted cash and bank balances of Rs. 952.36 lakhs and Rs. 930.51 lakhs respectively. These restrictions are primarily on account of bank balance held as marginal money deposit against guarantees.

Bank borrowings for working capital not considered as a part of Cash and Cash Equivalents.

Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

(i) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Standalone Notes and other explanatory information to financial statements for the year ended March 31, 2024

List of Contingent Liabilities are given below:

1. Corporate guarantee extended to wholly owned subsidiary namely M/s. Virinchi Healthcare Pvt Ltd for an amount of Rs. 116.30 crores and the outstanding liability as on 31st March 2024 is amounting to Rs. 63.30 crores.

Disputed Income Tax Liabilities:

S No	Nature	Assessment Year	Amount of Dispute (Rs. In Lakhs)	Amount Deposited (Rs. In Lakhs)	Forum where it is pending
1	Income Tax	2017-18	572.91	40.00	CIT(A)
2	Income Tax	2017-18	268.77	Nil	CIT(A)
3	Income Tax	2019-20	405.03	Nil	CIT(A)
4	Income Tax	2013-14	7.89	Nil	CIT(A)
5	Income Tax	2020-21	450.81	Nil	CIT(A)

(j) Investments in subsidiaries

Investment in subsidiaries are carried at cost.

(k) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Buildings	30
Plant and Machinery	15
Furniture & fixtures, Electrical Equipment	10
Vehicles	10
Office equipment	5
Computers	3

Depreciation is not recorded on capital work-in-progress until construction and or installation is complete and the asset is ready for its intended use.

(l) Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Product Development: Salaries and other cost paid to resources working on new products are capitalized as intangible asset under the head "Product Development". Management has estimated life of this product is about 10 years subject to certain improvements to the same product/source code.

Computer Software: The company amortizes Computer software using the straight-line method over a period of 6 years.

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2024

(m) Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(n) Employee benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

(ii) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, Bonus, Earned Leave etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors

Standalone Notes and other explanatory information to financial statements for the year ended March 31, 2024

(p) Lease:

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Current year effect on Lease Accounting:

- (i) Financial Charges on Lease Rs 197.44 lakhs
- (ii) Amortization cost on Right of Use Asset Rs 205.83 lakhs

Notes to Financial Statements for the year ended March 31, 2024

Note No.1 (1)

The changes in the carrying value of property, plant and equipment are as follows

(Rs. in Lakhs)

Property, Plant and Equipment	Land	Buildings	Plant & Machinery	Electrical Equipment	Office equipment	Computer Hardware	Furniture and Fixtures	Vehicles	Total
Cost									
As at March 31, 2022	1,229.19	4,049.40	301.34	392.81	541.28	4,236.67	2,692.83	613.95	14,057.48
Additions	-	3.02	2.75	3.21	36.41	6.82	65.35	196.25	313.83
Disposals	-	-	-	-	-	-	280.00	-	280.00
As at March 31, 2023	1,229.19	4,052.43	304.10	396.02	577.69	4,243.49	2,478.18	810.21	14,091.30
Additions	5,489.79	256.94	2.82	0.53	2.22	25.94	9.82	547.75	6,335.81
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2024	6,718.98	4,309.36	306.91	396.55	579.91	4,269.44	2,488.00	1,357.95	20,427.12
Depreciation									
As at March 31, 2022	-	1,066.11	173.65	344.10	436.23	3,617.30	1,921.75	370.06	7,929.20
Charge for the period	-	127.80	19.74	7.08	36.65	226.02	229.31	47.14	693.74
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	1,193.92	193.38	351.19	472.87	3,843.32	2,151.06	417.20	8,622.94
Charge for the period	-	129.61	19.00	6.56	35.56	142.47	129.62	74.97	537.78
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	1,323.53	212.38	357.74	508.43	3,985.79	2,280.68	492.17	9,160.72
Net Block									
As at March 31, 2024	6,718.98	2,985.83	94.53	38.81	71.48	283.65	207.32	865.79	11,266.40
As at March 31, 2023	1,229.19	2,858.51	110.71	44.83	104.82	400.17	327.12	393.01	5,468.37

Note No 1(2): Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024:

(Rs. in Lakhs)

Particulars	Category of ROU asset		
	Buildings	Computers	Total
Balance as at March 31, 2022	2,737.32	389.09	3,126.41
Additions	-	-	-
Deletion	-	-	-
Balance as at March 31, 2023	2,737.32	389.09	3,126.41
Additions	-	-	-
Deletion	-	-	-
Balance as at March 31, 2024	2,737.32	389.09	3,126.41
Depreciation as at March 31, 2022	357.04	248.12	605.16
Charge for the period	178.52	96.05	274.57
Depreciation as at March 31, 2023	535.56	344.17	879.73
Charge for the period	178.52	27.31	205.83
Depreciation as at March 31, 2024	714.08	371.49	1,085.57
Net Block as at March 31, 2024	2,023.23	17.61	2,040.84
Net Block as at March 31, 2023	2,201.75	44.92	2,246.67

Notes to Financial Statements for the year ended March 31, 2024

Note No 1 (3): Capital Work in progress

(Rs. in Lakhs)

Particulars	Capital Work in progress
As at March 31, 2022	1,091.63
Additions	2.00
Disposals	-
As at March 31, 2023	1,093.63
Additions	150.00
Disposals	-
As at March 31, 2024	1,243.63
Net Block	
As at March 31, 2024	1,243.63
As at March 31, 2023	1,093.63

Note No 1 (4): Intangible Assets

(Rs. in Lakhs)

Intangible Assets	Brands or trademarks or Goodwill	Computer software	Product Development	Total
Cost				
As at March 31, 2022	4,779.31	2,714.19	6,177.65	13,671.14
Additions	-	6.41	-	6.41
Disposals	-	-	-	-
As at March 31, 2023	4,779.31	2,720.60	6,177.65	13,677.56
Additions	-	-	600.00	600.00
Disposals	-	-	-	-
As at March 31, 2024	4,779.31	2,720.60	6,777.65	14,277.56
Depreciation				
As at March 31, 2022	637.15	2,034.83	3,907.80	6,579.78
Charge for the period	-	275.62	359.86	635.48
Disposals	-	-	-	-
As at March 31, 2023	637.15	2,310.45	4,267.66	7,215.26
Charge for the period	-	214.89	341.41	556.30
Disposals	-	-	-	-
As at March 31, 2024	637.15	2,525.34	4,609.07	7,771.56
Net Block				
As at March 31, 2024	4,142.16	195.26	2,168.58	6,506.00
As at March 31, 2023	4,142.16	410.15	1,909.99	6,462.30

Notes to Financial Statements for the year ended March 31, 2024

Note No: 2 Investments

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
1) Investment in Subsidiaries		
a) Equity Shares - 100% Holding in :		
Ksoft Systems Inc	45.91	45.91
Qfund Technologies Private Limited	1.00	1.00
Virinchi Learning Private Limited	186.00	186.00
Virinchi Media & Entertainment Private Limited	1.00	1.00
Tyohar Foods Private Limited	1.00	1.00
Virinchi Infra & Realty Private Limited	1.00	1.00
Virinchi Health Care Private Limited	5,959.58	5,959.58
Tensor Fields Consultancy Services Private Limited	1.00	1.00
Virinchi Combinatorics & Systems Biology Private Limited	1.00	1.00
V23 Medical Solutions Private Limited	1.00	1.00
Virinchi Capital Private Limited	500.00	500.00
b) Equity Shares - 51% Holding in :		
Asclepius Consulting & Technologies Pvt Ltd .	30.00	30.00
	6,728.49	6,728.49
2) Investment in Mutual funds		
Canara Robeco Mutual Funds	26.94	26.94
Total Investments in Mutual Funds	26.94	26.94
Total	6,755.43	6,755.43

Note No: 3 Loans and Advances

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Advances to Subsidiaries	22,493.54	18,690.75
Total	22,493.54	18,690.75

Note No: 4 Other Financial Assets

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Security Deposits	209.46	194.80
Total	209.46	194.80

Note No: 5 Other Non Current Assets

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unamortised Expenses	81.10	47.93
Total	81.10	47.93

Note No: 6 Trade Receivables

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered Good		
Less than 6 Months	3,246.76	2,680.87
Other Receivables	457.43	485.22
Total	3,704.19	3,166.09

Notes to Financial Statements for the year ended March 31, 2024

Note No: 6 Trade Receivables (Contd.)

