



August 20, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001.

Scrip Code: 543597

Dear Sir/Madam,

Sub.: Annual Report – 2024 & Notice of 9th Annual General Meeting.

With reference to the captioned subject, we inform that 9th Annual General Meeting of the Company shall be held on Wednesday, September 11, 2024 at 11:00 a.m. through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”), in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we enclose herewith Annual Report for the FY 2023-24 and notice of 9th Annual General Meeting. The said reports are being sent to the shareholders through e-mail and have been uploaded on the “investor relations” section of the website of the Company www.voepl.com.

Kindly take the same on records.

Thanking you,

Yours faithfully,

For Virtuoso Optoelectronics Limited

Vibhuti Kulkarni
Company Secretary & Compliance Officer
Mem. No. A68263



VIRTUOSOOptoelectronics Limited

Office Address : 7 MIDC Area, Satpur, Trimbak Road, Nasik - 422007

Email : Info@voepl.com

Website : www.voepl.com

Tel Number: +91253 2309016 / 2309017

Company CIN No: L74999MH2015PLC268355



NOTICE

Notice is hereby given that 9th Annual General Meeting of the Members of Virtuoso Optoelectronics Limited will be held on Wednesday, *September 11, 2024 at 11.00 a.m.* through video conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following business, the venue of the meeting shall be deemed to be the Registered Office of the Company at P No. 7 MIDC Satpur Nashik 422007: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the -

A. Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and the Auditors thereon and

B. Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2024 together with the report of Auditors thereon

2. Re- appointment of Mr. Sukrit Bharati (DIN: 03638084), Managing Director who retires by rotation.

To re-appoint Mr. Sukrit Bharati (DIN: 03638084), who retires by rotation and being eligible, offers himself for re-appointment as a director.

SPECIAL BUSINESS:

3. To ratify the remuneration of cost auditors of the company and in this regard, to consider and if thought fit, to pass the following resolution as **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) the Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), the remuneration payable to M/s. KPMSS & Associates, Cost Accountants (Firm Reg. No. 005229, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 2025, be paid remuneration of Rs. 65,000 (Rupees Sixty-Five thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

4. To consider and if thought fit, approve re-appointment of Mr. Sukrit Bharati as Managing Director of the Company on revised terms and tenure and to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**



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“RESOLVED THAT in accordance with the Provisions of Section 196, 197, 203 and other applicable Provisions, if any of the Companies Act, 2013 (“the Act”) as amended from time to time read with Schedule V of the Act, and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company hereby approves/ ratifies the re-appointment of Mr. Sukrit Bharati (DIN: 03638084), as Managing Director for a further period of 5 years effect from September 01, 2024 to August 31, 2029, on the revised terms and conditions as stipulated hereunder and he shall be liable to retire by rotation.

1. Remuneration: Up to Rs. 75,00,000/- (Rupees Seventy-Five Lakhs Only) per annum from September 01, 2024, including all allowances, perquisites and benefits that he is entitled to in accordance with the Company’s Rules and Regulations in force from time to time.

2. The Managing Director shall be entitled to an annual increment at the rate up to 15% p.a., w.e.f. April 1, 2025 per financial year on cumulative basis.

3. Other Terms:

i. The Company shall reimburse to the Managing Director all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of the Company and/or incurred in performance of the duties of the Company.

ii. Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Managing Director. however, in any case the remuneration would not exceed the limits prescribed under the applicable provisions of the Act.

iii. Board is entitled to make changes within the overall amount fixed by the members.

RESOLVED FURTHER THAT the Board shall have absolute powers to accept any modification in the terms and conditions as may be approved by Shareholders while according its approval and acceptance with the said approval of the Shareholders and to give effect to the forgoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolutions into effect including but not limited to filing and signing of requisite E-forms with the Registrar of Companies and any other concerned Statutory Authorities”.



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**BY ORDER OF THE BOARD OF DIRECTORS
FOR VIRTUOSO OPTOELECTRONICS LIMITED**

-SD-

Vibhuti Kulkarni

Company Secretary & Compliance Officer

Mem. No. A68263

Date: August 20, 2024

Place: Nashik

NOTES:

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 and Circular No. 21/2021 dated December 14, 2021 and 02/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and latest being 09/2023 dated September 25, 2023 ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/CRD/PoD-2/P/ CIR/2023/4 dated January 5, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities Exchange Board of India ("SEBI Circular") prescribing the procedures and manner of conducting the Annual General Meeting through VC/OVAM. In terms of the said circulars, the 9th Annual General Meeting ("AGM") of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per notes of this notice.
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 the appointment of proxies by the members will not be available.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to cs@voepl.com with a copy marked to evoting@nsdl.com.
5. The register of directors and key managerial personnel (KMP) 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

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the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. September 11, 2024. Members seeking to inspect such documents can send an email to cs@voepl.com.

6. Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP).
7. In compliance with the Circulars, the Integrated Annual Report for 2023-24, the Notice of the 9th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP). Members may note that Notice and Annual Report 2023-24 has been uploaded on the website of the Company at www.voepl.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of Central Depository Services Limited (CDSL) (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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

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

- (i) The voting period begins on Sunday, September 08, 2024 at 9:00 a.m. and ends on Tuesday, September 10, 2024 at 5:00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 04, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by Central Depository Services 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.
- (iv) The Board has appointed Mr. Vishal Thawani of M/s Vishal Thawani & Associates, (Membership No. ACS 43938) (CP No. 17377) Practicing Company Secretaries, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.

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- (v) 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 cast during the AGM and votes cast 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.voepl.com.
- (vi) 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.

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

- a. 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 CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<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/CAMEO, 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/EasiRegistration4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available





	<p>on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.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.jsp3) 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
Individual Shareholders (holding securities in demat mode) login through their	<p>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</p>





Depository Participants (DP)	website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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 toll free no. 1800 22 55 33
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

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

(vii) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 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 Physical shareholders and other than individual shareholders holding shares in Demat.
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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 sent by Company/RTA or contact Company/RTA.
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.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Virtuoso Optoelectronics Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.





- (xix) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- 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 “Corporate” 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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; info@voepl.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING 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 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 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.



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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 info@voepl.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 (company email id). 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. 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 **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **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 toll free no. 1800 22 55 33

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 toll free no. 1800 22 55 33.



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**ANNEXURE TO THE NOTICE:
EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE
ACT")**

The following Statements sets out all material facts relating to the Special Business mentioned in the Notice:

ITEM No. 3

Ratify remuneration of M/s. KPMSS & Associates, for the Cost Audit of the Company:

The Board based on the recommendation of the Audit Committee, has approved at their meeting held on September 1, 2023 the appointed of M/s. KPMSS & Associates, Cost Accountants (Firm Reg. No. 005229), as a Cost Auditors to conduct the audit of the cost records of the Company at a remuneration of Rs. 65,000/- (Rupees Sixty-Five thousand).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 3 in the notice.

The terms and conditions for appointment of M/s. KPMSS & Associates, Cost Accountants as a Cost Auditor of the Company shall remain open for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

M/s. KPMSS & Associates are deemed to be interested in the said resolution as it relates to their appointment. None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

The Board of Directors recommends the said resolution for your approval by way of Ordinary Resolution.

M/s. KPMSS & Associates are deemed to be interested in the said resolution as it relates to their appointment. None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

None of the directors Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the said resolution in any manner.

ITEM No. 4

To consider and if thought fit, approve re-appointment of Mr. Sukrit Bharati as Managing Director of the Company on revised terms and tenure and to pass, with or without modification(s), the following resolution as Ordinary Resolution:



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The Members of the Company, at their Extra Ordinary General Meeting (EGM) held on May 24, 2021, had appointed Mr. Sukrit Bharati as “Managing Director” w.e.f. May 24, 2021. Since his term was expiring, the Board of Directors of the Company in its meeting held on August 20, 2024, on the recommendation of Nomination and Remuneration Committee, have approved re-appointment of Mr. Sukrit Bharati- on revised terms as Managing Director of the Company for a period of 5 years from September 01, 2024 to August 31, 2029, subject to approval of members.

Mr. Sukrit Bharati is not disqualified from being re-appointed as Director in terms of Section 164 of the Act.

Mr. Sukrit Bharati has 13+ years of experience in this field. Further, he has completed a yearlong course under Stanford Seed Program, by Stanford University, USA. This program is about on-the-ground leadership for established founders and CEOs in emerging economies focused on growing their businesses and increasing the positive impact they have in their communities.

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

He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof. He satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-Section (3) of Section 196 of the Act for being eligible for her re-appointment.

The appointment can be terminated by Mr. Sukrit Bharati or the Company, by one party giving to the other 3 (three) calendar months’ notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

He shall be liable to retire by rotation and said retirement by rotation shall not be construed as break in terms of his re-appointment.

Based on the recommendation of Nomination and Remuneration Committee and given his expertise, knowledge and experience, the Board considers and recommends the re-appointment of Mr. Sukrit Bharati as a Managing Director to be in the interest of the Company and in view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, recommends the Ordinary Resolution as set out in the accompanying Notice of 9th AGM for the approval of the Members.

The above may be treated as written memorandum setting out the terms of re-appointment of Mr. Sukrit Bharati under Section 190 of the Act.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Vishrut Bharati (Brother) and Mr. Sukrit Bharati to whom the resolution relates, are concerned or interested, financially or otherwise.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members



VIRTUOSO Optoelectronics Limited

Office Address : 7 MIDC Area, Satpur, Trimbak Road, Nasik - 422007

Email : Info@voepl.com

Website : www.voepl.com

Tel Number: +91253 2309016 / 2309017

Company CIN No: L74999MH2015PLC268355



**BY ORDER OF THE BOARD OF DIRECTORS
FOR VIRTUOSO OPTOELECTRONICS LIMITED**

-SD-

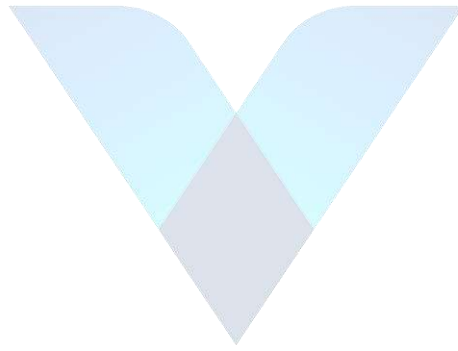
Vibhuti Kulkarni

Company Secretary & Compliance Officer

Mem. No. A68263

Date: August 20, 2024

Place: Nashik



VIRTUOSOOptoelectronics Limited

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Annexure to Notice

Information regarding re-appointment of Director as per SEBI Regulations and Secretarial Standards:

Sr No	Particulars	Details												
1	Name	Sukrit Bharati												
2	DIN	03638084												
3	Date of Birth	09/10/1988												
4	Age	35												
5	Qualification	Masters in Science- Engineering Technology												
6	Brief Resume/Experience	Mr. Sukrit Bharati is having 13+ years of experience. He looks after the management and operations of the Company. He is a qualified technocrat with education background of Masters in Science - Engineering Technology from BITS Pilani; Diploma / Certification courses in Management subjects from Harvard Business School and NMIMS, Mumbai. Further, he has completed a year long course under Stanford Seed Program, by Stanford University, USA. This program is about on-the-ground leadership for established founders and CEOs in emerging economies focused on growing their businesses and increasing the positive impact they have in their communities.												
7	Remuneration last drawn as Director	Rs. 36,00,000/- p.a.												
8	Remuneration proposed to be paid	Up to Rs. 75,00,000 p.a.												
9	Date of first appointment on the Board	14-04-2021												
10	Relationship with other Directors/KMPs	Mr. Vishrut Bharati (DIN: 06818457), Director of the Company is brother of Mr. Sukrit Bharati (DIN: 03638084), Managing Director.												
11	No. of meetings of the Board of Director attended during the year (FY 2023-24)	16												
12	Directorships in other Companies as on date of notice	<table border="1"><tbody><tr><td>1</td><td>SWAMI SHANTI PRAKASH VIRTUOSO ESCO PRIVATE LIMITED</td><td>Director</td></tr><tr><td>2</td><td>YLP SOLUTIONS PRIVATE LIMITED</td><td>Director</td></tr><tr><td>3</td><td>SOLAR COPYER LIMITED</td><td>Director</td></tr><tr><td>4</td><td>VIRTUOSO POLYMERS PRIVATE LIMITED</td><td>Director</td></tr></tbody></table>	1	SWAMI SHANTI PRAKASH VIRTUOSO ESCO PRIVATE LIMITED	Director	2	YLP SOLUTIONS PRIVATE LIMITED	Director	3	SOLAR COPYER LIMITED	Director	4	VIRTUOSO POLYMERS PRIVATE LIMITED	Director
1	SWAMI SHANTI PRAKASH VIRTUOSO ESCO PRIVATE LIMITED	Director												
2	YLP SOLUTIONS PRIVATE LIMITED	Director												
3	SOLAR COPYER LIMITED	Director												
4	VIRTUOSO POLYMERS PRIVATE LIMITED	Director												
13	Membership/Chairmanship of Committees of other Boards#	NA												