Trade Receivables ageing schedule as on March 31, 2024 :

(Rs. in Lakhs)

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	3,246.76	457.43	-	-	-	3,704.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as on March 31, 2023 :

(Rs. in Lakhs)

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables – considered good	2,680.87	485.22	-	-	-	3,166.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note No: 7 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
a) Balance with Banks		
On Current Accounts	85.85	846.63
b) Cash on hand	13.57	24.23
Sub Total	99.43	870.86
Other Bank Balances		
On Deposit Accounts	952.36	930.51
Sub Total	952.36	930.51
Total	1,051.79	1,801.36

Notes to Financial Statements for the year ended March 31, 2024

Note No: 8 Loans and Advances

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered Good		
With Others	1,571.34	1,390.52
Total	1,571.34	1,390.52

Note No: 9 Other Current Assets

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Travel & Other Advances	851.65	577.30
Deferred Financial Charges	70.89	33.57
Advance Tax & TDS Receivable	309.34	253.73
GST	104.32	154.22
Total	1,336.19	1,018.84

Note No: 10 Equity Share Capital

Particulars	Nos.	(Rs. in Lakhs)
Authorised:		
15,00,00,000 Equity Shares of Rs.10/- each. (15,00,00,000 Equity Shares in Previous Year)	15,00,00,000	15,000.00
Issued Subscribed & Paid Up Share Capital:		
Subscribed & Fully Paid Up:		
As at 31st Mar 2022	7,93,20,468	7,932.05
Add: ESOP's Allotted	43,18,500	431.85
Total As at 31st Mar 2023	8,36,38,968	8,363.90
Add: ESOP's Allotted	63,23,653	632.37
Add: Warrants converted to Equity Shares	40,00,000	400.00
Total As at 31st Mar 2024	9,39,62,621	9,396.26

Reconciliation of Shares Outstanding at Beginning and End of the Reporting Year

Equity Shares	March 31, 2024		March 31, 2023	
	No's	Rs. in Lakhs	No's	Rs. in Lakhs
As at Beginning of the Year	8,36,38,968	8,363.90	7,93,20,468	7,932.05
ESOP's Allotted During the Year	63,23,653	632.37	43,18,500	431.85
Warrants Converted to Equity Shares	40,00,000	400.00	-	-
As at End of the Year	9,39,62,621	9,396.26	8,36,38,968	8,363.90

Details of Share Holders Holding More than 5% Shares in the Company

Name of the Share Holder	March 31, 2024		March 31, 2023	
	No's	% of Share Holding	No's	% of Share Holding
Mr. Viswanath Kompella (Promoter)	1,46,68,350	15.61	1,36,68,350	16.34

Notes to Financial Statements for the year ended March 31, 2024

Note No. 11 Other Equity

(Rs. in Lakhs)

Particulars	Securities Premium	Share Options Outstanding	Money Received against Share warrants	Loss on Slump Sale	Share Application Money Pending Allotment	Retained Earnings	Total
As At March 31 ,2022	9,841.54	509.08	-	-1,194.21	-	13,506.22	22,662.64
Changes for the Year	945.00	-	1,050.00	-	-	1,242.97	3,237.97
As At March 31 ,2023	10,786.54	509.08	1,050.00	-1,194.21	-	14,749.20	25,900.61
Changes for the Year	2,488.46	-	-315.00	-	20.61	1,108.09	3,302.16
As At March 31 ,2024	13,275.00	509.08	735.00	-1,194.21	20.61	15,857.29	29,202.77

Note No: 12 Borrowings

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Secured Loans		
Vehicle Loans	502.22	291.46
Term Loans from banks	7,633.92	4,164.00
Term Loans from Institutions Other than banks	237.19	468.63
Less: Current Maturities	1,628.85	1,195.79
Total	6,744.49	3,728.30

Note No: 13 Lease Liability

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Buildings, Computers & Software	3,076.82	3,213.47
Total	3,076.82	3,213.47

Note No: 14 Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	Mar 31, 2024	Mar 31, 2023
Gratuity	332.51	301.02
Total	332.51	301.02

Note No: 15 Deferred Tax Liability (Net)

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Deferred tax Liability	165.93	430.97
Add: Deferred Tax for the year	-118.98	-265.05
Total	46.95	165.93

Note No : 16 Borrowings

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Secured Loans		
a) From Banks	1,881.23	1,734.36
b) Current maturities of Non current borrowings :		
i) from Banks	1,451.66	970.38
ii) from Institutions other than Banks	177.18	225.40
Unsecured Loans		
a) Loans from subsidiaries	2,398.74	2,076.00
b) Others	1,582.40	-
Total	7,491.22	5,006.14

Notes to Financial Statements for the year ended March 31, 2024

Note No: 17 Trade Payables

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured		
Trade Payables		
Outstanding dues of Micro, Small and Medium enterprises	-	-
Outstanding dues of creditors other than Micro, Small and Medium enterprises	80.89	66.42
Total	80.89	66.42

Trade payables ageing schedule for the year ended as on March 31, 2024 :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	80.89	-	-	-	80.89
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Trade payables ageing schedule for the year ended as on March 31, 2023 :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	66.42	-	-	-	66.42
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Note No: 18 Provisions

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
a) Employee Benefits	317.38	523.02
b) Taxes	1,568.35	1,067.87
c) Audit Fee	2.29	-
Total	1,888.01	1,590.90

Note No: 19 Revenue From Operations

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Revenue from Operations	12,768.88	12,272.32
(b) Other Operating Revenues	478.79	424.33
Total	13,247.67	12,696.65

Note No: 20 Other Income

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Interest Income	1,052.91	757.45
(b) Other Non-Operating Income (Incl. Forex gain)	0.07	223.63
Total	1,052.98	981.08

Notes to Financial Statements for the year ended March 31, 2024

Note No: 21 Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Salaries & Wages	4,811.52	4,123.55
(b) Contribution to Provident & Other Funds	193.77	172.63
(c) Staff Welfare Expenses	85.73	126.05
Total	5,091.02	4,422.23

Note No: 22 Finance Costs

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Interest Expenses :		
- Interest on Term Loans and Working Capital Loans	827.08	583.75
- Interest on Vehicle Loans	35.36	23.13
- Finance Charge on Lease Liability	197.44	200.11
(b) Applicable net gain/loss on foreign currency translations	22.24	-
Total	1,082.11	806.99

Note No: 23 Administrative and Other Expenses

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Power & Fuel	219.84	199.95
(b) Rent	49.66	50.90
(c) Repairs & Maintenance	62.25	66.76
(d) Insurance	94.21	157.63
(e) Telephone, Postage and Others	128.82	94.62
(f) Business Promotion Expenses	216.97	291.80
(g) Office Maintenance	233.03	166.11
(h) Travelling and Visa Expenses	73.55	80.74
(i) Consultancy Charges and Subcontracting Expenses	4,027.12	4,006.99
(j) Other Administrative Expenses	216.28	142.10
(k) Rates & Taxes	75.34	115.07
(l) Bank Charges	30.14	62.21
(m) Audit Fees	11.64	6.76
Total	5,438.84	5,441.64

Note No: 24

Details of Primary and Collateral Securities (For Liabilities referred in Note No.12 & 16)

Hypothecation of Plant & Machinery, Equipment, Commercial Property and Company promoter's personal guarantee.

Hypothecation of Movable Assets:

- M/s. Canara Bank, Spl. Mid Corporate Branch, Hyderabad, having 1st charge on all movable assets such as Plant & Machinery, Electrical & Office Equipment, Computers and Furniture of the company on Foreign Currency Term Loan (FCLR) availed with them.
- Hypothecation of Receivables.

Collateral Security:

- EMT on 875 sq yards open land at Road.No.1 Banjara Hills, Hyderabad-500034 in the name of Virinchi Limited given to M/s. ICICI Bank Ltd
- EMT of Land of extent Ac 2.0 and Building 46,590 Sq yards situated at Sy No. 15/A, 15B and 15/C, Suraram, Jeedemetla Industrial Area, Quthubullapur, in the name of the M/s. Virinchi Limited given to ICICI Bank Ltd.

Notes to Financial Statements for the year ended March 31, 2024

- EMT on 649 sq yards at Plot No 37, Nandagiri Hills, Shaikpet Village, Jubilee Hills, Hyderabad-500033 in the name of promoter M/s. Madhivilatha Kompella given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited.
- EMT of Land & Building admeasuring 3 acres 36 Guntas situated at Sy.No. 121 Pothaipally Village, Shameerpet Mandal, RR District, Telangana in the name Virinchi Limited given to M/s. Canara Bank, Spl. Mid Corporate Branch, Hyderabad.
- EMT of factory land measuring 1 acre 36.5 guntas at Survey No.441, Hakimpet Village, in Shamirpet Mandal, R R Dist, Telangana in the name of Virinchi Limited given to M/s. Canara Bank, Spl. Mid Corporate Branch, Hyderabad.
- EMT on property located at Flat No.608, Lingapur Plaza, Himayathnagar owned by Mr.Viswanath Kompella given to M/s. Canara Bank, Spl. Mid Corporate Branch, Hyderabad.

Personal Guarantee: Mr. Viswanath Kompella, Promoter of the company.

Note No: 25

(Rs. in Lakhs)

Particulars	Current year	Previous Year
Auditors Fee	4.72	4.72

Note No: 26

The Company has identified Business Segments which comprise Development of Computer Software and Services and IT Enabled Services.

Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

(Rs. in Lakhs)

S.No	Particulars	Year Ended	
		31.03.2024	31.03.2023
I	Segment Revenue		
	SAAS Business	12,768.88	12,272.32
	IT Enabled Services	478.79	424.33
	Net sales/income from Operations	13,247.67	12,696.65
II	Segment Result		
	SAAS Business	1,346.39	1,182.78
	IT Enabled Services	47.88	33.95
	Total	1,394.27	1,216.73
	Interest Expenditure	(1,082.11)	(806.99)
	Other un-allocable Income net of un-allocable Expenditure	1,052.98	981.08
	Total Profit Before Tax	1,365.14	1,390.82

Notes to Financial Statements for the year ended March 31, 2024

Note No: 27: Investments

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable. Provision for diminution in the value of investments is not created as it is not a permanent decline.