VIRTUOSO Optoelectronics Limited

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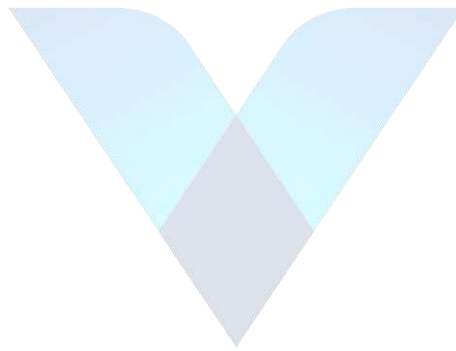
Tel Number: +91253 2309016 / 2309017

Company CIN No: L74999MH2015PLC268355





14	No. of Shares held (as on date of this Notice)	1,46,57,059
15	Names of listed entities, in which he/she 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.	Nil



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Company CIN No: L74999MH2015PLC268355

Annual Report



Corporate Information

Board Of Directors

Sukrit Bharati
Chairman & Managing Director

Vishrut Bharati
Non-Executive Director

Abhinav Mahajan
Executive Director

Ziral Soni
Independent Director

Drashti Solanki
Independent Director

Ila S Bhat
Independent Director

Chief Financial Officer

Sajid Shaikh

Company Secretary & Compliance Officer

Vibhuti Kulkarni

Registered Office

Virtuoso Optoelectronics Limited
Plot. No. 7, MIDC, Satpur, Nashik – 422007
Tel:+91 253-2309016,
Email: info@voepl.com,
Website: www.voepl.com,
CIN: L74999MH2015PLC268355

BANKERS

Axis Bank Limited
HDFC Bank Limited
ICICI Bank Limited
Union Bank of India Limited

STATUTORY AUDITORS

Jain Chhajed & Associates,
Chartered Accountants

SECRETARIAL AUDITORS

Prachi Bansal & Associates,
Company Secretaries

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building No.1, ClubHouse
Road, Chennai-600002 Email:
investor@cameoindia.com,
Tel: 44-28460390

NAME OF THE STOCK EXCHANGE

BSE LIMITED – SME PLATFORM Phiroze
Jeejeebhoy Towers, Dalal Street,
Mumbai – 400001
Script Code: 543597.

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The 5 Messages Of This Annual Report

1. The success of VOEPL in the last few years, in spite of growing competition, is due to our continuous commitment to product quality and customer satisfaction.
2. VOEPL has also proactively been working towards diversifying its product lines and target market segments. This will help in sustained growth and improvement of the overall bottom line of the company.
3. We have expanded aggressively to meet the growing demand for our products by our customers, as the market continues to grow.
4. We continue to endeavor to upgrade our manufacturing infrastructure & capabilities with the objective of providing better and more reliable solutions.
5. We are grateful for the strong support from all our partners specially our investors who have put their faith in us and we intend to continue growing together on this journey.



Make In India and VOEPL

The efforts of the government for "Make in India" have been instrumental in several products, which until now were imported in full or part from other countries, to gradually move towards increasing indigenization of manufacturing of these products in India.

This coupled with the sharp growth in demand led by increased consumption in India has created multiple opportunities in the market to produce products locally. VOEPL amongst many others in India, is working towards capitalizing on these opportunities to develop manufacturing capabilities and ecosystems, with the long term objective of not only servicing the requirements of the local market, but also to establish ourselves as a strong manufacturing base for the world in the years and decades to come.

Manufacturing requires heavy investments and spend on development to ensure products are made of the required quality and in line with the price targets of the international competition, which was always a hurdle. But with government through attractive Production Linked Incentive (PLI) schemes and other State Subsidy Schemes, has provided the much required impetus to the industry.

VOEPL started its journey almost a decade ago with a small investment in EMS, but keeping in line with its goal of aligning its overall strategies with that of the nation has empowered it to grow from EMS to lighting to home appliances like air conditioner (IDU & ODU) and now even beyond to categories like commercial refrigeration. VOEPL is also working on developing its International footprint with target exports to certain regions of the world.

At VOEPL we believe in the vision and potential of our country and VOEPL as a company with always strive towards contributing to the best of its abilities to this shared vision of INDIA.



About VOEPL

Virtuoso Optoelectronics Limited (VOEPL) was incorporated in 2015 at Nashik, India. Initially focusing on electronic manufacturing (EMS), the company has grown significantly over the years, with the support of its customers, team, and partners. Over the years, VOEPL has emerged as a prominent OEM/ODM in the manufacturing industry, specializing in EMS, lighting industry, white goods segment (especially air conditioners) and working its way to add commercial refrigeration to its portfolio.



Key OEM/ODM of Consumer and Industrial Goods



Head Office at Nashik, Maharashtra, India

7

7 Manufacturing facilities



Strong Backward Integrated in Manufacturing



Blue-Chip Customer Base

Our Vision



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

Customer Success

We firmly believe that the success of our customers is our own success. We are committed to taking all the necessary steps, including implementing quality measures, process improvements, and ensuring quantity fulfillment, to produce products that delight our end consumers. Our goal is to enhance the brand value and market proposition of our customers.

Vibrant Community

The community supporting VOEPL, including shareholders, customers, consumers, employees, vendors and service providers, are of paramount importance and value to us. We strive to act as a catalyst in nurturing our community, continuously working to make it a better place for everyone. Our ultimate goal is to foster a happy, supportive and sustainable community of exceptional individuals.



Our Commitments

Process | Quality | Service

Design • Manufacture • Delight

VOEPL



Brief Profile of the Managing Director of the Company

“

A focused and motivated entrepreneur with the vision of creating a strong manufacturing ecosystem and sustainable organisation.



Sukrit Bharati, Chairman & Managing Director, has 13+ years of experience in manufacturing and operations. He has a graduate degree in Engineering Technology from BITS Pilani. As a part of continuous learning he has done multiple diploma & certification courses in various subjects from Harvard Business School (HBS) and NMIMS, Mumbai. Further, he completed a year long certification course by Stanford Graduate School of Business under their Seed Transformation Program - Stanford Seed. This program is for established founders and CEOs in emerging economies focused on growing their businesses and increasing the positive impact they have in their communities.

He is passionate about manufacturing and organisational development. He is focused on ensuring sustainable growth of the company by improvement in customer satisfaction, addition of new product verticals, expanding into new customer segments & geographies and team development.

Sukrit Bharati

CHAIRMAN & MANAGING DIRECTOR

Directors



Mr. Abhinav

EXECUTIVE DIRECTOR

Mr. Abhinav, Executive Director, has more than 12 years of experience of working as a CEO, Co-founder, COO, Business Analytics Associates.



Mr. Vishrut Bharati

NON-EXECUTIVE DIRECTOR

Mr. Vishrut Bharati, Non-Executive Director. He has more than 10 years of experience in the line of business of the Company and across multiple industries including Retail, Health and Manufacturing sectors.



Ms. Drashti Solanki

INDEPENDENT DIRECTOR

Ms. Drashti Solanki, an Independent Director of company, with 8 years of experience in the field of legal and compliance.



Ms. Ziral Soni

INDEPENDENT DIRECTOR

Ms. Ziral Soni, an Independent Director. She has 6 years of experience in the field of legal and compliance.



Ms. Ila S Bhat

INDEPENDENT DIRECTOR

Ms. Ila S Bhat, an Independent Director of Company, 9 years of experience in tech at Cisco and IMImobile (acquired by Cisco in 2020). She was a World Governance Expedition delegate to Israel in 2019 and a StartingBloc fellow (held in Washington DC) in 2017.

Core Team



Sajid Shaikh

CHIEF FINANCIAL OFFICER (CFO)

MBA with over 28 years of experience across banking & finance sector. Strong experience in financial modelling, debt financing, networking and fund raising.



Nitin Shewale

CHIEF OPERATING OFFICER (COO)

A veteran of the consumer durables industry with more than 33 years of experience, has worked with leading appliance manufacturing companies at senior management levels.



K Ramesh

SR. GM - MANUFACTURING (AC DIVISION)

Mechanical Engineer with over 30 years of experience in core AC manufacturing industry. Worked nationally and internationally with multiple industry leaders.



Kedar Aphale

SR. GM - PROJECTS & CAPITAL PURCHASE

Mechanical Engineer with over 24 years of experience. Worked with multiple multinationals across departments & areas.



Vibhuti Kulkarni

COMPANY SECRETARY & COMPLIANCE OFFICER

A Qualified Company Secretary with diversified experience across multiple areas in corporate law & secretarial compliances.



A Year in Review

Financial year 2023-24 was a milestone year for VEOPL. Company has delivered overall healthy performance despite market challenges with record revenue of ₹ 5323.04 mn. Prudent financial capital management, strategic cost management along with continuous improvement has led to achieve higher profitability with remarkable PAT of ₹ 101.27 mn. Company has maintained continued strength and momentum in its business operations. Successfully started export business with its first export order in this financial year.

VEOPL raised ₹109.38 crores by preferential allotment of equity shares and equity warrants for fueling our operations and expansion goals. Also, company acquired 51% stake in YLP Solutions, a group company, to streamline processes and inline with our commitment for transparency in operations.

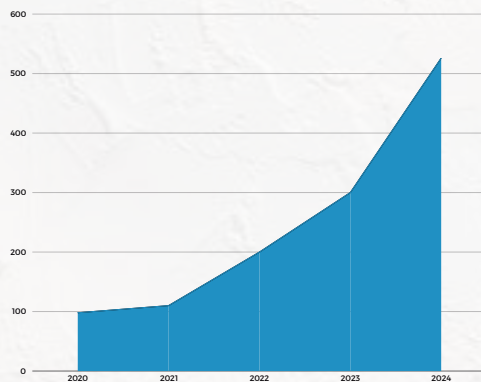
We also started revamping our internal process, initiated the transformation of our facilities, and launched a range of new products. Company is continuously looking for advancement and evolution in its manufacturing capabilities. The company is in the process of increasing its capacity to manufacture 800,000 Indoor Units (IDUs) and 400,000 Outdoor Units (ODUs) of Room Air Conditioners in the manufacturing facilities at Nasik, Maharashtra. Company has added machines with a capacity of up to 1300T for increasing its moulding capacity.

We introduced our new line of water dispensers that go beyond functionality; they are modern in design and easy to use. We were able to add manufacturing capacity for water dispensers with an annual production capacity of 150,000 units. We are also working on designing and engineering a new range of chest freezers to address the growing demands of the market. Our goal is to develop robust products of good quality that are aesthetically pleasing, for our consumers.

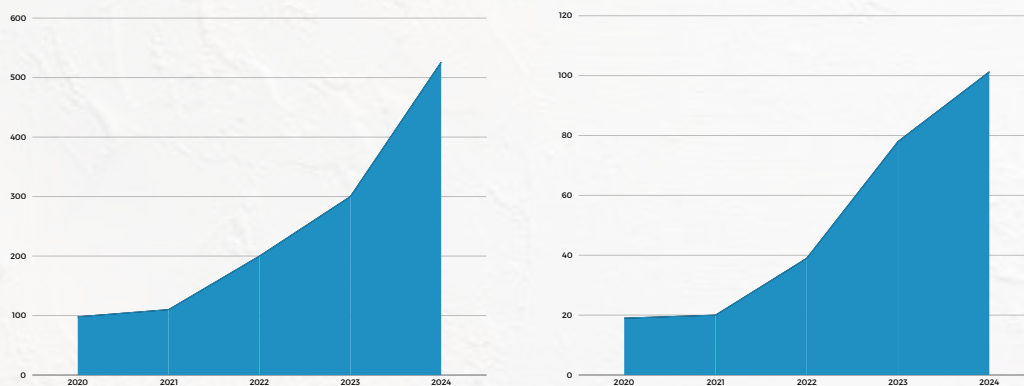
Company strives for enhancing value and ultimately enriching the lives of our stakeholders with optimum utilization of borrowings and Shareholder's Equity available to invest in assets, research and development, innovation, marketing efforts and other initiatives.

Our constant endeavor is to create long-term shareholder value and strengthen our balance sheet over the past few years has laid the foundation for us to capitalise on upcoming growth opportunities.

EBITDA (₹ in million)



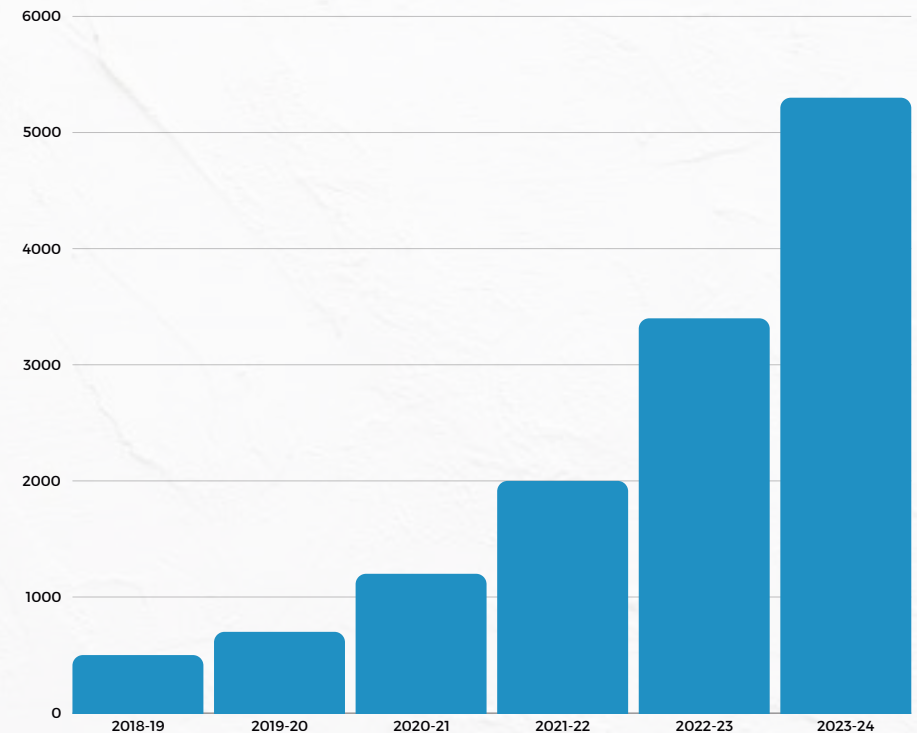
PAT (₹ in million)



- **EBITDA:** ₹ 526.2 mn
- **PAT Margin:** 1.90%
- **ROE:** 6.68%
- **ROCE:** 16.03%
- **Debt-Equity Ratio:** 0.64
- **Net Worth:** ₹ 2095.51 mn
- **EBITDA Margin:** 9.89%
- **PAT:** ₹ 101.27 mn

Fiscal year 2023-24 ended on a strong note with record revenue and profits. Key Highlights for the financial Year 2023-24.

Revenue from operations (₹ in million)



Our Milestones

2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

- Incorporation
- Commenced production of electronic products (Unit 1).
- Started production of lighting products for leading Japanese company.
- Acquired ISO certification.
- Launched Emergency Lighting Range & ventured into appliances segment.
- Estab. 40,000 SqFt. (Unit 2) facility for IDU (AC); started manufacturing for leading Indian Brand.
- UL Certification received for Export to USA.
- Added EMS And LED Facility of 48,000 Sqft. & increased IDU Unit to 100,000 Sqft.
- Added In-house Heat Exchange & Plastic Injection Molding Lines.
- Developed Remote & Electronic Parts For Acs.
- Listing on BSE with IPO fully subscribed
- Set up of (unit 6) ODU line
- Setup (Unit 3) for copper tubing systems
- Setup (Unit 4) for Cross Flow Fans and Plastic Components.
- Granted ESOPs under "VOEPL Employee Stock Option Plan-2023
- Acquired 51% holding in subsidiary YLP Solutions Private Limited
- Setup (Unit 5) for pressure die casting and CNC operation
- CSR activities started at VOEPL under training for apprenticeship program
- Started new products
 - Water Dispensers
 - Commercial Refrigeration
- Company has started pilot production for electronics & Controllers required for EV charger
- Continuous expansion of inhouse AC components infrastructure.
- Setup (Unit 7) for deep freezers
- Formation of second subsidiary - Virtuoso Polymers Private Limited for component business
- Successfully launched water dispensers
- Received credit rating from ICRA Limited, BBB for Banking facilities.





Driving
Growth
Through
**Enhanced
Quality
Checks**

The Road Ahead

Going forwards, VOEPL is looking at not only strengthening its manufacturing capabilities for its existing product segments to service its customers, but is also looking at increasing in presence across new products categories and also growth in component business across multiple sectors and geographies .

The Company has recently incorporated a Wholly Owned Subsidiary Company with the name Virtuoso Polymers Private Limited ("VPPL") on July 29, 2024, for growing its component business in Maharashtra, Tamil Nadu & Gujarat.

The expansion into commercial refrigeration segment is expected to start delivering results in the next couple of years. Export opportunities are increasing in both Air Conditioning (IDU & ODU) business and Commercial Refrigeration business.

Further, the EMS capacity of the company has been strengthened with the commissioning of the new SMT Line. With this the company aims to keep growing its EMS offerings to its customers. Controller Boards, Brass Components & Expanded Polystyrene (EPS) components is planned and will included as another backward integration in the months to come.

Company is in process of implementing of lean tools and techniques for reducing manufacturing cost, space management, efficient utilization of resources, inventory management and improved process flow. Several initiatives such as strengthening of backward integration, investments in solar project, and bolstering our supply chain for sourcing of raw materials are in various stages of implementation.

Manufacturing Capabilities	Research & Development	Market Development
LED & EMS: Increase from 40 million units to 60 million units per annum.	Water Dispensers: Sales have begun, with plans to scale up in FY25.	Backward Integration & Value Addition Investing in machinery to boost backward integration efforts.
Water Dispensers: Increase from 150,000 units to 250,000 units per annum.	Commercial Refrigeration: Production set to start in H2FY25, prototype development and approval is underway.	Successfully integrated cross flow fan production.
Cross Flow Fans (CFF): Increase from 600,000 units to 800,000 units per annum.	R&D Expansion: Enhancing R&D capabilities to accelerate new product development	Planning to add brass components and BLDC motor components.
Expanding capacity and enhancing utilization for IDUs, ODUs, LED, and EMS to drive further growth.	Meet customers' aggressive timeline requirements.	Implementing advanced technologies to lower costs and developing an in-house tool room to better meet customer needs.

Enhancement of capacities in the existing manufacturing units of VOEPL:

- Unit 1 - EMS & Assembly capacity of manufacturing 34 Million lamp equivalents per annum.
- Unit 2 - Manufacturing of indoor units (IDU) for Air Conditioners with capacity of 800,000 units per annum

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

- Unit 4- Manufacturing of Cross Flow Fans (CFFs) which are used in Indoor Unit (IDU) of Split Air Conditioners for a capacity of up to 40,000 units per month.
- unit 5 - Manufacturing of Outdoor Units (ODU) for Air Conditioners with capacity of 400,000 units p.a
- Unit 6 - Manufacturing of Aluminium Pressure Die Casting Components and Brass Parts

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

- Injection Molding
- Heat Exchanger Line
- Copper Tubing Line
- Sheet Metal & Powder Coating Shop
- Cross Flow Fans: Established a backward integration unit for cross flow fans.
- Backward Integration: Set up a backward integration unit for additional ancillaries.



Our Products

Air Conditioner



Indoor Unit (IDU)



Outdoor Unit (ODU)

Commercial Refrigerator



Glass Top Deep Freezer Range



Hard Top Deep Freezer Range

Water Dispenser



Top Push



Front Push

Lighting Products



Candle



Emergency LED Lamp



Pumpkin Lamp



Multi-wattage Lamp



Cob Downlight



Flood Light



Street Lights (Eco Lens Model)



Step Light



Double Colour Down Light



Motion Sensor Lamp



Downlighters



Stick Lamp



Bulkhead



Step Panels

Our Components

Aluminium Pressure Die Casting



Sheet Metal Parts



Controller Boards



Copper Tubing Systems



Wire Harnesses



Lamp Housing



Cross Flow Fan



Remotes



Plastic Injection Moulding





Nurturing a strong family
of ambitious professionals



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

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

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

- Water Dispensers: Developed and started commercial production. Export order dispatches have begun.
- Commercial Refrigeration: Prototypes for the first models are ready.
- New manufacturing unit expected to be operational in H2FY25.
- EMS - Controller boards for appliances being developed in-house controllers for BLDC motors & production EV chargers controllers boards for customers.
- Continuous Backward Integration: Established a new aluminum die casting unit and added injection blow moulding capabilities to enhance backward integration for LED lighting and other products.
- Initiated in-house brass components manufacturing, set to expand AC components infrastructure by H2FY25.

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

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

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

Our Pillars

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

1

Financial Capital

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

Intellectual Capital

- Strengthening of ODM capabilities for Consumer, Industrial Goods & Electronic Products
- Upgrading our testing labs with national / international accreditations
- Continuous strengthening of the R&D team

2

3

Human Capital

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

Manufacturing Capital

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

4

5

Social and Relationship Capital

- Generated employment opportunities
- Continuous engagement with customer and stakeholder

Natural Capital

- Upgraded EMS lines for compliance with RoHS guidelines for reduction of use of materials with heavy metals
- Usage of energy efficient devices and reducing consumption by optimizing usage
- Installed 1MW Solar Roof top project to generate renewable energy and save cost

6

Industry Overview

Air conditioner segment (AC)

- In 2024, the revenue in the Air Conditioners market in India amounts to INR USD 5.88bn.
- It is projected to grow annually by 16.56% (CAGR 2024-2029).
- When compared globally, China generates the highest revenue in this segment, reaching INR USD 15,980m in 2024.
- Looking ahead to 2029, the volume in the Air Conditioners market is expected to reach 22.9 Mn pieces units.
- Additionally, there is an anticipated volume growth of 17.3% in 2025.
- The average volume per household in the Air Conditioners market is expected to be 0.04 pieces units in 2024.
- India's air conditioner market is experiencing a surge in demand due to the country's rising middle class and increasing urbanization.
- AC manufacturers remain confident of registering double-digit growth to cross the 11.5-million-unit sales-mark this year.
- Sale of energy-efficient 5-star inverter-technology-based models will have a higher contribution from metro cities and other big markets, while affordable 3-star ACs will continue to dominate the semi-urban and rural markets.

*Source - Business Standard, Statista



Electronic Manufacturing Services (EMS)

- The current electronic exports of the country stand at USD 125-130 billion. The country's electronic manufacturing is likely to reach around USD 250 billion in the next 5 years, said a source in the ministry.
- The demand for components and sub-assemblies stood at USD 45.5 billion to support USD 102 billion worth of electronics production. This demand is expected to scale to USD 240 billion to support the USD 500 billion worth electronics production by 2030.
- The priority components and sub-assemblies including PCBAs are projected to grow at a robust CAGR of 30 per cent, reaching USD 139 billion by 2030.
- The Indian government, through various incentive schemes, has also provided an outlay of Rs 760 billion for electronic manufacturing in India. India's per capita electronic consumption is one-fourth of global consumption.
- In terms of imports, China and Hong Kong account for a significant portion, representing 44 per cent and 16 per cent respectively, of India's total electronic imports.
- Conversely, mobile phones and Electronic Control Units (ECUs) dominate India's electronic exports, with the United States and the UAE emerging as the largest export destinations, collectively absorbing a substantial share of India's electronic products.
- In order to position India as a global hub for electronic manufacturing, the government has announced various schemes including the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing, Production Linked Incentive Scheme (PLI) for IT Hardware, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0).

*Source - Techsciresearch

Commercial Refrigerator Market

- The Indian commercial refrigeration market will double to ₹10,000 crore in 4 years. Currently, the market size is between ₹4,500 crore and ₹5,000 crore and by FY28 it is expected to cross ₹10,000 crore.
- In FY24, it was 3 lakhs units, in FY25, it will become 6 lakh and in FY26, it will become 9 lakhs.

India Deep Freezer Market was valued at US\$ 536.98 million in 2023 and is projected to surpass the market size of US\$ 4,058.79 million by 2032 at a CAGR of 25.2% during the forecast period 2024-2032.

The Indian deep freezer market has experienced significant growth and shifts in recent years. In 2022, the market reached a landmark with the sale of approximately 1.3 million units, which represents a burgeoning demand across households and commercial establishments alike. This growth was propelled by both domestic and international brands, with three top brands recording combined sales of over 800,000 units. These figures underscore the increasing competitiveness and market dynamism. Wherein, the average price of household deep freezers floated around \$188, providing a cost-effective solution for consumers. Meanwhile, commercial entities, often requiring larger storage capacities, faced an average price tag of \$625. This price differentiation also reflects the diverse functionality and feature sets offered in the market.

A nationwide survey on deep freezer market with a sample of 10,000 participants revealed that energy efficiency and brand reputation stood out as the prime determining factors in purchasing decisions. In line with this, the average energy consumption statistic of 500 kWh annually for household deep freezers became a pivotal selling point for many. Today, e-commerce platforms have emerged as significant players in the distribution chain, boasting sales of around 400,000 units, especially spiking during festive seasons. While online sales continue to burgeon, it's worth noting that India's import-export balance for deep freezers indicates a domestic dominance. The nation imported an estimated 200,000 units while exporting about 50,000, suggesting a considerable internal production capacity and a rising export potential.

The market's inclination towards sustainability and adaptability is evident. Approximately 30,000 old units underwent recycling or refurbishing, and sustainable solar-powered models, though still in a nascent stage, found 10,000 buyers. Meanwhile, the rental market carved its niche, especially in metropolitan regions, with around 20,000 units rented out, predominantly catering to a transient urban populace and event-centric demands.

Brands didn't limit their outreach to sales alone in India deep freezer market. Over 50 new deep freezer models were introduced to the Indian consumer, each addressing unique market segments and needs. This proliferation of choice was complemented by brands establishing over 2,000 service centers, especially emphasizing tier-2 and tier-3 cities, acknowledging the country's vast geographical and demographic expanse. Yet, the number of complaints lodged, around 10,000 primarily about after-sales services, indicates areas where brands can further refine their customer service. With the digital wave sweeping India deep freezer market, transactions for deep freezers amounting to \$118 million were carried out via digital means. This trend, combined with around \$2.5 million worth of discounts during festive promotions, indicates an evolving consumer behavior, seamlessly blending the traditional with the digital.