Details of Investments in Subsidiaries – for Investments referred in Note No. 2 as follows :

- Wholly Owned Subsidiaries : (Rs. in Lakhs)

S No.	Name of the Subsidiary	No. of Shares	Face value	Share capital	Share Premium	Total Amount
1	Ksoft Systems Inc	1,00,100	\$ 1	45.91	-	45.91
2	Q fund Technologies Pvt Ltd	10,000	₹10	1.00	-	1.00
3	Virinchi Learning Pvt Ltd	1,95,000	₹10	19.50	166.5	186.00
4	Virinchi Media & Entertainment Pvt Ltd	10,000	₹10	1.00	-	1.00
5	Tyohar Foods Pvt Ltd	10,000	₹10	1.00	-	1.00
6	Virinchi Infra & Realty Pvt Ltd	10,000	₹10	1.00	-	1.00
7	Virinchi Health Care Pvt Ltd	54,35,978	₹10	543.6	5415.98	5959.58
8	Tensor Fields Consultancy Services Pvt Ltd	10,000	₹10	1.00	-	1.00
9	Virinchi Combinatorics & Systems Biology Pvt Ltd	10,000	₹10	1.00	-	1.00
10	Virinchi Capital Pvt Ltd	50,00,000	₹10	500.00	-	500.00
11	V23 Medical solutions Pvt Ltd	10,000	₹10	1.00	-	1.00

- Other Subsidiaries – Controlling interest (51%) (Rs. in Lakhs)

S No.	Name of the Subsidiary	No. of Shares	Face value	Share capital	Share Premium	Total Amount
1	Asclepius Consulting & Technologies Private Limited	3,00,000	₹10	30.00	-	30.00

Note No: 28 Earning per Share

The earnings considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Profit available for the equity share holders	1,108.09	1,242.97
Weighted average number of shares for Basic EPS	89,856,677	8,23,47,798
Weighted average number of shares for Diluted EPS	95,007,444	8,23,47,798
Basic	1.23	1.51
Diluted	1.17	1.51

Notes to Financial Statements for the year ended March 31, 2024

Note No: 29

Foreign Currency Outflow during the year of Rs. Nil. Previous Year Rs. Nil

Note No: 30

Foreign Currency Inflow during the year is Rs. 5847.11 Lakhs (Previous Year – Rs. 8019.12 Lakhs)

Note No: 31 Related Party Transaction.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

Related Party Disclosures

The following are the list of related parties:

a) Subsidiary Companies:

1. Qfund Technologies Private Limited
2. KSoft Systems Inc
3. Virinchi Media & Entertainment Private Limited
4. Virinchi Learning Private Limited
5. Tyohar Foods Private Limited
6. Virinchi Infra & Realty Private Limited
7. Virinchi Health Care Private Limited
8. Tensor Fields Consultancy Services Private Limited
9. Virinchi Combinatorics & Systems Biology Private Limited
10. V23 Medical solutions Private Limited.
11. Virinchi Capital Private Limited.
12. Asclepius Consulting & Technologies Private Limited – (controlling interest)

b) Directors:

1. M.V. Srinivasa Rao
2. Sunder Kanaparthu
3. Sri Kalyan Kompella
4. Kunda Kalpana
5. Suresh Juthuga
6. Satyanarayana Vedula

c) Key Management Personnel:

S.No.	Name	Designation
1	M.V. Srinivasa Rao	CFO & Whole Time Director
2	V. Satyanarayana	Vice Chairman & Executive Director
3	K. Ravindranath Tagore	Company Secretary

Notes to Financial Statements for the year ended March 31, 2024

Note No: 31 Related Party Transaction. (Contd.)

d) Other Related Party:

1. Vivo Bio Tech Limited – common promoters

The following are the Related Party Transactions:

(Rs. in Lakhs)

Name of the related Party	Nature of transaction	Current Year	Previous Year
M V Srinivasa Rao	Remuneration	57.61	49.33
V Satyanarayana	Remuneration	71.61	71.61
K. Ravindranath Tagore	Remuneration	35.61	35.61
Viswanath Kompella	Remuneration	337.78	284.00
K Soft Systems Inc	Consultancy charges received	3,696.20	3,404.62
Tensor Fields Consultancy Services Pvt Ltd	Interest Income	9.12	10.29
Asclepius Consulting & Technologies Pvt Ltd	Interest Income	45.79	42.91
Virinchi Health Care Pvt Ltd	Interest Income	851.01	573.52
Virinchi Media & Entertainment Pvt Ltd	Interest Income	14.60	13.66
Tyohar Foods Pvt Ltd	Interest Income	8.40	7.64
Virinchi Combinatorics & System Biology Pvt Ltd	Interest Income	0.65	0.22
Virinchi Learning Pvt Ltd	Interest Income	10.50	5.07
Qfund Technologies Pvt Ltd	Interest Income	50.20	46.05
Virinchi Capital Pvt Ltd	Manpower services provided	18.57	16.80
V23 Medical Solution Pvt Ltd	Interest Income	0.40	0.37
Virinchi Capital Pvt Ltd	Sale of Software Product	885.00	-

Details of Loans and Advances given to Related Parties:

(Rs. in Lakhs)

S. No.	Name of the Related Party	Relationship	Amount
1	Asclepius Consulting & Technologies Pvt Ltd	Subsidiary- Controlling Interest	695.50
2	Virinchi Media & Entertainment Pvt Ltd	Wholly owned Subsidiary	221.77
3	Tyohar Foods Pvt Ltd	Wholly owned Subsidiary	128.60
4	Virinchi Health Care Pvt Ltd	Wholly owned Subsidiary	20,181.64
5	Tensor Fields Consultancy Services Pvt Ltd	Wholly owned Subsidiary	328.02
6	Virinchi Learning Pvt Ltd	Wholly owned Subsidiary	159.46
7	Virinchi Combinatorics & Systems Biology Pvt Ltd	Wholly owned Subsidiary	9.94
8	V23 Medical solutions Pvt Ltd.	Wholly owned Subsidiary	6.14
9	Q Fund Technologies Pvt Ltd	Wholly owned Subsidiary	762.45

Details of Loans and Advances received from Related Parties:

- Short Term Borrowings 31/03/2024:

(Rs. in Lakhs)

S. No.	Name of the Related Party	Relationship	Amount
1	Virinchi Infra & Reality Pvt Ltd	100%Subsidiary	9.74
2	Virinchi Capital Pvt Ltd	100%Subsidiary	87.72
3	Vivo Bio Tech Limited	Common Promoter	1,582.40
4	Ksoft systems Inc	100%Subsidiary	2,301.29

Notes to Financial Statements for the year ended March 31, 2024

Note No: 31 Related Party Transaction. (Contd.)

Details of Trade Receivables from Related Parties amount outstanding as on 31/03/2024: (Rs. in Lakhs)

S. No.	Name of the Related Party	Relationship	Amount
1	Virinchi Capital Private Limited	100%Subsidiary	839.71

Note No: 32 Warrants to Promoters

- i) Company has allotted preferential allotment of convertible equity Warrants @ Rs 42/- per warrant and Received 25% of Rs. 42/-

S. No.	Name of the Allottee	Total share warrants allotted	No of Share Warrants Outstanding as on 31/03/2024 (Nos.)	Amount Collected for o/s warrants pending conversion (Rs. in Lakhs)
1.	Gajwel Developers Pvt Ltd	60,00,000	30,00,000	315.00
2.	Kompella Viswanath	40,00,000	30,00,000	315.00
3.	Kamala Bai	10,00,000	10,00,000	105.00

- ii) Conversion of Equity Warrants to Equity Shares :

S. No.	Name of the Allottee	No of Share Warrants (Nos.)	Amount Collected (Rs. in Lakhs)
1.	Gajwel Developers Pvt Ltd	30,00,000	945.00
2.	Kompella Viswanath	10,00,000	315.00

Note No: 33

Reconciliation of ESOP Schemes

Sl. No	Description	Year ended March 31, 2024		
		VESOS. 2016	VESOS. 2018	VESOS. 2022
1	No of Options for which In-principle approval received from exchanges	50,00,000	30,00,000	1,00,00,000
2	No of shares allotted Till 31 st March, 2024	47,87,314	29,50,000	57,12,653
	Balance Available	2,12,686	50,000	42,87,347

Note No: 34 Amount spent on CSR activities

As per the Section 135(5) of the Companies Act, 2013, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial Year 2023-24, the amount to be spent towards CSR activities works out to Rs.22.67 Lacs and the Company had spent Rs.32.10 Lacs towards the CSR activities in the financial year 2023-24.

Note No: 35 Additional Regulatory information

- The Company is in possession of immovable property and Title Deeds are held in the Name of the company.
- The Company has not revalued any of its Property, Plant and Equipment during the year.
- The Company has not granted any loans or advances in the nature of loans to directors, KMPs
- There are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

Notes to Financial Statements for the year ended March 31, 2024

Note No: 36 Details of contingent Liabilities

S.No.	Nature	Assessment Year	Amount of Dispute (Rs. in Lakhs)	Amount Deposited (Rs. in Lakhs)	Forum where it is pending
1.	Income Tax	2017-18	572.91	40.00	CIT(A)
2.	Income Tax	2017-18	268.77	Nil	CIT(A)
3.	Income Tax	2019-20	405.03	Nil	CIT(A)
4.	Income Tax	2013-14	7.89	Nil	CIT(A)
5.	Income Tax	2020-21	450.81	Nil	CIT(A)
6.	Income tax TDS	2019-20	38.21	Nil	CIT(TDS)
7.	Income tax TDS	2021-22	31.25	Nil	CIT(TDS)

The above pending litigations will not effect the financial position of the company.

Note No: 37

The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

Note No: 38

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

Note No: 39

There are no significant events that occurred after the balance sheet date.

Note No: 40

The Company has not declared any dividend during the year.

Note No: 41

In the opinion of the management, the assets as shown in the financial Statements, have a value on realization in the ordinary course of business of at least equal to the amount at which they are stated in the balance sheet.

Note No: 42 Ratios

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	0.81	1.11	26.83
Debt-Equity ratio (in times)	Debt consists of Total borrowings and lease liabilities*	Total Equity	0.45	0.35	28.63
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*	1.46	1.80	19.29
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	3.04	3.83	20.64
Inventory Turnover Ratio(in times)	Cost of goods sold OR sales	Average Inventory	NA	NA	NA

Notes to Financial Statements for the year ended March 31, 2024

Note No: 42 Ratios (Contd.)