*Source - cnbctv, Astuteanalytica



Water Dispenser Market

India Water Cooler Market was valued at USD 150.60 million in 2024 and is anticipated to grow with a CAGR of 7.63% through 2030. The India water cooler market is experiencing significant growth driven by several key factors. Urbanization is one of the primary drivers, as more people move to cities, increasing the demand for accessible and clean drinking water in workplaces, educational institutions, and public spaces. This urban shift has also heightened awareness about water safety and hygiene, further bolstering the market.

Rising temperatures and longer summer seasons across India have led to an increased reliance on water coolers to provide refreshing, chilled water. This climatic trend, coupled with the growing middle class and their disposable income, has spurred the adoption of both residential and commercial water coolers.

Technological advancements and innovations in the water cooler segment are shaping market dynamics. Manufacturers are focusing on developing eco-friendly and energy-efficient models that reduce electricity consumption and utilize sustainable materials. Additionally, smart water coolers with features like touchless dispensing and remote monitoring are gaining traction, especially in the context of post-pandemic health and safety concerns.

Market players are also expanding their product lines to cater to various consumer needs, from compact and sleek designs for small spaces to robust industrial units for large organizations. The ongoing demand for rental and service models in offices and events is also contributing to market growth.

The commercial segment is rapidly emerging as the fastest-growing sector within the India water cooler market. This growth is fueled by the expanding presence of businesses, educational institutions, healthcare facilities, and public spaces that increasingly prioritize the provision of clean, cold drinking water. As India's economy grows, more companies are establishing or expanding their operations, particularly in urban areas. These organizations need reliable water cooling solutions to ensure the comfort and well-being of employees, clients, and visitors.

Moreover, the hospitality industry, including hotels, restaurants, and event venues, is a significant driver of demand for commercial water coolers. These establishments require high-capacity, efficient systems to meet the needs of large numbers of guests. Additionally, the ongoing expansion of the retail sector, with the proliferation of shopping malls and supermarkets, boosts the demand for robust water cooling solutions to cater to heavy foot traffic.

Key Market Drivers

Rising Urbanization and Population Growth

India is undergoing rapid urbanization, with millions moving from rural areas to cities in search of better job prospects and living conditions. This massive urban influx has led to a higher concentration of people in urban centers, which increases the demand for public and private access to clean, cold drinking water.

Cities like Mumbai, Delhi, and Bangalore are seeing explosive growth in residential buildings, commercial offices, shopping malls, and educational institutions. These facilities require efficient water-cooling solutions to meet the needs of a growing urban population. High-rise apartment buildings, office complexes, and public spaces are increasingly installing water coolers to provide accessible drinking water, reflecting the necessity for such infrastructure in densely populated areas.

Moreover, urban dwellers tend to have higher disposable incomes and a greater awareness of health and convenience, driving demand for more sophisticated water-cooling solutions. The rise in nuclear families and smaller living spaces also boosts the need for compact, high-efficiency water coolers that can fit into modern, urban lifestyles.

*Source - cnbctv, Astuteanalytica



Who Drive
Progress With
Their **Dedication**
And
Enthusiasm

Sustainability Goals



THE GLOBAL GOALS

For Sustainable Development

5 GENDER EQUALITY



Our commitment to gender equality is reflected in our inclusive workplace culture, where we actively promote diversity and equal opportunities for all employees, ensuring that everyone has a voice and the potential to lead.

We prioritize innovation in our operations, investing in advanced infrastructure and technologies that drive sustainable growth and enhance our ability to serve clients effectively while reducing our environmental footprint.

8 DECENT WORK AND ECONOMIC GROWTH



We are dedicated to fostering a work environment that supports fair wages, safe working conditions, and opportunities for professional development, contributing to broader economic growth and stability.

Through our projects and partnerships, we are contributing to the development of sustainable cities and communities, focusing on reducing environmental impact and enhancing the quality of life for all residents.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We are committed to responsible consumption and production practices, ensuring that our operations minimize waste and environmental impact while promoting the efficient use of resources across our value chain.

Collaborative efforts are central to our strategy, as we engage in partnerships with various stakeholders to drive progress toward shared sustainable development goals, creating value for society and our business.

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

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

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



17 PARTNERSHIPS FOR THE GOALS



CAPITAL INVESTMENT ON SOLAR PROJECT FOR ENERGY GENERATION:

Company has successfully installed 1 MW rooftop Solar Power generation Plant at Unit 2 at Janori, Nashik. Rooftop Solar power Plant is a collection of solar panels installed on the roof of a Plant building to convert sunlight into electricity. We have used high efficiency solar panels to generate maximum electricity in the available area.

The expected future benefits of the project are:

- Renewable Energy Source
- Reduced dependence for energy from electricity board
- Reduction in electricity charges.

Further roadmap is to enhance this 1 MW capacity solar plant to 3.5 MW capacity in near future and we intend to install roof-top solar power plant for 2 more units at Nashik. These project is expected to be complete by March, 2025.





Leading advancements with new technologies while growing stronger



Chairman's Message to Shareholders

Dear Shareholders,

It gives me immense pleasure to present the annual report of Virtuoso Optoelectronics Limited with you.

Virtuoso Optoelectronics Limited (VOEPL) started its operation with a small investment and a team of handful people in Electronics Manufacturing & Assembly almost a decade ago. Over the years, it gives me immense pleasure in sharing, that we have grown in strength and size. We continuously strive to learn from our experiences and grow with the guidance and support of our customers and stakeholders.

We are developing new products & venturing into new product categories, to help the company have a stronger base and to be able to cater to a wider customer base. We are also strengthening our ODM capabilities in line with the expectations of our customers in both electronics and appliances.

The company has delivered strong revenue growth of nearly 69% year on year led by growth in volumes from existing businesses (EMS, LED, AC-IDU & Components) as well as from new products added during the year (AC-ODU & Water Dispenser). We are hoping to continue our growth trajectory in FY25 and FY26 led by further expansion in our manufacturing capacities, backed by strong demand for our products from leading customers. The new manufacturing unit for commercial refrigeration is expected to be operational in H2 of FY25, increasing the product offerings by the company significantly.

Company has raised capital by a preferential issue for funds during the year, as required by the company to fuel the planned growth. We will be utilizing proceeds primarily towards addition of fixed assets and working capital to meet the increasing working capital requirement with the increase in sales.

We intend to continue working towards the growth of the company with the objective of strengthening our manufacturing capabilities, upliftment of society, long term sustainability and to contribute towards the vision of Atmanirbhar Bharat.

We thank you for your continued support & confidence.

Yours Sincerely

Sukrit Bharati

Chairman & Managing Director

Directors Report

Dear Member(s),

Your directors take immense pleasure in presenting the 9th Annual Report on the business and operations of your Company along with its Audited Financial Statements for the year ended on 31 March, 2024.

Financial Summary

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

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

(₹ In lakhs)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Revenue From operations	53,108.41	33,726.51
Other Income	122.01	80.7
Total Income	53,230.42	33,807.21
Total Expenses	51,800.23	32,678.12
Profit/Loss before Exceptional Items and Tax	1,430.19	1,129.09
Add/(Less): Exceptional Items	-	-
Profit before Tax	1,430.19	1,129.09
Tax Expense	250.00	198.00
Profit after Tax	1180.19	931.09
Deferred Tax	167.45	154.38
Profit for the year	1,012.73	776.71

Operational Overview

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

Revenue from operations for the current financial year grew 57.45% to ₹ 53,108.41 lakhs as compared to ₹ 33,726.51 lakhs in the previous financial year. Net profit for the current financial year increased by 30.39% to ₹ 1,012.73 lakhs as compared to ₹ 776.71 lakhs in the last financial year. Company has generated record revenue and profits.

Dividend

In view of the planned business growth, your directors estimate it proper to preserve the resources in order to fund new growth opportunities and therefore, do not propose any dividend for the Financial Year ended March 31, 2024.

Reserves

The amount of profit of ₹ 1,012.73 lakhs is transferred to the Reserve and Surplus Account for the year under review.

Share Capital Structure

Your Company has increased Authorized share capital from ₹26,00,00,000 (divided into 2,60,00,000 equity shares of ₹ 10/- each) to ₹ 35,00,00,000 (divided into 3,50,00,000 equity shares of ₹ 10/- each), vide ordinary resolution passed in the extra-ordinary general meeting held on February 03, 2024.

The Issued, Subscribed and Paid-up equity share capital has also been increased from Rs. 22,83,86,560 to Rs. 26,33,87,560 pursuant to the preferential issue for which allotment was done on March 02, 2024.

As on 31st March, 2024 the Issued, subscribed and paid up capital was ₹ 26,33,87,560/- (divided into 2,63,38,756 equity shares of ₹ 10/- each.)



Funds Raised During The Year

Preferential Issue

Preferential issue was approved for fresh issue of 35,00,100 equity shares having face value of ₹ 10/- each at a premium of ₹245.10/- per share at the Board Meeting held on January 11, 2024 by the board of directors and passed with requisite majority at the Extra Ordinary General Meeting held on February 03, 2024 by the shareholders of your company and your company has received the In-principle from BSE Limited on February 20, 2024.

Your company has allotted equity shares on March 02, 2024. The Listing approval of equity share from BSE Limited has not been received due to increase of paid-up capital beyond 25 Crores. Accordingly, the credit of Equity Shares from CDSL and NSDL is also pending and hence 3,500,100 Shares are not tradable on Stock Exchange.

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

Employees Stock Option Plan

The board of directors had proposed "VOEPL" Employee Stock Option Plan 2023. The "VOEPL" Employee Stock Option Plan-2023 was approved on January 30, 2023 by Board of Directors and on February 24, 2023 by shareholders by passing Special Resolution. Board of directors has reserved 20,00,000 options under this plan for employees. During the year, your company had granted 2,59,140 options to employees at the price and terms as per the proposal by NRC committee and 12,820 ESOPs lapsed or cancelled. The details of "VOEPL Employee Stock Option Plan- 2023" ("ESOP 2023" or Scheme) are as provided below:

Particulars	Details			
	From April 1, 2024 till date	FY 24	FY 23	FY 22
Total options outstanding as at the beginning of the period	20,00,000	20,00,000	20,00,000	Nil
Total options granted	2,59,140	2,59,140	Nil	Nil
Exercise price of options in ₹ (as on the date of grant options)	Nil	246.3	Nil	Nil
Options forfeited/lapsed/cancelled	12,820	12,820	Nil	Nil
Variation of terms of options	NA			
Money realized by exercise of options during the year/period	NA			
Total number of options outstanding in force at the end of period/year	19,87,180	19,87,180	20,00,000	Nil
Total options vested (excluding the options that have been exercised)	Nil	Nil	Nil	Nil
Options exercised	Nil			
The total number of Equity Shares arising as a result of full exercise of granted options (including options that have been exercised)	Nil			

Particulars	Details			
	From April 1, 2024 till date	FY 24	FY 23	FY 22
Employee wise details of options granted to:				
Key managerial personnel:	60,000	60,000	60,000	Nil
Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year		Nil		
(iv) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant		Nil		
Lock-in period		NA		
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'EPS' (in ₹)	Fully diluted EPS as per the Audited Financial Statements:			
	Particulars	FY 24	FY 23	FY 22
			31, 2023	31, 2022
	Diluted EPS	4.38	4.28	3.11
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black- Scholes formula			
	Particular	Tranches 1	Tranches 2	Tranches 3
	Valuation date	August 10, 2023	August 10, 2023	August 10, 2023
	Volatility (S)	25%	25%	25%
	Risk free rate	7.17%	7.16%	7.19%
Time to Expiration (T)	4.5 years	5.5 years	6.5 years	7.5 years
Impact on the profits and on the Earnings per Equity Share of the last three years if the accounting policies specified in the SEBI SBEB Regulations had been followed, in respect of options granted in the last three years	Not Applicable			
Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the Earnings per Equity Share of our Company	Yes			
Intention of the Key Managerial Personnel, Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer	No options exercised, hence not applicable			
Intention to sell Equity Shares arising out of "VOEPL Employee Stock Option Plan- 2023" ("ESOP 2023" or Scheme) within three months after the listing of Equity Shares, by Directors, Key Managerial Personnel, Senior Management Personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of our Company.	No options exercised, hence not applicable			

Maintainance of cost records

The Company has adequately maintained the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

State of company affairs

The state of your Company's affairs is given under the heading 'Financial Summary/ Highlights', Overview of Company's Performance' and various other headings in this Report and the Management Discussion and Analysis Report, which forms part of the Annual Report.

Investor education and protection fund

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

Committees Of The Board

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

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

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

Public Deposit

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

Material changes and commitments affecting the financial position of the company

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

Declaration By Independent Directors

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

Board Evaluation

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

Changes In Key Managerial Personnel

During the Financial year 2023-24,

1. Mr. Hariom Kushawaha, Company Secretary & Compliance Officer of the Company has resigned w.e.f. January 27, 2024.
2. Ms. Vibhuti Kulkarni, was appointed as Company Secretary & Compliance Officer of the company w.e.f. January 28, 2024.