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.86	4.70	17.94
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	54.68	61.56	11.18
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	-7.37	17.80	141.43
Net profit ratio (in %)	Profit for the year	Revenue from operations	8.36	9.79	14.56
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net Worth + Net Working Capital	6.65	6.28	5.83
Return on investment (in %) –Unquoted	Income generated from invested funds	Average invested funds in treasury investments	NA	NA	NA

Note No: 43

Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.

Note No: 44

Previous figures have been regrouped wherever necessary and the figures have been rounded off to the nearest Lakhs.

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
VIRINCHI LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of VIRINCHI LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the Material accounting policies and other explanatory information (herein after referred to as "the consolidated Ind AS financial statements").

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

Basis for Opinion

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

for our audit opinion on the Consolidated Ind AS financial statements.

Information Other than the Consolidated Ind AS financial statements and Auditor's Report Thereon:

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matter Paragraph:

We did not audit the financial statements / financial information of 1 subsidiary included in the consolidated Ind AS financial Statements, whose Financial Statements / Financial information after inter Company eliminations reflect Group's share of total assets of Rs. 3,906.59 lakhs as at 31st March 2024, Group's share of total revenue of Rs. 227.16 Lakhs and Group's share of total net profit/ (loss) after tax of Rs.76.12 Lakhs and Total comprehensive income of Rs. 76.12 Lakhs for the period from 01-04-2023 to 31-03-2024 respectively, as considered in the consolidated Ind AS financial statements, in respect of the subsidiaries whose financial statements / financial information have not been audited by us. This financial statements / financial information have been audited by other auditors whose report have furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors of the company and its subsidiaries, none of the

directors of the group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditor's reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have pending litigations as at March 31st, 2024 which would have impact on its consolidated financial position of the group.
 - ii. The group does not have any long term contracts, including derivate contracts and did not have any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or group companies from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or group companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The company or group companies has not declared or paid any dividend during the year.
- viii. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

M V Joshi
Partner

M.No: 024784
UDIN: 24024784BKAUEZ2035

Place: Hyderabad
Date: 03.05.2024.

“Annexure A”

Annexure to Independent Auditors’ Report of even date on the Consolidated Ind As Financial Statements of Virinchi Limited

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

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 (‘The Act’)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of VIRINCHI LIMITED (herein after referred to as “Company”) and its subsidiary companies, which is incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Hyderabad
Date: 03.05.2024.

M V Joshi
Partner
M.No: 024784
UDIN: 24024784BKAUEZ2035

Consolidated Balance Sheet as at March 31,

(Rs. in Lakhs)

Particulars	Note No	2024	2023
ASSETS			
1) NON CURRENT ASSETS			
Property, Plant and Equipment	1	35,790.01	28,181.95
Right of Use Asset	1	9,637.70	10,305.57
Capital Work-In-Progress	1	8,317.75	10,992.75
Goodwill	1	4,142.16	4,142.16
Other Intangible Assets	1	5,144.11	3,371.45
Financial Assets			
Investments	2	307.31	244.18
Other Financial Assets	3	477.17	498.90
Other Non-Current Assets	4	361.47	322.47
Total Non Current Assets		64,177.68	58,059.42
2) CURRENT ASSETS			
Inventories	5	688.76	870.78
Financial Assets			
Trade Receivables	6	7,404.33	6,618.10
Cash and Cash Equivalents	7	2,002.53	3,070.83
Loans and ICD's	8	7,705.98	7,426.24
Other Current Assets	9	3,111.98	2,618.10
Total Current Assets		20,913.58	20,604.05
Total Assets		85,091.25	78,663.47
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	9,396.26	8,363.90
Other Equity	11	36,097.38	32,440.32
Non Controlling Interest		-113.29	-90.51
Total Equity		45,380.36	40,713.71
(1) Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	10,749.52	12,038.24
Lease Liability		13,028.13	12,321.63
Other Non Current Liabilities	13	579.89	527.09
Deferred Tax Liabilities (Net)	14	1,629.79	1,694.47
Total Non Current Liabilities		25,987.34	26,581.43
(2) Current Liabilities			
Financial Liabilities			
Borrowings	15	9,208.29	7,333.27
Trade Payables	16	703.30	507.79
Provisions	17	3,811.97	3,527.28
Total Current Liabilities		13,723.56	11,368.33
Total Equity and Liabilities		85,091.25	78,663.47

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Statement of Profit and Loss for the Year ended March 31, (All amounts are in Rupees in Lakhs, except share & per share data, Unless otherwise stated)

Particulars	Note No	2024	2023
Revenue from Operations	18	30,002.63	31,193.51
Other Income	19	480.58	363.87
Total Income		30,483.21	31,557.38
Expenses:			
Purchase of stock in trade	20	1,233.26	1,416.26
Changes in Inventory		182.02	555.79
Employee Benefit Expenses	21	9,975.61	9,875.60
Depreciation	1	5,329.05	5,594.26
Amortization		24.65	13.10
Finance costs	22	4,290.13	3,309.46
Administrative and Other Operating Expenses	23	7,704.50	8,723.73
Total Expenses		28,739.24	29,488.19
Profit Before Tax		1,743.97	2,069.19
Tax expense:			
(a) Current tax		461.09	703.47
(b) Deferred tax		-64.67	94.13
Profit for the period from continuing operations		1,347.56	1,271.58
Non Controlling Interest		-22.78	-13.32
Profit/(Loss) for the period		1,370.33	1,284.90
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income		1,370.33	1,284.90
Earning Per Equity Share: (par value of Rs.10/- each)			
(1) Basic		1.53	1.56
(2) Diluted		1.44	1.56

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

M.V. Joshi
Partner
M. No. 024784

Place : Hyderabad
Date: 03/05/2024

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

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

K.Ravindranath Tagore
Company Secretary
M.No.A18894

V. Satyanarayana
Whole Time Director
DIN: 09070986

Consolidated Cash Flow Statement for the Year Ended March 31

(Rs. in Lakhs)

Particulars	2024	2023
A. Cash Flow from Operating Activities:		
Net Profit before taxation and extraordinary items	1,743.97	2,069.19
Adjustments for:		
Depreciation	5,329.05	5,594.26
Amortised Expenses	24.65	13.10
Interest and Finance Cost	4,290.13	3,309.46
Operating Profit before Working Capital Changes	11,387.81	10,986.00
Changes in Assets & Liabilities		
Trade and Other Financial Assets Including Inventory	-1,395.09	-835.54
Trade and Other Financial liabilities	3,049.84	3,734.14
Cash Generated from Operations	13,042.56	13,884.60
Interest paid on working capital loans	-393.45	-346.16
Taxation for the year	-396.42	-797.60
Net Cash Generated from Operating Activities	12,252.70	12,740.84
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	-11,391.56	-13,643.19
Payment for Investment	-63.13	-55.50
Net Cash used in Investing Activities	-11,454.69	-13,698.69
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	3,319.10	2,385.58
Interest and Finance Cost	-3,896.69	-2,963.30
Net Proceeds from Long Term Borrowings	-1,288.72	946.36
Net Cash Generated from/ (used in) Financing Activities	-1,866.31	368.65
Net increase/ (decrease) in cash and cash equivalents	-1,068.30	-589.21
Cash and Cash equivalents as at Beginning of the Year	3,070.83	3,660.04
Cash and Cash equivalents as at End of the Year	2,002.53	3,070.83

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Standalone Statement of Changes in Equity for the year ended 31st March 2024

a. Equity Share Capital

(All amounts in Lakhs, except Share data and where otherwise stated)

Particulars	No. of Shares	Amount
Balance as at 31 March 2023	8,36,38,968	8,363.90
Balance as at 31 March 2024	9,39,62,621	9,396.26

b. Other equity

Particulars	Reserves and Surplus								
	Securities Premium	Share Options Outstanding	Share Application Money Pending allotment	Money Received against share warrants	Capital Reserves & Others	Foreign Exchange Transaction Reserve	Accumulated losses of Non Controlling Interest	Retained Earnings	Total
Balance as of 31 March 2022	9,841.54	509.08	-	-	-5,371.95	672.76	110.72	23,435.94	29,198.09
Additions for the year	945.00	-	-	1,050.00	-	-37.67	13.32	1,271.58	3,242.23
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax	-	-	-	-	-	-	-	-	-
Income-tax effect	-	-	-	-	-	-	-	-	-
Less : Leases	-	-	-	-	-	-	-	-	-
Balance as of 31 March 2023	10,786.54	509.08	-	1,050.00	-5,371.95	635.08	124.04	24,707.52	32,440.32
Additions for the year	2,488.46	-	20.61	-315.00	-	92.66	22.78	1,347.56	3,657.06
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax	-	-	-	-	-	-	-	-	-
Income-tax effect	-	-	-	-	-	-	-	-	-
Less : Leases	-	-	-	-	-	-	-	-	-
Balance as of 31 March 2024	13,275.00	509.08	20.61	735.00	-5,371.95	727.74	146.81	26,055.08	36,097.38

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi
Partner
M. No. 024784

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

V. Satyanarayana
Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore
Company Secretary
M.No.A18894

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2024

1. Corporate Information

Virinchi Limited, India (“Virinchi”) is an IT Products & Services company offering customized solutions to companies across the globe since 1990. Virinchi is a public Limited Incorporated and domiciled in India. The Holding company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Virinchi has developed & retained IP in several software products operating in supply chain management, alternate financial services, however, has had limited success in offering most of the solutions barring the software product for financial services where Virinchi has reached leadership position considering the market share of this niche industry. The Organisation is led by First Generation IIT/IIM Entrepreneurs and operates out of its Corporate Office at Road No.1, Banjara Hills, Hyderabad, India & US Head Quarters at Marlboro, New Jersey.

Virinchi together with subsidiaries and controlled companies is hereinafter referred to as “The Group”.

Virinchi Healthcare Pvt Ltd and Ksoft Systems Inc are the material subsidiaries of Virinchi Limited and providing world class Health care services/Facilities and software development & services respectively.

The Group has presence in Learning, Media& Entertainment, Financial Services, Food Industry, Data science and Analysis, Reality and Infrastructure etc.

2. Material Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Company information

The consolidated financial statements of the Company includes subsidiaries listed in the table below:

Name of investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31/Mar/24	31/Mar/23
Ksoft Systems Inc	Software Development and Consulting	USA	100	100
Q fund Technologies Pvt. Ltd.	Software Development and Consulting	India	100	100
Virinchi Learning Private Ltd	Educational Services (e-governance project)	India	100	100
Virinchi Media & Entertainment Pvt. Ltd	Media and Entertainment	India	100	100
Tyohar Foods Pvt. Ltd	Catering Services	India	100	100
Virinchi Infra & Reality Pvt. Ltd	Infrastructure	India	100	100
Virinchi Health Care Pvt. Ltd	Healthcare Services	India	100	100
Tensor Fields Consultancy Services Pvt. Ltd	Financial consulting Services	India	100	100
Virinchi Combinatorics & Systems Biology Pvt. Ltd	Date science and Analysis	India	100	100
V23 Medical Solutions Pvt. Ltd.	Pharmacy supply chain	India	100	100
Virinchi Capital Pvt. Ltd.	Fintech	India	100	100
Asclepius Consulting & Technologies Pvt Ltd	Software Development and Consulting	India	51	51

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2024

(c) Basis of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Company. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Company combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-Company assets, liabilities, income, expenses and unrealised profits/losses on intra Company transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

(d) Basis of Preparation

These Financial statements have been prepared in Indian Rupee (₹) which is the Functional Currency of the Group.

These financial statements have been prepared on a historical cost basis, except for certain Financial Instruments which are measured at Fair Value or amortised cost at the end of each reporting Period, as explained in the Accounting Policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

The statement of cash flows has been prepared under indirect method.

(e) use of estimates and judgements:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2024

- i) Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.
- ii) Current income taxes: The Group recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.
- iii) Deferred Income taxes: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.
- iv) Useful Life of property, plant and equipment The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(f) Revenue Recognition

The Group applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company/group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

The Group revenues are derived from sale of services and recognized as per IND AS 115.

▪ Sale of Services

Service income is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

▪ Sale of goods

Revenue from sale of goods is recognized where control is transferred to the Company's customers at the time of shipment to or receipt of goods by the customers. There was no change in the point of recognition of revenue upon adoption of Ind AS 115.

▪ Revenue from Healthcare Services:

Revenue from patients is recognized when the company satisfies performance obligation by transferring promised goods and services to patients. Revenue is measured based on the transaction price which is the fair value of the consideration received /receivable net of discount/concession and GST. The Income

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2024

by way of doctor's Consultancy fees and the consequent liability towards Doctor's Consultation charges are considered as accrued as and when the amounts are finalized and certainty of recovery from patients is established.

Revenue from dietary/pharmacy sales and other associates services are recognized at the point when the goods are sold or services are rendered.

(g) Cost Recognition

Cost and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation expense, Finance Cost and Administrative and other Operating expenses. Employee benefit expenses include Salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Administrative and Other Operating expenses include Power & Fuel, Fees to external consultants, facility expenses, travel expenses, etc.

(h) Foreign Currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(i) Financial assets and liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand. Deposits with banks subsequently measured at amortized cost through Profit & Loss Account.

Cash and Cash Equivalents includes as at 31st Mar 2024 and 31st Mar 2023 restricted cash and bank balances of Rs. Crores and Rs.16.62 crores and Rs. 19.38 crores respectively. These restrictions are primarily on account of bank balance held as marginal money deposit against guarantees

Bank borrowings for working capital not considered as a part of Cash and Cash Equivalents.

Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2024

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

(j) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

List of Contingent Liabilities are given below:

1. Corporate guarantee extended by Holding company to its wholly owned subsidiary viz., M/s. Virinchi Healthcare Pvt Ltd for an amount of Rs. 88.38 crores and the outstanding liability as on 31st March 2023 is amounting to Rs. 66.99 crores.

Disputed Income Tax Liabilities:

S No	Nature	Assessment Year	Amount of Dispute (Rs. In Lakhs)	Amount Deposited (Rs. In Lakhs)	Forum where it is pending
1	Income Tax	2017-18	572.91	40.00	CIT(A)
2	Income Tax	2017-18	268.77	Nil	CIT(A)
3	Income Tax	2019-20	405.03	Nil	CIT(A)
4	Income Tax	2013-14	7.89	Nil	CIT(A)
5	Income Tax	2020-21	450.81	Nil	CIT(A)

(k) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Buildings	30
Plant and Machinery	15
Furniture & fixtures, Electrical Equipment	10
Vehicles	10
Office equipment	5
Computers	3

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2024

(l) Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Product Development: Salaries and other cost paid to resources working on new products are capitalized as intangible asset under the head "Product Development". Management has estimated life of this product is about 10 years subject to certain improvements to the same product/source code.

Computer Software: The group amortizes Computer software using the straight-line method over a period of 6 years.

(m) Impairment

(i) Financial assets (other than at fair value)

The group assesses at each date of balance sheet whether a financial asset or a group of financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(n) Employee benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

(ii) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, Bonus, Earned Leave etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2024

potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(p) Lease:

At inception of the contract, the Group determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Current year effect on Lease Accounting:

- (i) Financial Charges on Lease Rs 2,016.84 lakhs
- (ii) Amortization cost on Right of Use Asset Rs 768.51 lakhs

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No.1 (1)

The changes in the carrying value of property, plant and equipment are as follows

(Rs. in Lakhs)

Property, Plant and Equipment	Land	Buildings	Plant & Machinery	Electrical Equipment	Office equipment	Computer Hardware	Furniture and Fixtures	Vehicles	Medical Equipment	Total
Cost										
As at March 31, 2022	1,229.19	13,707.33	800.03	1,807.12	824.58	12,438.94	4,823.91	963.31	14,580.19	51,174.58
Additions	-	133.42	2.75	7.90	37.32	1,110.17	345.35	196.25	81.80	1,914.96
Disposals	-	-	-	-	-	-	280.00	-	-	280.00
As at March 31, 2023	1,229.19	13,840.75	802.78	1,815.01	861.89	13,549.11	4,889.26	1,159.56	14,661.99	52,809.54
Additions	5,489.79	3,537.56	2.82	0.53	2.81	2,115.15	9.82	780.92	116.74	12,056.14
Disposals	-	555.41	-	-	-	-	-	-	-	555.41
As at March 31, 2024	6,718.98	16,822.90	805.60	1,815.55	864.70	15,664.26	4,899.08	1940.48	14,778.72	64,310.28
Depreciation										
As at March 31, 2022	-	2,831.26	394.40	925.51	609.52	6,928.55	2,854.76	631.57	5,585.59	20,761.16
Charge for the period	-	454.71	60.03	117.20	62.47	1,477.05	393.13	83.84	1,218.01	3,866.43
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	3,285.97	454.43	1,042.71	671.99	8,405.60	3,247.89	715.41	6,803.60	24,627.60
Charge for the period	-	462.38	49.63	117.13	61.39	1,847.72	291.46	111.53	1,227.25	4,168.49
Disposals	-	275.83	-	-	-	-	-	-	-	275.83
As at March 31, 2024	-	3,472.53	504.06	1,159.83	733.38	10,253.33	3,539.35	826.94	8,030.85	28,520.26
Net Block										
As at March 31, 2024	6,718.98	13,350.37	301.54	655.71	131.32	5,410.94	1,359.73	1,113.54	6,747.88	35,790.01
As at March 31, 2023	1,229.19	10,554.78	348.35	772.31	189.90	5,143.50	1,641.38	444.15	7,858.39	28,181.95

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No 1(2): Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024:

(Rs. in Lakhs)

Particulars	Category of ROU asset			
	Buildings	Medical Equipment	Computers	Total
Balance as at March 31, 2022	9,137.10	409.62	374.19	9,920.92
Additions	2,244.57	-	-	2,244.57
Deletion	-	-	-	-
Balance as at March 31, 2023	11,381.67	409.62	374.19	12,165.49
Additions	-	-	-	-
Deletion	-	-	-	-
Balance as at March 31, 2024	11,381.67	409.62	374.19	12,165.49
Depreciation as at March 31, 2022	1,029.93	178.08	120.13	1,328.14
Depreciation	317.45	118.28	96.05	531.78
Depreciation as at March 31, 2023	1,347.37	296.36	216.18	1,859.92
Depreciation	541.76	90.90	35.21	667.87
Depreciation as at March 31, 2024	1,889.13	387.26	251.40	2,527.79
Net block as at March 31, 2024	9,492.54	22.36	122.80	9,637.70
Net block as at March 31, 2023	10,034.30	113.26	158.01	10,305.57

Note No 1 (3): Intangible Assets

(Rs. in Lakhs)

Intangible Assets	Brands or trademarks or Goodwill	Computer software	Product Development	Total
As at March 31, 2022	4,779.31	5,587.69	6,887.94	17,254.94
Additions	-	99.58	-	99.58
Disposals	-	250.15	-	250.15
As at March 31, 2023	4,779.31	5,437.12	6,887.94	17,104.37
Additions	-	885.00	1656.18	2541.18
Disposals	-	-	-	-
As at March 31, 2024	4,779.31	6,322.12	8,544.12	19,645.55
Depreciation				
As at March 31, 2022	637.15	3,387.50	4,370.06	8,394.71
Charge for the period	-	800.63	395.42	1196.05
Disposals	-	-	-	-
As at March 31, 2023	637.15	4,188.13	4,765.48	9,590.77
Charge for the period	-	391.92	376.59	768.51
Disposals	-	-	-	-
As at March 31, 2024	637.15	4,580.06	5,142.07	10,359.28
Net Block				
As at March 31, 2024	4,142.16	1,742.07	3,402.05	9,286.27
As at March 31, 2023	4,142.16	1,248.99	2,122.46	7,513.60