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

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

Health, Safety And Environment

The Company is continuously focusing on improved training, new initiatives and communications enhancing safety in the work place. Safety and occupational health responsibilities are integral to your Company's business process. Safety is a key performance indicator and your Company is committed to ensuring zero harm to its employees, to any person in the Company premises and to the community. Company has implemented various measures in light with the requirement of safety and ensuring the health of its employees:

1. Regular safety training sessions are conducted for employees to enhance their knowledge and skills in identifying and mitigating potential hazards.
2. Performed regular safety inspections and audits to identify and address potential safety risks and ensure compliance with regulations.
3. Mock Drills are Conducted for potential emergencies.
4. Periodic Employee Recognition and Motivation for their contributions to safety, promoting a safety-first culture.
5. Annual medical checkups for employees to monitor their health and well-being, and provide early intervention and support as needed.

Apart from safety initiatives, your Company is also focusing on environment protection with below activities are monitored and conducted during the year:

1. Ensured compliance with environmental regulations and standards.
2. Implemented effective waste management practices to minimize waste and promote recycling.
3. Implemented energy-efficient practices to reduce energy consumption.
4. Promoted sustainable practices throughout the organization.

Company has ensured compliance with Commitment to Health Safety and Environment protection measures via below activities:

1. Monthly Safety Committee Meetings to discuss safety concerns, incidents, and best practices.
2. Incident Reporting and Investigation to identify root causes and implement corrective actions.
3. Continuous Improvement with employee suggestions and ideas welcomed and implemented.
4. Periodic review of HSE policies and objectives to ensure alignment with organizational goals and regulatory requirements.

The Company is in compliance with the provisions of E-Waste (Management) Rules, 2022 from Central Pollution Control Board (CPCB) of the Government of India.

Board Of Directors, Its Committees And Meetings Thereof

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

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

Ms. Ila Bhat (DIN: 10605053) was, on recommendation of Nomination and Remuneration Committee, appointed by the Board of Director as additional director (Non-Executive, Independent) under section 161 of the Companies Act, 2013 w.e.f. April 29, 2024, She was regularized in the Extra Ordinary General Meeting of the company which was held on 26.07.2024.

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

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

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

Policies

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

Particulars Of Employees

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

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

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

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

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

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

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

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

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

AUDITORS

Statutory Auditors

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

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with rules made thereunder, the Board of Directors has appointed M/s Prachi Bansal & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2023-24. The report submitted by the Secretarial Auditor in Form MR-3 is attached to this report as **Annexure - 3**. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

In terms of the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors had, on the recommendation of the Audit Committee, appointed KPMSS & Associates, Cost Accountants, Nashik, as the Cost Auditors, to conduct the cost audit for the financial year ended March 31, 2024.

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

Internal Auditors

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

Reporting Of Frauds By Auditors

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

Annual return

The Annual Return of the Company as on March 31, 2024 is available on the website of the Company at www.voep.com.

Management Discussion And Analysis Report

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

Corporate Governance

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

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

Insurance

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

Risk Management And Internal Control System

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

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

Corporate Social Responsibility (CSR) Initiatives

During the year, the company has constituted the CSR Committee due to applicability of the provisions sub-section (1) of Section 135 of the Companies Act, 2013.

The details of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report. The CSR policy is available on the website of your Company at <https://www.voep.com/investors>. The Annual Report on CSR activities is annexed and forms part of this report. Your Company has spent more than 2% of the average net profits of your Company, during the three years immediately preceding financial year. The Chief Financial Officer of your Company has certified that CSR spends of your Company for FY24 have been utilized for the purpose and in the manner approved by your Board of your Company.

Our Company has Utilized CSR Funds for Apprenticeship Training Under 'Skill Training' Under Item No. (ii) Of Schedule VII of The Companies Act. We have imparted training to 109 apprentices under a government registered scheme of WIL, NEEM, Flexi- MOU, NAPS for the Various purposes like training for MI- Line, Wave Soldering, Assembly, SMT, Store, QA, R&D etc.

Prevention of Sexual Harassment of Women At Workplace

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

Directors' Responsibility Statement

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

- in the preparation of the annual financial statements for the financial year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the directors have selected such accounting policies have been selected and applied them consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the loss of the Company for the year ended on that date;
- the directors have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual financial statements have been prepared on a going concern basis;
- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- the directors have advised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Acknowledgements

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

Your directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels. The Directors look forward to your continuing support.

By Order of the Board of Directors

For Virtuoso Optoelectronics Limited

Sukrit Bharati

Chairman & Managing Director
DIN: 03638084

Date : June 21, 2024
Place : Nashik

ANNEXURE – 1

To The Directors' Report

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

[Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2024]

A. CONSERVATION OF ENERGY

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

Your Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being made on undertaking specific energy conservation projects like:

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

The Company is primarily engaged in business of manufacturing of high-volume production of Electronics Manufacturing Services (EMS) and consumer products. The Company manufacturing consumer durable goods and assemble a wide array of products and provide end-to-end product solutions. Company also serves under both original equipment manufacturing (OEMs) and Original Design Manufacturers (ODMs) business model.

Your Company continues to strive for new avenues to improve operational efficiency across generation, renewables and transmission and distribution businesses leading to conservation of energy and optimization of resource consumption.

2. THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY

In the generation business, various initiatives have been taken for optimization of operating parameters across various plants. Few of these initiatives are highlighted below. Your company has taken efforts to not only reduce the energy footprint but to also reduce the carbon footprint by exploring alternate sources of energy. Your company have undertaken some large steps for generating energy through Solar Energy. The details are as below:

- a. The installation of 1MW Solar Rooftop project for captive generation and consumption was started in FY 23-24 and completed successful commissioning in June 2024. This will help generating ~15.70 lakh units of power for the company.
- b. Further 2 more Solar Rooftop projects of ~0.25 MW each are planned in FY 24-25.

3. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS:

The primary investment done by the company towards energy consumption is Solar Rooftop Projects undertaken by the company.

B. TECHNOLOGY ABSORPTION

Research and technology development of the Company helps create superior value by harnessing internal Research and Development skills and competencies and creates innovations in emerging technology domains related to the Company's various businesses. Research and technology development focuses on:

(i) New products, processes and catalyst development to support existing business and create breakthrough technologies for new businesses.

Advanced troubleshooting and Support to capital projects, and profit and reliability improvements in manufacturing plants.

INFORMATION REGARDING IMPORTED TECHNOLOGY (IMPORTED DURING LAST 3 OYEARS): No technology has been imported by your Company in the last 3 years but the company is working with a European Company for designing & development of new designs and prototypes of some ODM projects the company is working on.

Details of technology imported	Nil
Year of import	Nil
Whether the technology been fully absorbed	Nil
If not fully absorbed, areas where absorption has not taken place, and the reason thereof	Nil

EXPENDITURE INCURRED ON R & D: Your company is in a regular process on Research & Development. Your company had incurred capital expenditure of Rs. 288.89 lakhs during the year on Research & Development. Your company is improving its strength and capabilities in R&D with capabilities spanning across:

1. Electronic Products Design & Development
2. OEM / ODM product development of consumer products
3. Tool Designing & Development

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS	FY 2023-24	FY 2022-23
Foreign Exchange inward	-	-
Foreign Exchange outgo	6341.07	4829.04

ANNEXURE - 2

To The Directors' Report

DISCLOSURES ON MANAGERIAL REMUNERATION

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

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

Ratio of remuneration of each Director to the median employees' remuneration for FY24

Sr. No.	Name	Designation	Ratio of Remuneration of each Director to Median of Remuneration of employees
1	Mr. Sukrit Bharati	Managing Director	1.23
2	Mr. Vishrut Bharati	Non-Executive Director	NA
3	Mr. Abhinav	Executive Director	NA
4	Mrs. Ziral Soni	Independent Director	NA
5	Ms. Drashti Solanki	Independent Director	NA
6	Mrs. Komal Kotecha	Independent Director	NA
7	Mr. Sajid Shaikh	Chief Financial Officer	NA
8	Ms. Vibhuti Kulkarni	Company Secretary and Compliance officer	NA

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

Notes:

Remuneration paid to all directors is within the overall limits approved by the shareholders of the Company.

Percentage increase in the remuneration of each director and key managerial personnel in FY24

Sr. No.	Name	Designation	Increase in Remuneration
1	Mr. Sukrit Bharati	Chairman and Managing Director	20%
2	Mr. Vishrut Bharati	Non-Executive Director	NA
3	Mrs. Komal Kotecha	Independent Director	NA
4	Mrs. Ziral Soni	Independent Director	NA
5	Ms. Drashti Solanki	Independent Director	NA
6	Mr. Sajid Shaikh	Chief Financial Officer	38%
7	Ms. Vibhuti Kulkarni	Company Secretary and Compliance officer	NA

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

* Ms. Vibhuti Kulkarni, was appointed w.e.f. January 28, 2024 as Company Secretary and Compliance officer.

Number of permanent employees

The Company had 211 employees as of March 31, 2024.

Percentage increase in the median remuneration of employees in FY23

The percentage decrease in the median remuneration of employees in FY24 stood at -4.05%.

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

The average percentage decrease in the salaries of employees other than the managerial personnel in the last financial year 2023-24 was 66% whereas there was increase in the managerial remuneration for the current financial year. The remuneration paid was in line with the performance of the Company, industrial standards and individual employee's performance.

ANNEXURE – 3

To The Directors' Report

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2024

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

**To,
The Members
Virtuoso Optoelectronics Limited**

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

- d. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review).
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable (Not Applicable to the Company during the Audit Period).
- vi. The other laws as are applicable specifically to the Company are compiled as per representation made by the management of company during the audit period. I have also examined compliance with the applicable clauses of the following: a. Secretarial Standards issued by The Institute of Company Secretaries of India. b. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

1. The Factories Act, 1948;
2. The Payment of Wages Act, 1936
3. The Minimum Wages Act, 1948
4. Employees Provident Fund and Misc. Provisions Act, 1952
5. Employers State Insurance Act, 1948;
6. The Environment (Protection) Act, 1986;
7. The Payment of Bonus Act, 1965;
8. Maternity Benefits Act, 1961
9. Payment of Gratuity Act, 1972
10. Maharashtra Labour Welfare Fund Act, 1953
11. Industrial Employment Standing Orders Act, 1946
12. Contract Labour (Regulation & Abolition) Act, 1970
13. Industrial Dispute Act, 1947.
14. Employees Compensation Act, 1923
15. E-Waste (Management) Rules, 2022
16. The Apprentices Act, 1961

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

I further report that

- During the period under audit the Company has increased Authorized Share Capital from Rs. 26,00,00,000 (divided into 2,60,00,000 equity shares of Rs. 10/- each) to Rs. 35,00,00,000 (divided into 3,50,00,000 equity shares of Rs.10/- each), vide ordinary resolution passed in the extra-ordinary general meeting held on February 03, 2024.
- The Company has made Preferential Issue of 35,00,100 Equity Shares and 31,50,000 Equity Warrants having face value of Rs. 10/- each at a premium of Rs. 245.10/- per share/warrant. The said equity shares were allotted on March 02, 2024 and the Listing approval from BSE Limited has not been received due to increase of paid-up capital beyond 25 Crores. Accordingly, the credit of Equity Shares from CDSL and NSDL is also pending and hence Shares are not tradable on Stock Exchange.

**FOR PRACHI BANSAL & ASSOCIATES
COMPANY SECRETARIES**

**PRACHI BANSAL
(PROPRIETOR)
MEMBERSHIP NO. A43355
C.P. NO. 23670
PEER REVIEW NO. I2020HR2093500
DATE: 21-06-2024
PLACE: FARIDABAD
UDIN: A043355F000599790**

ANNEXURE – A

Secretarial Audit Report

**To,
The Members
Virtuoso Optoelectronics Limited**

Management's Responsibility:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

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

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

**FOR PRACHI BANSAL & ASSOCIATES
COMPANY SECRETARIES**

**PRACHI BANSAL
(PROPRIETOR)
MEMBERSHIP NO. A43355
C.P. NO. 23670
PEER REVIEW NO. I2020HR2093500
DATE: 21-06-2024
PLACE: FARIDABAD
UDIN: A043355F000599790**

ANNEXURE - 4

To The Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments Overview

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

Electronics manufacturing services (EMS) is a term used for companies that design, manufacture, test, distribute, and provide return/repair services for electronic components and assemblies for original equipment manufacturers (OEMs). The concept is also referred to as electronics contract manufacturing (ECM).

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

India is likely to emerge as a potential future manufacturing hub for the region, provided the government shows adequate support and focus towards this sector. Specific factors anticipated to push manufacturing in India are inclusive of a reduction in borrowing costs, export incentives, reduction of customs duties on raw materials and components, and improvement in the ease of doing business.

In 2024, the revenue in the Air Conditioners market in India amounts to INR US\$5.88bn. It is projected to grow annually by 17.29% (CAGR 2024-2028).

Production Linked Incentive (PLI) for IT hardware, large scale electronics manufacturing, White Goods, Telecom & Networking Products and others.

Phased Manufacturing Program to promote domestic manufacturing of Mobile Phones and various sub-assemblies involved in manufacturing of Mobile Phones.