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No 1 (4): Capital Work in Progress

(Rs. in Lakhs)

Particulars	Capital Work in progress
As at March 31, 2022	1,091.63
Additions	9,901.12
Disposals	-
As at March 31, 2023	10,992.75
Additions	325.00
Disposals	3,000.00
As at March 31, 2024	8,317.75
Net Block	
As at March 31, 2024	8,317.75
As at March 31, 2023	10,992.75

Note No: 2 Investments

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
1) Investment in Mutual funds		
Canara Robeco Mutual Funds	26.94	26.94
2) Other Investments	280.37	217.24
Total	307.31	244.18

Note No: 3 Other Financial Assets

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Deposits	477.17	498.90
Total	477.17	498.90

Note No: 4 Other Non Current Assets

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unamortised Expenses	361.47	322.47
Total	361.47	322.47

Note No: 5 Inventories

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Stock in Trade		
Pharmacy and Other Consumables	688.76	870.78
Total	688.76	870.78

Note No: 6 Trade Receivables

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered Good		
Less than 6 Months	5,580.99	4,900.51
Other Receivables	1,823.34	1,717.58
Total	7,404.33	6,618.10

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 6 Trade Receivables (Contd.)

Trade Receivables ageing schedule as on March 31, 2024 :

(Rs. in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5,580.99	1,823.34				7,404.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables – considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Trade Receivables ageing schedule as on March 31, 2023 :

(Rs. in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,900.51	1,717.58				6,618.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables – considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Note No: 7 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
a) Balance with Banks		
On Current Accounts	271.65	1,052.57
b) Cash on hand	69.33	79.93
Sub Total	340.98	1,132.50
Other Bank Balances		
On Deposit Accounts	1,661.56	1,938.33
Sub Total	1,661.56	1,938.33
Total	2,002.53	3,070.83

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 8 Loans and ICD'S

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered Good		
With Others	7,705.98	7,426.24
Total	7,705.98	7,426.24

Note No: 9 Other Current Assets

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Travel and Other Advances	2,102.43	1,721.77
Deferred Financial Charges and Others	135.51	49.25
Advance Tax & TDS Receivable	722.20	661.44
GST	151.84	185.65
Total	3,111.98	2,618.10

Note No:10 Equity Share Capital

Particulars	2023-24	
	Nos.	(Rs. in Lakhs)
Authorised:		
15,00,00,000 Equity Shares of Rs.10/- each. (15,00,00,000 Equity Shares in Previous Year)	15,00,00,000	15,000.00
Issued Subscribed & Paid Up Share Capital:		
Subscribed & Fully Paid Up:		
As at 31st Mar 2022	7,93,20,468	7,932.05
Add :ESOP's Alloted	43,18,500	431.85
As at 31st Mar 2023	8,36,38,968	8,363.90
Add: ESOP's Alloted	63,23,653	632.37
Add: Warrants converted to Equity Shares	40,00,000	400.00
As at 31st Mar 2024	9,39,62,621	9,396.26

Reconciliation of Shares Outstanding at Beginning and End of the Reporting Year

Equity Shares	March 31, 2024		March 31, 2023	
	No's	Rs. in Lakhs	No's	Rs. in Lakhs
As at Beginning of the Year	8,36,38,968	8,363.90	7,93,20,468	7,932.05
ESOP's Allotted During the Year	63,23,653	632.37	43,18,500	431.85
Warrants Converted to Equity Shares	40,00,000	400.00	-	-
As at End of the Year	9,39,62,621	9,396.26	8,36,38,968	8,363.90

Details of Share Holders Holding More than 5% Shares in the Company

Name of the Share Holder	March 31, 2024		March 31, 2023	
	No's	% of Share Holding	No's	% of Share Holding
Mr. Viswanath Kompella (Promoter)	1,46,68,350	15.61	1,36,68,350	16.34

Shares held by promoters & Group at the end of the year Mar 2024			%Change during the year
Promoter Name	No. of shares	% of Total Shares	
Mr. Viswanath Kompella	1,46,68,350	15.61	7.32
Mr. Ramakrishna Paramahamsa Kompella	43,41,250	4.62	-
Ms. Lopa Mudra Kompella	40,21,250	4.28	-
Mrs. Madhavi Latha Kompella	21,85,763	2.33	-11.70
Ms. Kompella Modini	12,00,000	1.28	-70.00
PKI Solutions Private Limited	40,00,000	4.26	-
Gajwel Developers Private Limited	30,00,000	3.19	100.00

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No. 11 Other Equity

(Rs. in Lakhs)

Particulars	Securities Premium	Share Options Outstanding	Share Application Money Pending allotment	Money Received Against Share Warrants	Capital Reserves & Others	Foreign Exchange Transaction Reserve	Accumulated losses of Non Controlling Interest	Retained Earnings	Total
As At March 31, 2022	9,841.54	509.08	-	-	-5,371.95	672.76	110.72	23,435.94	29,198.09
Additions for the Year	945.00	-	-	1,050.00	-	-37.67	13.32	1,271.58	3,242.23
As At March 31, 2023	10,786.54	509.08	-	1,050.00	-5,371.95	635.08	124.04	24,707.52	32,440.32
Additions for the Year	2,488.46	-	20.61	-315.00	-	92.66	22.78	1,347.56	3,657.06
As At March 31, 2024	13,275.00	509.08	20.61	735.00	-5,371.95	727.74	146.81	26,055.08	36,097.38

Note No: 12 Borrowings

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Secured Loans		
Vehicle Loans	507.46	301.28
Term Loans form banks	8,803.55	7,814.96
Term Loans form Institutiions Other than banks	1,438.51	2,408.50
Other Borrowings	-	1,513.51
Total	10,749.52	12,038.24

Note No: 13 Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Gratuity	579.89	527.09
Total	579.89	527.09

Note No: 14 Deferred Tax Liability

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Opening Deferred tax Liability	1,694.47	1,581.47
Less: Def Tax Asset on Leased Asset	-	-18.87
Add: Deferred Tax Liability for the year	-64.67	94.13
Total	1,629.79	1,694.47

Note No : 15 Borrowings

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Secured Loans		
a) From Banks	3,285.09	4,316.29
b) Current Maturities of Non current Borrowings		
(i) From Banks	3,939.20	2,742.85
(ii) From Institutions other than Banks	177.18	274.12
Unsecured Loans		
a) Others	1,806.82	-
Total	9,208.29	7,333.27

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 16 Trade Payables

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Unsecured		
Trade Payables		
Outstanding dues of Micro, Small and Medium enterprises		
Outstanding dues of creditors other than Micro, Small and Medium enterprises	703.30	507.79
Total	703.30	507.79

Trade payables ageing schedule for the year ended as on March 31, 2024 :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	703.30	-	-	-	703.30
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Trade payables ageing schedule for the year ended as on March 31, 2023 :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	507.79	-	-	-	507.79
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Note No: 17 Provisions

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
a) Employee Benefits	500.03	718.61
b) Taxes	2,495.64	735.51
c) Expenses	816.30	2,073.16
Total	3,811.97	3,527.28

Note No:18 Revenue From Operations

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Revenue from IT Services (Export)	12,018.88	12,272.32
(b) Revenue from Healthcare Services	10,568.69	9,960.25
(c) Revenue from Pharmacy	1,229.75	3,050.90
(d) Other Operating Revenues	6,089.29	5,753.75
(e) Sale of Food Items	96.01	156.29
Total	30,002.63	31,193.51

Note No: 19 Other Income

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Interest Income	146.09	139.95
(b) Other Non-Operating Income (Incl. Forex gain)	327.49	222.98
(d) Finance Income on Financial Assets	7.00	0.94
Total	480.58	363.87

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 20 Purchases

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Pharmacy Purchases	1,233.26	1,416.26
Total	1,233.26	1,416.26

Note No: 21 Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Salaries & Wages	9,522.28	9,389.37
(b) Contribution to Provident & Other Funds	294.00	296.51
(c) Staff Welfare Expenses	159.33	189.72
Total	9,975.61	9,875.60

Note No: 22 Finance Costs

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Interest Expenses :		
- Interest on Term Loan and Working Capital	2,215.69	1,846.42
- Interest on Vehicle Loans	35.36	23.13
- Finance Charge on Lease Liability	2,016.84	1,439.90
(b) Applicable net gain/loss on foreign currency translations	22.24	-
Total	4,290.13	3,309.46

Note No: 23 Administrative and Other Operating Expenses

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
(a) Power & Fuel	676.02	651.40
(b) Rent	327.44	279.64
(c) Repairs & Maintenance	704.31	439.87
(d) Insurance	265.77	434.26
(e) Telephone, Postage and Others	281.00	211.82
(f) Business Promotion Expenses	329.46	418.54
(g) Office Maintenance	668.60	500.39
(h) Travelling and Visa Expenses	286.65	310.02
(i) Consultancy Charges and Subcontracting Expenses	3,275.41	4,517.31
(j) Other Administrative Expenses	302.53	199.67
(k) Rates & Taxes	325.49	620.99
(l) Disallowances and Network Hospital Discount	207.48	59.82
(m) Bank charges	39.35	71.74
(n) Auditors Fee	14.99	8.28
Total	7,704.50	8,723.73

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 24

Details of Primary and Collateral Securities (For Liabilities referred in Note No.12 & 15)

Hypothecation of Plant and Machinery, Equipment (Movable Assets), Commercial Property and Promoters of the company Personal guarantee.