The growing need for environmentally friendly and energy-efficient solutions is one of the main factors influencing the market. Adopting refrigeration systems that use eco-friendly refrigerants and consume as little energy as possible is becoming more and more important as awareness of climate change and the need to cut greenhouse gas emissions grow. To satisfy these expectations, manufacturers are devoting resources to R&D to create novel technologies such as enhanced insulating materials, variable-speed compressors, and natural refrigerants such as hydrocarbons and CO₂.

Digitization and integration of Internet of Things (IoT) technologies into refrigeration systems is a noteworthy trend that is influencing the market. Refrigeration equipment is capable of being remotely managed, with predictive maintenance and real-time monitoring made possible by the use of smart sensors, data analytics, and connection technologies. IoT-enabled refrigeration systems help organizations cut expenses and downtime while improving food safety and quality assurance by providing advantages such as enhanced energy efficiency, proactive problem detection, and optimal performance.

In addition, the market has experienced surge in innovation and customization due to shifting consumer tastes and dietary habits. Specialized refrigeration methods designed to maintain the nutritional content and freshness of perishable commodities have been developed owing to the growing demand for natural, organic, and fresh foods. A wide range of temperature-controlled storage units, walk-in coolers, and refrigerated display cases are available from manufacturers, all of which have been customized to satisfy the unique needs of various food categories and retail settings.

The commercial refrigeration market is analysed on the basis of product, end user, and region. By product type, the market is divided into deep freezers, bottle coolers, storage water coolers, commercial kitchen refrigeration, medical refrigeration, chest refrigeration, and others. The others segment includes ice cubes, bottled water dispenser, visi coolers, refrigerated display cases, and beer dispensers. On the basis of end user, it is classified into full-service restaurant & hotels, food processing industry, hospitals, retail pharmacies, supermarket/hypermarket, convenience stores, quick service restaurants, and others. The others segment comprises catering services, institutional catering,

Event services, bakery, bars, and pubs. Region-wise, the commercial refrigeration is analyzed across North America, Europe, Asia-Pacific, and LAMEA.

Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors (SPECS).

Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme

"To offset the disabilities faced by industries for quality infrastructure and to develop a robust electronics manufacturing ecosystem in the country to make India an Electronics Manufacturing Hub: Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme has been notified vide Gazette Notification No.CG-DL-E-01042020-218991 dated April 01, 2020 with the objective to address the disabilities, by providing support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds / Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in the country.

This Scheme will fortify the linkage between domestic and international market by strengthening supply chain responsiveness, consolidation of suppliers, decreased time-to-market, lower logistics costs, etc.

The EMC 2.0 Scheme provides financial assistance for setting up of both EMC projects and Common Facility Centres (CFCs) across the country. The Scheme is open for receipt of application up to 31st March, 2024 (after extension). Further, disbursement of funds is available up to March, 2028, to the approved projects.

Air conditioner market in 2024

- In 2024, the revenue in the Air Conditioners market in India amounts to INR US\$5.88bn.
- It is projected to grow annually by 16.56% (CAGR 2024-2029).
- When compared globally, in China generates the highest revenue in this segment, reaching INR US\$15,980m in 2024.
- In terms of per household revenues, in India generates INR US\$20.38 in 2024.
- Looking ahead to 2029, the volume in the Air Conditioners market is expected to reach 22.9m pieces units.
- Additionally, there is an anticipated volume growth of 17.3% in 2025.
- Lastly, the average volume per household in the Air Conditioners market is expected to be 0.04 pieces units in 2024.
- India's air conditioner market is experiencing a surge in demand due to the country's rising middle class and increasing urbanization.

The growth in India's consumer market demand is driven primarily by rising disposable incomes and easy access to credit, which in turn has increased purchasing power. While two-thirds of the total revenue is generated from urban inhabitants, rural inhabitants are also contributing to the growth of the industry. According to this research report, the Indian Air Conditioner Market was valued at US\$ 329.01 bn in 2022.

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

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

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

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

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

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

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

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

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

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

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

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

Medium Term and Long-Term Strategy:

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

Financial Performance Analysis:

Following are the financial highlights of the Company for the year ended March 31, 2024, on a standalone basis:

A good demand for the Company's offerings across all business segments coupled with an early onset of summer in some parts of the country helped Virtuoso Optoelectronics Limited to register a robust revenue growth. The Company delivered record revenue and profits in H2FY23-24 and ended the year on a record high revenue of ₹ 53,230.42 lakhs.

Financial performance analysis is provided below:

1. Income:

The year commenced on a promising note with a general improvement in consumer sentiment witnessed in the first half of the previous financial year. During the peak selling season for the Company's products, Virtuoso Optoelectronics Limited ended the year on a strong note with the total Income for the year ended March 31, 2024, growing by 57.45% to ₹53,240.42 lakhs as compared to ₹33,807.21 lakhs in the previous year.

2. Cost Of Sales, Work Bills and Services:

The cost of sales, work bills and services during the year was ₹ 46,243.61 crores compared to ₹29,545.30 crores in the previous year. This cost increased by 56.52% from the previous year.

3. Employee Remuneration And Benefits:

Employee cost for the year at ₹ 1,244.95 lakhs increased by 75.49% compared to ₹ 709.42 lakhs in the previous year, in line with the increase in scale and roll back of compensation cuts undertaken in the previous year.

4. Operating And General Expenses:

Operating and general expenses increased to ₹ 862.68 lakhs from ₹375.40 lakhs in the previous year. The operating and general expenses for the year were increased by 129.08% from previous year.

5. Financial Expenses:

Financial cost for the year was at ₹2,004.93 lakhs compared to ₹1,353.95 lakhs in the previous year. The financial cost for the year increased to 48.08% from the previous year.

6. Depreciation:

Depreciation charge for the year increased to ₹ 1,826.91 lakhs as compared to ₹ 942.89 lakhs in the previous year.

7. Profit Before Tax:

Profit before tax and exceptional items for FY24 increased by 26.67% to ₹1,430.19 lakhs compared to ₹1,129.09 lakhs in FY23.

8. Profit After Tax:

Profit after tax for FY24 increased by 30.39% to ₹1012.73 lakhs compared to ₹776.71 lakhs in FY23.

9. Key Financial Ratios:

Sr. No.	Key Financial Ratios	FY24	FY23	Change%
1	Current Ratio (in times)	1.7	1.23	37.63%
2	Debt - Equity Ratio (in times)	0.64	0.94	-31.57%
3	Debt Service Coverage Ratio (in times)	1.7	1.28	33.29%
4	Return on Equity Ratio (%)	6.68%	13.52%	-50.58%
5	Inventory Turnover Ratio (in times)	3.03	2.9	4.16%
6	Trade Receivables Turnover Ratio (in times)	22.43	19.25	16.52%
7	Trade Payables Turnover Ratio (in times)	4.95	5	-0.94%
8	Net Capital Turnover Ratio (in times)	6.74	20.97	-67.85%
9	Net Profit Ratio (%)	1.91%	2.30%	-17.20%
10	Return on Capital Employed (%)	16.03%	25.66%	-37.54%
11	Return on Investment (%)	1.64%	4.67%	-64.83%

Improvement in current ratio and operating profit margin is a result of cost reduction initiatives and operational efficiencies. With the continuous effort towards increasing potential to create more earnings for shareholders, and reduction of dependability of debt, Company has successfully lower down its debt equity ratio with remarkable number of 0.64 times as on 31st March, 2024.

Internal Control Systems and Their Adequacy

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

Risks And Concerns:

Risks

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

Concerns

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

Opportunity

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

Human Resources

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

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

Corporate Outlook

The Company ended the year on a strong note with healthy growth across all segments. Virtuoso Optoelectronics Limited is witnessing strong demand for air conditioners in H2FY24. Virtuoso Optoelectronics Limited is growing faster than the market. With the increase in corporate capex and revival of demand from traditional customer segments, prospects for growth in the Electronic Manufacturing Projects and Commercial Air Conditioning business are also encouraging.

The Company's cost optimization initiatives and prudent working capital management has been helping Virtuoso Optoelectronics Limited to sustain growth, profitability, and a strong balance sheet.

ANNEXURE – 5

To The Directors' Report

CORPORATE GOVERNANCE REPORT

(The Directors present detailed report on Corporate Governance for the financial year ended March 31st, 2024, as per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.)

1. Philosophy on Corporate Governance

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

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

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

2. Board of Directors

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

Composition and Category

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

The Board of Directors as on 31st March, 2024, comprised five Directors, out of which one is Managing Director, one is Non-Executive Director, one is Executive Director and two are Non-Executive, Independent directors. The Chairman of the Company is Managing Director. All the Directors have certified that they are not members of more than ten Committees and do not act as Chairman of more than 5 (Five) Committees across all the Companies in which they are Directors.

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

The Composition of Board of Directors as on 31st March, 2024 is as follows:

Name of Director	Category	Total No. of Other Directorship	Details of Committees*	
			Chairman	Member
Mr. Sukrit Bharati	Managing Director	2	0	2
Mr. Vishrut Bharati	Non-Executive Director	2	0	0
Mrs. Ziral Soni	Independent Director	6	2	5
Mrs. Drashti Solanki	Independent Director	7	2	1
Mr. Abhinav	Executive Director	3	0	1

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

Board Meetings and Procedure:

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

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

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

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

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

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

During the Financial Year 2023-24, the Board of Directors of your Company met Sixteen times The details of attendance of each Director at Board Meetings held in the Financial Year and the last

Annual General Meeting are as under:

Dates and Attendance of all Director at Board Meeting	Name of Directors and attendance at the Meetings					
	Sukrit Bharati	Vishrut Bharati	Abhinav Mahajan	Komal Kotecha	Ziral Soni	Drashti Solanki
29.05.2023	Yes	Yes	No	Yes	Yes	No
30.06.2023	Yes	Yes	Yes	NA	Yes	Yes
02.07.2023	Yes	Yes	Yes	NA	Yes	Yes
14.08.2023	Yes	Yes	Yes	NA	Yes	Yes
01.09.2023	Yes	Yes	Yes	NA	Yes	Yes
07.09.2023	Yes	Yes	Yes	NA	Yes	Yes
10.11.2023	Yes	Yes	Yes	NA	Yes	Yes
15.11.2023	Yes	Yes	Yes	NA	Yes	Yes
01.12.2023	Yes	Yes	Yes	NA	Yes	Yes
08.12.2023	Yes	Yes	Yes	NA	Yes	Yes
11.01.2024	Yes	Yes	Yes	NA	Yes	Yes
28.01.2024	Yes	Yes	Yes	NA	Yes	Yes
02.02.2024	Yes	Yes	Yes	NA	Yes	Yes
27.02.2024	Yes	Yes	Yes	NA	Yes	Yes
01.03.2024	Yes	Yes	Yes	NA	Yes	Yes
02.03.2024	Yes	Yes	Yes	NA	Yes	Yes
Total No. of Board Meetings attended	16	16	15	1	16	15
Attendance at the last AGM held on 29th Sept, 2023	Yes	Yes	Yes	NA	Yes	Yes
Attendance at the last EGM held on 03rd Feb, 2024	Yes	Yes	Yes	NA	Yes	Yes

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

Confirmation on independence of Independent Directors

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

Code of Conduct for Board & Senior Management Personnel

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

Profile of Directors seeking appointment / re-appointment:

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

Detailed reasons for the resignation of an Independent Director.

During the year under review and there after till date,

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

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

Performance Evaluation

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

The performance of non-independent directors was reviewed in the separate meeting of Independent Directors. During the year, a meeting of Independent Directors was held on February 05, 2024 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the management and the Board. **Mrs. Ziral Soni, Chairman of the Meeting presented the views of the Independent Directors** on matter relating to Board processes and overall affairs of the Company to the full Board. All the two

Familiarization programs for Independent Directors

The Board familiarization program comprises of the following:-

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

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

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

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

Disclosure of relationships between Directors inter-se

Following relationships exist between Executive and Non-Executive Directors:

Executive Director	Non-executive director	Relationship
Sukrit Bharati	Vishrut Bharati	Brother

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

Code Of Conduct

Company had published a comprehensive code of conduct for its Board members, employees of the company and business partners that requires strict adherence to its corporate values while delivering a world-class customer experience.

All the members of the Board and Senior Management Personnel have affirmed compliance with the code of conduct as on March 31, 2024.

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

Board Committees

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

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

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

A) Audit Committee

Composition, meetings and attendance

The Audit Committee of your Company has been constituted as per the requirements of Section 177 of the Companies Act 2013 and SEBI Listing Regulations. The Chairman of the Audit Committee is an Independent Director and two-thirds of the members of the Audit Committee are Independent Directors. During the Financial Year 2023-24, the Committee met Five times on 29.05.2023, 01.09.2023, 07.09.2023, 20.11.2023 and 11.01.2024.

The composition of the Audit Committee as on March 31, 2024 and the attendance of the members in the meetings held during the Financial Year 2023-24 are as follows:

Name of Member	Designation	No. of meetings attended
Ms. Drashti Solanki	Chairman	5
Ms. Ziral Soni	Member	6
Mr. Sukrit Bharati	Member	6

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

Terms of Reference:

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

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

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors;
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and/or is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

The Audit Committee shall mandatorily review the following information:

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

B) Stakeholders Relationship Committee

Composition, meetings and attendance

The Stakeholders' Relationship Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Committee is an Independent Director. During the Financial Year 2023-24, the Committee met 3 (Three) times on 17.07.2023, 10.09.2023 and 12.01.2024.