Primary Security:

Hypothecation of Movable Assets :

1st charge on all movable assets of the company on Term Loans availed from following Banks in M/s. Virinchi Health Care Pvt Ltd

M/s. Canara Bank, Spl. MCB, Hyderabad.

M/s. Central Bank of India, Industrial Finance Branch, Koti, Hyderabad,

M/s. Punjab National Bank, Ameerpet, Hyderabad

M/s. DBS Bank Ltd, West Marredpally, Secunderabad.

Hypothecation of Current Assets such as Stock & Receivables and 2nd Charge on Movable Assets of the company for working Capital limits with following banks in M/s. Virinchi Health Care Pvt Ltd:

M/s. Canara Bank, Spl Mid Corporate Branch, Hyderabad..

M/s. Central Bank of India, Industrial Finance Branch, Koti, Hyderabad,

Collateral Security:

- EMT on 875sq yards open land at Road.No.1 Banjara Hills, Hyderabad-500034 in the name of Virinchi Limited given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited
- EMT on 649 sq yards open land at Plot No 37, Nandagiri Hills, Shaikpet Village, Jubilee Hills, Hyderabad - 500033 owned by Mrs. Madhavilatha Kompella given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited.
- EMT on Land to the extent of Ac 2.0 and Building 46,590 Sq yards situated at Sy No. 15/part, 15/B and 15/C, Suraram, Jeedemetla Industrial Area, Quthubullapur, Hyderabad owned by M/s. Virinchi Limited given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited.
- EMT on property located at Pothaipally Village in Shamirpet Mandal, R.R.Dist given to M/s Canara bank, Mid Corporate Branch, Hyderabad owned by Virinchi Limited for Loans availed in M/s. Virinchi Limited:
 - » Land: Acres 3 and 36 guntas
 - » Building in Sy.No.121
 - » 1st Charge on P&M, Electrical & Office equipment, computers, furniture
- Commercial Flat admeasuring 2700 Sq.ft, Flat No. 308-A, Ashoka Metropolitan (Virinchi Hospitals), Road NO.12, Banjara Hills , Hyderabad , in the name of M/s. Virinchi Limited for Loans availed in M/s. Virinchi Health Care Private Limited
- EMT on property located at Flat No.608, Lingapur Plaza, Himayathnagar owned by Mr.Viswanath Kompella for loans availed in M/s.Virinchi Limited.
- Pledge of 3 FDR's worth of Rs. 7.13 Crores in the name of M/s. Virinchi Limited for Loans availing in M/s. Virinchi Health Care Pvt Ltd
- EMT of factory land measuring 1 acre 36.5 guntas at survey no.441, Hakimpet Village, in Shamirpet Mandal, R R Dist owned by M/s. Virinchi Limited Canara bank, Spl Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Limited
- 11.875 Acres freehold industrial land located at SY No103 & Sy No. 104 Lakshmakapally, Mulugu Mandal, Medak District in the name of M/S. Vivo Biotech Ltd given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 24 (Contd.)

- Plot No. 76 & 77, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Limited.
- Plot No. 78, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited.
- Plot No. 88, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited.
- Plot No. 227, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of M/s. Shri Shri Resorts Pvt Ltd given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited.
- Open non-agricultural land admeasuring 2 Acres 31 Guntas at S.no 438 P, Devar Yamjal, Hakimpet, Shameerpet Mandal, R.R Dist in the name of M/s. Virinchi limited given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited.
- Open Plot admeasuring 400Sq Yards at Plot No 522, Ashoka Colony, Kapra, Keesara Mandal, R.R District, in the name of Smt. Madhavi latha Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited

Personal Guarantee:

- Mr. Viswanath Kompella has given personal guarantee for all loans availed by the Holding company and its subsidiaries.
- Mrs. Madhavi Latha Kompella has given personal guarantee to Virinchi Health Care Pvt Ltd loans.

Corporate Guarantee: M/s. Vivo Bio Tech Limited

Hypothecations of Medical Equipment:

- Fixed and Exclusive charge over the Medical Equipment financed by
 - » Siemens Financial Services Pvt Ltd

Note No: 25

(Rs. in Lakhs)

Particulars	Current year	Previous Year
Auditors Fee	14.99	8.28

Note No: 26

The Company has identified Business Segments which comprise Development of Computer Software and Services, IT Enabled Services and Healthcare Services.

Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

(Rs. in Lakhs)

S.No	Description	Year Ended	
		31.03.2024	31.03.2023
I	Segment Revenue		
	SAAS Business	12,768.88	12,272.32
	IDC & IT Services	4,490.53	4,507.06
	Healthcare Services	11,906.96	13,516.18
	IT Enabled Services	537.02	465.23

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 26 (Contd.)

(Rs. in Lakhs)

S.No	Description	Year Ended	
		31.03.2024	31.03.2023
	Payments & Credit Services	299.44	432.72
	Net Sales/Income from Operations	30,002.63	31,193.51
II	Segment Result (Profit from ordinary Activities Before interest & Tax)		
	SAAS Business	1,346.39	1,182.78
	IDC & IT Services	689.76	1,316.37
	Healthcare Services	3,460.14	2,439.46
	IT Enabled Services	(7.72)	(88.32)
	Payments & Credit Services	64.45	164.49
	Total	5,553.53	5,014.78
	Interest Expenditure	4,290.13	3,309.46
	Other Un-allocable Income Net of Un-allocable Expenditure	480.58	363.87
	Total Profit Before Tax	1,743.97	2,069.19

Note No: 27 Earning per Share

The earnings considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Profit available for the equity share holders (Rs. In Lakhs)	1,370.33	1,284.90
Weighted average number of shares for Basic EPS	8,98,56,677	8,23,47,798
Weighted average number of shares for Diluted EPS	9,50,07,444	8,23,47,798
Basic	1.53	1.56
Diluted	1.44	1.56

Note No: 28 Related Party Transactions.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

Related Party Disclosures

The followings are the list of related parties:

a) Subsidiary Companies:

S No.	Name of the Subsidiary	% of Holding as at Mar 31		Country
		2024	2023	
1	Ksoft Systems Inc	100	100	USA
2	Q fund Technologies Pvt Ltd	100	100	India
3	Virinchi Learning Pvt Ltd	100	100	India
4	Virinchi Media & Entertainment Pvt. Ltd	100	100	India
5	Tyohar Foods Pvt Ltd	100	100	India
6	Virinchi Infra & Reality Pvt Ltd	100	100	India
7	Virinchi Health Care Pvt Ltd	100	100	India
8	Tensor Fields Consultancy Services Pvt Ltd	100	100	India
9	Virinchi Combinatorics & Systems Biology Pvt Ltd	100	100	India

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 28 Related Party Transactions. (Contd.)

S No.	Name of the Subsidiary	% of Holding as at Mar 31		Country
		2024	2023	
10	Virinchi Capital Pvt Ltd	100	100	India
11	V23 Medical solutions Pvt Ltd	100	100	India
12	Asclepius Consulting & Technologies Pvt Ltd	51	51	India

b) Directors:

1. M.V. Srinivasa Rao
2. Sunder Kanaparthi
3. Sri Kalyan Kompella
4. Kunda Kalpana
5. Suresh Juthuga
6. Satyanarayana Vedula
7. K. Ravindranath Tagore
8. Shyam Sunder Tipparaju
9. Subraveti Naga Raju Nagalur
10. Satyajeet Prasad
11. Vishal Ranjan
12. Aravind Revana Siddayya Hiremath

c) Key Management Personnel:

S.No.	Name	Designation
1	M.V. Srinivasa Rao	CFO & Whole Time Director
2	V. Satyanarayana	Vice chairman & Executive Director
3	K. Ravindranath Tagore	Company Secretary

d) List of other Related Parties & balance as on 31/03/2024:

1. M/s. Virinchi Limited taken Rs.1582.40 Lacs from Vivo Bio Tech Ltd as short term borrowing.
2. M/s. Virinchi Healthcare Pvt Ltd Rs.5.5 lacs receivable from Vivo Bio Tech Ltd.
3. M/s. Virinchi Healthcare Pvt Ltd. Rs. 5.46 Lacs receivable from M/s. Gajwel Developers Pvt Ltd
4. M/s. Virinchi Healthcare Pvt Ltd taken Rs. 9.77 Lacs to M/s. Bharat Megawatts Gen Pvt Ltd.
5. M/s. Virinchi Healthcare Pvt Ltd. Given Rs.51.68 Lacs Advance to M/s Pragnapur Developers Pvt Ltd.
6. M/s. Virinchi Limited Rs.19.98 lacs advance given to PKI Solutions Pvt Ltd
7. M/s. Virinchi Healthcare Pvt Ltd. Taken loan of Rs.263.54 lacs from PKI Solutions Pvt Ltd.
8. M/s. Virinchi Healthcare Pvt Ltd Rs. 440.32 Lacs advance given to Shri Shri Resorts Pvt Ltd
9. M/s. Virinchi Healthcare Pvt Ltd Rs. 15.27 Lacs given to M/s. Surlogic Life Consultancy Pvt Ltd.
10. M/s. Virinchi Healthcare Pvt Ltd Rs. 15.29 Lacs given to M/s. Vivobio Discovery Services Pvt Ltd
11. M/s. Virinchi Healthcare Pvt Ltd Rs. 15.45 Lacs given to M/s. Vivobio Labs Pvt Ltd
12. M/s. Virinchi Healthcare Pvt Ltd Rs. 15.51 Lacs given to M/s. Vivobio Consulting Services Pvt Ltd

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 28 Related Party Transactions. (Contd.)