The composition of the Stakeholder's Relationship Committee as on March 31, 2024 and the attendance of the members in the meetings held during the Financial Year 2023-24 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Ziral Soni	Chairperson	3
Mr. Sukrit Bharati	Member	3
Ms. Drashti Solanki	Member	3

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

Terms of Reference

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

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

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

C) Nomination and Remuneration Committee

Composition

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

During the Financial Year 2023-24, the Committee met 4 (Four) times on 29.05.2023, 14.08.2023, 07.09.2023, and 28.01.2024.

The composition of the Nomination and Remuneration Committee as on March 31, 2024 and the attendance of the members in the meetings held during the Financial Year 2023-24 are as follows:

Name of Member	Designation	No. of meetings attended
Ms. Drashti Solanki	Chairman	4
Mr. Vishrut Bharati	Member	4
Mrs. Ziral Soni	Member	4

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

Terms of Reference:

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

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

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

Remuneration Policy:

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

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

Remuneration to Directors

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

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

Details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2024 are as under:

(₹ In lakhs)

Name of Director	Salary & Perquisites	Sitting Fees	Commission	Total
Mr. Sukrit Bharati (Managing Director)	36.00	-	-	36.00
Mr. Vishrut Bharati (Non-Executive Director)	-	-	-	-
Mr. Abhinav (Executive Director)	-	-	-	-
Mr. Komal Kotecha (Independent Director)	-	0.315	-	0.315
Mr. Ziral Soni (Independent Director)	-	0.7	-	0.7
Ms. Drashti Solanki (Independent Director)	-	0.585	-	0.585

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

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

The Company has granted stock options to the Employees of the Company as on 31st March, 2024. The aforesaid Executive Director, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

The Shareholding of Directors as on March 31, 2024 is as under:

Sr. No	Name of Director	Shareholding	Percentage
1	Mr. Sukrit Bharati	14,657,059	55.65%
2	Mr. Vishrut Bharati	2,43,333	0.92%
3	Mr. Abhinav	Nil	-
4	Mrs. Ziral Soni	Nil	-
5	Mrs. Komal Kotecha*	Nil	-
6	Ms. Drashti Solanki	Nil	-

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

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

D) CSR Committee of the Board:

The composition of the Corporate Social Responsibility Committee as on March 31, 2024 and the attendance of the members in the meetings held during the Financial Year 2023-24 are as follows:

Name of Member	Designation	No. of meetings attended
Ms. Drashti Solanki	Chairman	2
Mr. Vishrut Bharati	Member	2
Mr. Sukrit Bharati	Member	2

General Body Meetings

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

Financial Year	Date of AGM	Time	Venue
2022-23	29.09.2023	11.00 am	Plot No. 7, MIDC, Satpur, Nashik, 422007
2021-22	01.09.2022	11.00 am	Plot No. 7, MIDC, Satpur, Nashik, 422007
2020-21	03.06.2021	11.00 am	Plot No. 7, MIDC, Satpur, Nashik, 422007

During the previous year under review, resolutions were proposed and passed through Postal ballot. Migration of SME platform of BSE to Main Board of BSE Limited required approval through postal ballot as per the provisions of the Companies Act and rules framed there under.

Details of special resolutions passed in Previous Three AGMs.

Financial Year	Particulars of Special Resolution Passed
2022-23	To appoint Ms. Drashti Laxmikant Solanki (DIN: 10136197) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:
2021-22	1. Increase Borrowing Power of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013. 2. Creation of Charge on the movable and immovable properties of the Company, both present and future, in respect of borrowings. 3. Increase the limit for making investments/extending loans and giving guarantees or providing securities in connection with loans to Person/bodies Corporate.
2020-21	Nil

Extra-Ordinary General Meeting held during the FY 2023-24:

Details of Extra-Ordinary General Meetings were held during the financial year 2023-24.

FINANCIAL YEAR	DATE OF AGM	TIME	VENUE
2023-24	03.02.2024	12.00 PM	Plot No. 7, MIDC, Satpur, Nashik, 422007

The resolution proposed by the Directors to shareholders in last three years were approved by shareholders with requisite majority.

Voting results of the previous AGM is available on the website of the Company at <https://www.voepl.com/investors>

Whether special resolutions were put through postal ballot last year, details of voting pattern:

MIGRATION OF EQUITY SHARES OF THE COMPANY FROM BSE SME (SME PLATFORM OF BSE) TO THE MAIN BOARD OF BSE.

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institutions	Public Non-Institutions	Total
No. of shares held	1,49,82,236	4,08,500	1,09,48,020	2,63,38,756
No. of Votes - in favour	1,49,82,236	0	7,73,640	1,57,55,876
% of Votes in favour on votes polled	100	0	100	100
No. of Votes -Against	0	0	0	0
% of Votes against on votes polled	0	0	0	0

Scrutiniser for postal ballot:

The Board had appointed M/s Vishal Thawani & Associates, Practicing Company Secretary (Membership Number ACS: 43938 COP: 17377) as the scrutiniser for conducting the postal ballot (e-voting process) in a fair and transparent manner.

Whether any resolutions are proposed to be conducted through postal ballot:

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing of a resolution through postal ballot.

Procedure for postal ballot:

Prescribed procedure for postal ballot as per the provisions contained in this behalf in the Act read with rules made there under as amended from time to time shall be complied with, whenever necessary.

Means of communication

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

6. Other Disclosures

A. Related Party Transactions

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

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

B. Statutory Compliances, Penalties and Strictures

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

C. Whistle Blower Policy / Vigil Mechanism

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

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

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

E. Policies of the Company and Code of Conduct

Various policies and code of conduct of the Company are available on its website. With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

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

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

The Company is committed to provide a safe and conducive work environment to its employees. Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

H. Risk Management

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

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

I. Disclosure of Accounting Treatments

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

J. Reconciliation of Share Capital Audit Report

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

General Shareholder Information

a. 9th Annual General Meeting

Date: Wednesday , September 11, 2024

Time: 11.00 p.m.

Venue: Through Video Conferencing/Other Audio-Visual Means

b. Financial Year (2023-24)

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

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

Half-year ending September 30th 2024 : October / November 2024

Half-year ending March 31, 2025 : April / Mar 2025

c. Listing on Stock exchange

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

d. Stock Code

Demat ISIN No. in NSDL and CDSL: INE010T01010

Scrip Code: BSE-543597

e. Market Price Data

Month	Low	High
September 2023	119	331
October 2023	217	270
November 2023	243.35	307.5
December 2023	225	269.95
January 2024	229.9	339
February 2024	229.85	280
March 2024	182	256



e. Market Price Data

f. Registrar and Share Transfer Agent

Name : Cameo Corporate Services Limited

Address : Subramanian Building No. 1, Club House Road,

Chennai-600002.

Phone : 44-28460390

Fax :44-40020700

Email : investor@cameoindia.com

g. Share Transfer System

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

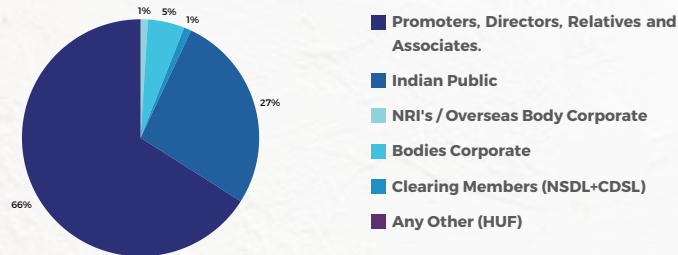
h. Distribution of Shareholding as on 31st March, 2024:

Sr. No	Category of Shareholders	No. of shares held
1	Promoters, Directors, Relatives and Associates.	1,49,82,236
2	Indian Public	1,13,56,520
3	Banks, Financial Institutions & Insurance Companies/ MF	3,26,000
4	NRI's / Overseas Body Corporate	2,26,000
5	Non-Institution	85,41,583
5	Bodies Corporate	18,15,716
6	NBFC Registered with RBI	-
7	Trusts	1,00,000
8	Clearing Members (NSDL+CDSL)	2,938
9	Any Other (HUF)	2,65,261
	Total	2,63,38,756

i. Category wise Shareholding as on 31st March, 2024

Category (Amount)	No. of Shareholders	% of Shareholders	Total Shares	Amount	% of Amount
1 - 5000	1,173	39.126	5,82,527	58,25,270	2.2116
5001 - 10000	776	25.8839	7,71,431	77,14,310	2.9288
10001 - 20000	552	18.4122	10,19,426	1,01,94,260	3.8704
20001 - 30000	135	4.503	3,72,495	37,24,950	1.4142
30001 - 40000	96	3.2021	3,73,696	37,36,960	1.4188
40001 - 50000	50	1.6677	2,40,045	24,00,450	0.9113
50001 - 100000	103	3.4356	7,75,033	77,50,330	2.9425
100001 - And above	113	4	2,22,04,103	22,20,41,030	84.302
Total:	2,998	100	2,63,38,756	26,33,87,560	100

Shareholding Pattern as on 31st March, 2023



j. Dematerialization of Shares & Liquidity

On March 31st, 2024, no shares of Company were held in physical form. The Promoters & Promoters-group shareholding was fully dematerialized. All the shares allotted under preferential issue are yet to be dematerialized, awaiting listing approval from BSE Limited. Brief position of Company's dematerialized shares is given below:

Sr NO	Description	Number of Shares	% Holding
1	NSDL	1,95,18,086	74.1
2	CDSL	33,20,570	12.61
3	PHYSICAL(Allotted and unlisted)	35,00,100*	13.29
Total		2,63,38,756	100

*Shares of 35,00,100 as per above is preferential issue of equity shares during the year for which our company has applied to BSE Limited for Listing Approval which is Pending for approval.

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

As on March 31, 2024, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.

l. Credit Rating

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

m. Policy on "Material" Subsidiary

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

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

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

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

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

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

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

- 1 Mrs. Komal Kotecha (DIN: 09141355) resigned from her position w.e.f. 29.05.2023.
- 2 Ms. Drashti Solanki (DIN: 10136197) was appointed as an Additional (Independent) director w.e.f. 29.05.2023.
- 3 Mr. Abhinav (DIN: 06926238) was appointed as an Additional (Executive) director w.e.f. 29.05.2023.

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

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

o. Dividend:

In view of the planned business growth, your directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2024.

p. Address for Correspondence

In case any problem or query shareholders can contact at:

Company Secretary & Compliance Officer
Plot No. 7, MIDC, Satpur, Nashik 422007.
Phone : +91 253-2350461
Email : cs@voepl.com

In case of finance and accounts related queries contact at:

Chief financial Officer
Plot No. 7, MIDC, Satpur, Nashik 422007.
Phone : +91 253-2350461
Email : sajid.shaikh@voepl.com

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

Cameo Corporate Services Limited.
Subramanian Building No. 1, Club House Road, Chennai-600 002.
Phone: 91-28460390
Fax: 91-40020700
Email : investor@cameoindia.com

7. Plant Locations :

- Unit 1** at 64-B-1 MIDC Area Satpur Nashik 422007,
Unit 2 at 602/2, Near Ozar Airport, Janori, Tal Dindori, Dist- Nashik 422206.
Unit 3 at 206/A, 206/B, Ambe Hills, At post Jaulke, Tal- Dindori Nashik 422207,
Unit 4 at 7, MIDC Trimbak Road Nashik 422007,
Unit 5 at 97/2, Shed No 1,2, and 3, Mumbai Agra Road, Vilholi, Nashik-422010,
Unit 6 at 182/B-1, Wadivarhe, Nashik Mumbai Agra Highway, Tal-Igatpuri, Dist Nashik 422403 and
Unit 7 at Gat No. 38,39 & 40, Janori-Mohadi Road, Village- Mohadi, Tal Dindori, Dist Nashik 422206,
together termed as Manufacturing Units

MD / CFO Certification

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

To,
The Board of Directors,
Virtuoso Optoelectronics Limited

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

A. We have reviewed the audited Financial Results for Virtuoso Optoelectronics Limited for the year ended 31st March, 2024 and to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transaction entered by the listed entity during the year ended 31st March, 2024 which are fraudulent, illegal or violative of the listed entity's code of conduct.

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

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

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

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

(iii) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sukrit Bharati
Managing Director
DIN: 03638084

Sajid Shaikh
Chief Financial Officer
Date: June 21, 2024

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

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

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby confirm that, all the Directors and the Senior Management personnel of the Company have confirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2024.