The following are the Related Party Transactions:

(Rs. in Lakhs)

Name of the related Party	Nature of transaction	Current Year (Rs.)	Previous Year (Rs.)
M V Srinivasa Rao	Remuneration	57.61	49.33
Vedula Satyanarayana	Remuneration	71.61	71.61
K. Ravindranath Tagore	Remuneration	35.61	35.61
Viswanath Kompella	Remuneration	337.78	284.00
K Soft Systems Inc	Consultancy charges received	3,696.20	3,404.62
Tensor Fields Consultancy Services Pvt. Ltd	Interest Income	9.12	10.29
Asclepius Consulting & Technologies Pvt Ltd	Interest Income	45.80	42.91
Virinchi Health Care Pvt Ltd	Interest Income	851.01	573.52
Virinchi Media & Entertainment Pvt. Ltd	Interest Income	14.60	13.66
Tyohar Foods Pvt Ltd	Interest Income	8.47	7.64
Virinchi Combinatorics & System Biology Pvt. Ltd.	Interest Income	0.65	0.22
Virinchi Learning Pvt. Ltd	Interest Income	10.50	5.07
Qfund Technologies Pvt. Ltd	Interest Income	50.20	46.05
Virinchi Capital Pvt Ltd	Manpower services provided	18.57	16.80
V23 Medical Solution Pvt. Ltd.	Interest Income	0.40	0.37
Tyohar Foods Pvt Ltd	House Keeping services to Virinchi health Care Pvt Ltd	-	17.50
Virinchi Capital Pvt. Ltd.	Sale of Software Product	885.00	-
Virinchi Health Care Pvt Ltd to KSoft Systems	Sale of Goods / Services	1,407.89	-
Tensor Fields Consultancy Services Pvt. Ltd to Virinchi Capital Pvt. Ltd.	Sale of Goods / Services	86.96	-
Vivo Biotech Ltd.	Loan	1,582.40	-
PKI Solutions Pvt. Ltd.	Advances	19.98	-
Iron Age India Pvt. Ltd.	Advances	36.50	-
Virinchi Health Care Pvt Ltd to Gajwel Developers Pvt. Ltd.	Advances	5.47	-
Virinchi Health Care Pvt Ltd to Shri Shri Resorts Pvt. Ltd.	Advances	440.35	-
Virinchi Health Care Pvt Ltd to PKI Solutions Pvt. Ltd.	Loan	152.49	-
Virinchi Health Care Pvt Ltd to Bharat Megawatts Gen Pvt. Ltd.	Loan	9.77	-
Vira Systems Pvt. Ltd. to Virinchi Health Care Pvt Ltd	Advances	0.43	-
Virinchi Health Care Pvt Ltd to Maxcell Phone Communications Pvt. Ltd.	Advances	0.43	-
Virinchi Health Care Pvt Ltd to Iron Age India Pvt. Ltd.	Advances	1.11	-
Virinchi Health Care Pvt Ltd to Vivobio Consulting Services Pvt. Ltd.	Advances	0.15	-
Virinchi Health Care Pvt Ltd to Vivobio Discovery Services Pvt. Ltd.	Advances	0.70	-
Virinchi Health Care Pvt Ltd to Vivobio Labs Pvt. Ltd.	Advances	1.36	-

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 28 Related Party Transactions. (Contd.)

The following are the Related Party Transactions:

(Rs. in Lakhs)

Name of the related Party	Nature of transaction	Current Year (Rs.)	Previous Year (Rs.)
Vivobio Developers India Pvt. Ltd. To Virinchi Health Care Pvt. Ltd.	Advances	0.29	-
Vivo Biotech Ltd. To Virinchi Health Care Pvt. Ltd.	Advances	0.18	-

Note No: 29 Warrants to Promoters and Private Placement:

- i) Company has allotted preferential allotment of convertible equity Warrants @ Rs 42/- per warrant and Received 25% of Rs. 42/-

S. No.	Name of the Allottee	Total share warrants allotted	No of Share Warrants Outstanding as on 31/03/2024 (Nos.)	Amount Collected for o/s warrants pending conversion (Rs. in Lakhs)
1.	Gajwel Developers Pvt Ltd	60,00,000	30,00,000	315.00
2.	Kompella Viswanath	40,00,000	30,00,000	315.00
3.	Kamala Bai	10,00,000	10,00,000	105.00

- ii) Conversion of Equity Warrants to Equity Shares :

S. No.	Name of the Allottee	No of Share Warrants (Nos.)	Amount Collected (Rs. in Lakhs)
1.	Gajwel Developers Pvt Ltd	30,00,000	945.00
2.	Kompella Viswanath	10,00,000	315.00

Note No: 30

Reconciliation of ESOP Schemes

Sl. No	Description	Year ended March 31, 2024		
		VESOS. 2016	VESOS. 2018	VESOS. 2022
1	No of Options for which In-principle approval received from exchanges	50,00,000	30,00,000	1,00,00,000
2	No of shares allotted Till 31 st March, 2024	47,87,314	29,50,000	57,12,653
	Balance Available	2,12,686	50,000	42,87,347

Note No: 31 Additional Regulatory information

- The Company is in possession of immovable property and title deeds are held in the Name of the company.
- The Company has not revalued any of its Property, Plant and Equipment during the year.
- The Company has not granted any loans or advances in the nature of loans to directors, KMPs
- There are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- The Company is not declared as willful defaulter by any bank or financial Institution or other lenders.
- The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No:32

The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

Note No: 33

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

Note No: 34

There are no significant events that occurred after the balance sheet date.

Note No: 35

The Company has not declared any dividend during the year.

Note No: 36

In the opinion of the management, the assets as shown in the financial Statements, have a value on realization in the ordinary course of business of at least equal to the amount at which they are stated in the balance sheet.

Note No: 37

Additional Information as required under Schedule III to the Companies act, 2013 pursuant to para 2 of General instructions for the preparation of Consolidated Financial Statement.

Net Assets (TA-TL)				
Particulars	As % of Consolidated Net Assets	Amount (Rs. In lakhs)	% of Share in Profit/(Loss)	Amount (Rs. In lakhs)
Virinchi Limited	70.61	31,789.44	80.86	1,108.09
Indian- Wholly owned Subsidiaries				
Qfund Technologies Pvt Ltd	0.02	9.85	-4.51	-61.78
Virinchi Learning Pvt Ltd	-0.54	-241.38	-2.03	-27.76
Virinchi Media & Entertainment Pvt Ltd	-0.17	-74.46	-1.26	-17.24
Tyohar Foods Pvt Ltd	-0.25	-113.58	-0.79	-10.81
Virinchi Infra & Reality Pvt Ltd	0.03	11.68	0.07	0.95
Virinchi Health Care Pvt Ltd	6.42	2,888.64	-30.74	-421.20
Tensor Fields Consultancy Services Pvt Ltd	-0.45	-204.83	0.37	5.04
Virinchi Combinatorics & Systems Biology Pvt Ltd	-0.04	-17.79	-1.10	-15.04
Virinchi Capital Pvt Ltd	1.10	496.45	5.56	76.12
V23 Medical solutions Pvt Ltd	-0.01	-5.04	-0.37	-5.01
Foreign Subsidiaries				
Ksoft Systems Inc	23.79	10,711.08	55.66	762.67
Controlling Interest				
Asclepius Consulting & Technologies Pvt Ltd	-0.51	-231.20	-1.73	-23.71

Notes to Consolidated Financial Statements for the year ended March 31, 2024

Note No: 38

Previous figures have been regrouped wherever necessary and the figures have been rounded off to the nearest lakhs.

Notes referred to above form an integral part of the Standalone Financial Statements

As per our Report of Even Date
For **P.Murali & Co.**
Chartered Accountants
Firm Registration No.007257S

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

M.V. Joshi

Partner
M. No. 024784

M.V.Srinivasa Rao

CFO & Wholetime Director
DIN: 00816334

V. Satyanarayana

Whole Time Director
DIN: 09070986

Place : Hyderabad
Date: 03/05/2024

K.Ravindranath Tagore

Company Secretary
M.No.A18894

Corporate Information

Founder & Chairman Emeritus

Viswanath Kompella

Board of Directors

M. V. Srinivasa Rao

Whole-Time Director & CFO

V. Satyanarayana

Vice-Chairman & Executive Director

K. Sri Kalyan

*Non-Independent and
Non-Executive Director*

K. Kalpana

*Independent and
Non-Executive Director*

J. Suresh

*Independent and
Non-Executive Director*

T. Shyam Sunder

*Independent and
Non-Executive Director*

K. Ravindranath Tagore

*- Company Secretary,
Chief Investor Relations Officer &
Compliance Officer*

Senior Leadership

Sivaji Pendyala

CEO- US Business

Rajesh Putta

CTO

Registered office

8-2-672 / 5 & 6, 4th Floor Ilyas
Mohammed Khan Estate Road
#1, Banjara Hills Hyderabad,
Telangana, 500034
Phone# 040-48199999
E-mail: investors@virinchi.com
Website: www.virinchi.com

Bankers

Canara Bank

IF Branch, Hyderguda,
Hyderabad.

ICICI Bank,
Hyderabad

Auditors

M/s. P. Murali & Co,

Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad, Telangana – 500082.
Phone: 040 2332 6666

Office Address in USA

Green House, 7 South Main Street,
Suite E Marlboro, NJ, USA-07746
Phone# 7326962555,
Fax# 732-783- 0432

Registrar & Share Transfer Agents

M/s. Aarthi Consultants Private Ltd

1-2-285, Domalguda,
Hyderabad-500029
Phone # 91-40-27634445, 27638111
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