For Virtuoso Optoelectronics Limited

Sukrit Bharati
Managing Director
DIN: 03638084

Vishrut Bharati
Director
DIN: 06818457

Date: June 21, 2024
Place: Nashik

Certificate On Non-disqualification Of Directors

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

To,
The Members of
Virtuoso Optoelectronics Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Virtuoso Optoelectronics Limited (CIN: L74999MH2015PLC268355) and having registered office at P NO. 7 MIDC Satpur, Nashik, Maharashtra - 422007 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31st March, 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.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Sukrit Bharati	03638084	11/09/2015
2.	Vishrut Bharati Arvind	06818457	11/09/2015
3.	Abhinav	06926238	29/05/2023
4.	Ziral Soni	09213763	31/01/2023
5.	Drashti Laxmikant Solanki	10136197	29/05/2023

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

For Vishal Thawani & Associates Practicing Company Secretaries

CS Vishal Thawani
Proprietor
ACS: 43938,
COP: 17377
Place: Ahmedabad
Date: June 21, 2024
UDIN: A043938F000602980

Independent Auditor's Report

To,
The Members of
Virtuoso Optoelectronics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Virtuoso Optoelectronics Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
1. Revenue Recognition from Sales	
<p>Revenue is measured net of returns, discounts and rate difference on the Company's sales.</p> <p>Revenue is recognized when the control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to fraud resulting from the pressure on management to achieve performance targets at the reporting period end.</p>	<ul style="list-style-type: none"> Our audit procedures included the following: <ul style="list-style-type: none"> Assessing the appropriateness of the revenue recognition accounting policies, including those relating to sales returns, discounts and rate difference. Performing substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included sales invoices/ e-invoice, etc. For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns. For sample customer balances, obtained direct confirmation and tested the reconciliations, if any.
2. Revenue Recognition from Government Grants	
<p>As per AS 12 "Accounting for Government Grant", Government grants available to the enterprise are considered for inclusion in accounts:</p> <p>(i) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and (ii) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.</p>	<ul style="list-style-type: none"> Our audit procedures included: <ul style="list-style-type: none"> We evaluated the recognition and measurement principles of sanctioning grants under the PLI Scheme and State Electronics Policy, ensuring compliance with accounting standards. This included assessing revenue recognition conditions and the proper allocation of incentives over the performance period. We verified the company's compliance with PLI scheme eligibility criteria and performance obligations, ensuring documentation supported eligibility and annual cap of incentives. We assessed the adequacy of disclosure regarding PLI and IPS incentives in the financial statements and compliance with reporting requirements outlined by regulatory authorities.
3. Inventory Valuation	
<p>Inventories are held at the lower of landed cost and net realizable value (NRV). Due to high volume and nature of products, the company is dealing with and the absence of adequate records, valuation of inventory may be misstated. Also NRV is being based on the assumptions/judgment of the management. Inappropriate assumptions of NRV can impact the assessment of the carrying value of inventories.</p>	<ul style="list-style-type: none"> Our audit procedures included: <ul style="list-style-type: none"> Assessing the appropriateness of the inventory valuation method followed by the management and by comparing with applicable AS. Performing substantive testing (including year-end cut off testing) by selecting samples of inward and outward movement of inventory during the year by verifying the underlying documents, which included sales invoices / purchase invoice and bill of entry. Evaluating the design and implementation of the Company's internal controls over the Landed Cost of Inventory and Net Realizable Value (NRV) assessment. Considered the valuation certificate provided by the management and stock statements submitted to the banks.

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

Other Information

The Holding Company's Management and Board of Directors are responsible for other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report(s) thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 are responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other companies included in the consolidated financial statements of which we are the independent auditors 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated 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 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 financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2024 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from the directors of its subsidiary which is incorporated in India, as on 31 March, 2024, none of the directors of the Group companies incorporated in India 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 with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";

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

(a) The Group did not have any pending litigations which would impact its financial position in its consolidated financial statements;

(b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2024. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India during the year ended 31 March 2024.

(d) (i) The management of the Holding Company represented that, to the best of their 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 Holding Company or any of its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management of the Holding Company represented that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of its subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.

(e) The Holding company has neither declared nor paid any dividend during the year.

(f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on our examination of the records of the Holding Company, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the requisite approvals mandated by the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under section 197 of the Act. The subsidiary company incorporated in India has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

CA Suyash Chhajer
Partner
Membership No: 121597
UDIN: 24121597BKGVDC6185

Place: Nashik
Date: May 28, 2024

ANNEXURE "A"

To The Independent Auditors

Report on the Consolidated Financial Statements of Virtuoso Optoelectronics Limited for the year ended 31 March 2024

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

(xxi) In our opinion and according to the information and explanations given to us, the Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks. In respect of the following entity, the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report:

Name of the Subsidiary	CIN
YLP Solutions Private Limited	U72900MH2014PTC255661

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

CA Suyash Chhajer
Partner
Membership No: 121597
UDIN: 24121597BKGVDC6185

Place: Nashik
Date: May 28, 2024

ANNEXURE “B”

To The Independent Auditors

Report on the Consolidated Financial Statements of Virtuoso Optoelectronics Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Virtuoso Optoelectronics Limited (hereinafter referred to as “the Holding Company”) as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act 2013, which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The respective Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

Place: Nashik
Date: May 28, 2024

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company’s internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

CA Suyash Chhajer
Partner
Membership No: 121597
UDIN: 24121597BKGVDC6185

Place: Nashik
Date: May 28, 2024

Virtuoso Optoelectronics Limited

CIN - L74999MH2015PLC268355

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2024

(₹ in Lakhs)

Sr. No.	Particulars	Note No	As at 31st March 2024
	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	3	2,633.88
	(b) Reserves and Surplus	4	16,314.98
	(c) Money Received against Share Warrants	5	2,008.91
	Total Equity		20,957.77
2	Minority Interest		5.33
3	Share Application Money pending allotment		-
3	Non-Current Liabilities		
	(a) Long-Term Borrowings	6	6,041.05
	(b) Deferred Tax Liabilities (Net)	7	480.68
	(c) Other Long Term Liabilities		-
	(d) Long Term Provisions	8	50.64
	Total Non-Current Liabilities		6,572.37
4	Current Liabilities		
	• (a) Short-Term Borrowings	9	7,456.09
	• (b) Trade Payables	10	
	- Total Outstanding Dues of Micro Enterprises & Small Enterprises (MSME)		245.84
	- Total Outstanding Dues of Creditors other than Micro Enterprises & Small Enterprises		9,580.48
	(c) Other Current Liabilities	11	45.2
	(d) Short Term Provisions	12	716.51
	Total Current Liabilities		18,044.11
	Total Liabilities		45,579.58
	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant & Equipment and Intangible Assets	13	
	(i) Property, Plant & Equipment		13,028.79
	(ii) Other Intangible Assets		26.4
	(iii) Goodwill on Consolidation		0.22
	(iv) Capital Work-in-Progress		689.13
	(v) Intangible Assets under Development		-

(₹ in Lakhs)

	(b) Non-Current Investments	14	988.13
	(c) Deferred Tax Assets(Net)		-
	(d) Long-Term Loans & Advances		-
	(e) Other Non-Current Assets	15	277.52
	Total Non-Current Assets		15,010.19
3	Current Assets		
	(a) Current Investments	16	9,033.38
	(b) Inventories	17	16,476.35
	(c) Trade Receivables	18	2,130.57
	(d) Cash and Cash Equivalents	19	8.66
	(e) Short-Term Loans & Advances	20	20.11
	(f) Other Current Assets	21	2,900.33
	Total Current Assets		30,569.39
	Total Assets		45,579.58
	Significant Accounting Policies	1	

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN – L74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

Sajid Shaikh
Chief Financial Officer

Vibhuti Kulkarni
Company Secretary

CA Suyash Chhajed
Partner Membership
No. 121597

Place : Nashik
Date: May 28, 2024

Place : Nashik
Date: May 28, 2024

Virtuoso Optoelectronics Limited

CIN - L74999MH2015PLC268355

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ In Lakhs), Except EPS

Sr. No.	Particulars	Note No	Year Ended
			31st March 2024
1	Income		
	(a) Revenue from operations	22	53,106.45
	(b) Other Income	23	122.14
	Total Income		53,228.59
2	Expenses		
	(a) Cost of raw material consumed	24	46,146.22
	(b) Changes in inventories of finished goods, work-in-progress & stock-in-trade	25	-382.85
	(c) Employee Benefits Expenses	26	1,292.63
	(d) Finance costs	27	2,004.95
	(e) Depreciation and amortization expense	13	1,829.60
	(f) Other Expenses	28	901.38
	Total Expenses		51,791.93
3	Profit Before Tax (PBT)		1,436.66
4	Tax Expenses:		
	(a) Current Tax		251.81
	(b) Deferred Tax Charge/ (Benefit)		167.81
5	Profit after Tax (PAT)		1,017.04
	Paid up Equity Share Capital (Face Value of Rs. 10/- each)		2,633.88
	Reserves excluding Revaluation Reserves		16,314.98
	Earning per Equity Share (EPS)		
	(Basic EPS for the period)	33	4.4
	(Diluted EPS for the period)	33	4.32
	Significant Accounting Policies	1	

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

As per our report of even date

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

CA Suyash Chhajed
Partner Membership
No. 121597

Place : Nashik
Date: May 28, 2024

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN - L74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

Sajid Shaikh
Chief Financial Officer

Vibhuti Kulkarni
Company Secretary

Place : Nashik
Date: May 28, 2024

Virtuoso Optoelectronics Limited

CIN - L74999MH2015PLC268355

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(₹ In Lakhs)

Sr. No.	Particulars	Year ended
		31st March 2024
1	Cash Flow from Operating Activities	
	Net Profit Before Tax	1,437.89
	Adjustments for:	
	Depreciation	1,829.60
	Finance Cost	2,004.95
	Interest on Fixed Deposits	-90.17
	Adjustment in Reserves - Excess Provision for Taxation	1.73
	Adjustment of IPO Expenses - Securities Premium	-
	Adjustment of Preferential Issue Expenses - Securities Premium	-362.05
	Adjustment - Minority Interest	-
	Operating Profit before Working Capital Changes	4,821.95
	Changes in Working Capital	
	(Increase) / Decrease in Trade Receivables	502.44
	(Increase) / Decrease in Other Assets	-2,503.17
	(Increase) / Decrease in Inventories	-2,634.18
	Increase / (Decrease) in Trade Payables	1,120.69
	Increase / (Decrease) in Other Current Liabilities & Provisions	317.53
	Cash Generated from / (used in) Operations	1,625.26
	Income Taxes Paid	-250.5
	Net Cash Flow / (used in) Operating Activities (A)	1,374.75
2	Cash Flow from Investing Activities	
	Investments in Property, Plant & Equipment	-6,096.78
	Investments in Subsidiary Company	-3.1
	Investment in Fixed Deposits	-8,998.59
	Interest on Fixed Deposits	90.17
	Net Cash Flow / (used in) Investing Activities (B)	-15,008.30
3	Cash Flow from Financing Activities	
	Proceeds from Preferential Issue - SME Platform	8,928.76
	Proceeds from Share Warrants	2,008.91
	Proceeds from Borrowings	4,673.92
	Payment of Finance Costs	-2,004.95
	Net Cash Flow / (used in) Financing Activities (C)	13,606.64
	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	-26.91
	Cash & Cash Equivalents at the beginning of the year	35.57
	Cash & Cash Equivalents at the end of the year	8.66
	Cash and Cash Equivalents comprises	
	Balances with Bank	
	- On Current / Escrow Accounts	6.51
	- Deposits with original maturity of less than three months	-
	- Cash on Hand	2.16
	Total cash and bank balances at the end of the year	8.66

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

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN – L74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

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Sajid Shaikh
Chief Financial Officer

Vibhuti Kulkarni
Company Secretary

Place : Nashik
Date: May 28, 2024

CA Suyash Chhajer
Partner Membership
No. 121597

Place : Nashik
Date: May 28, 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(i) Corporate Information

The Company ("Virtuoso Optoelectronics Limited", "VOEPL") having CIN – L74999MH2015PLC268355 is public limited company incorporated and domiciled in India having its registered office at Plot No.7, MIDC Area, Trimbak Road, Satpur, Nashik – 422007, Maharashtra, India. The Company is engaged primarily in the in manufacturing, selling and marketing of Consumer Electronics Goods. The range of products manufactured by the company includes Air Conditioners, Water Heaters and Lighting. The Company also offers Electronics Manufacturing Services (EMS) and related products to its customers. The equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) – SME Platform.

YLP Solutions Private Limited ("the Subsidiary Company") is a subsidiary of Virtuoso Optoelectronics Limited was incorporated on 24th June, 2014 and engaged in the business of online sales and services of lighting and marketing at 7, MIDC Area, Trimbak Road, Satpur, Nashik 422007.

(ii) Summary Of Significant Accounting Policies

(a) Basis of preparation and measurement :

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

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

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

The consolidated financial statements of the Company for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 28, 2024.

(b) Basis of Consolidation :

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

(c) Operating Cycle :

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

(d) Revenue Recognition :

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

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

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

Interest income is recognized using time proportionate method.

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

Dividend income is accounted when right to receive is established.

Government grants are recognized when there is reasonable assurance of compliance with associated conditions and receipt of the grant. Accordingly, the Group has recognized its revenue from government grants separately in the income statement under "Other Source of Revenue – Government Grant and Incentives" to enhance transparency and allow users to assess the impact on the company's financial performance.

(e) Property, Plant and Equipment :**Recognition and measurement :**

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

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

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

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

The Group has capitalized R&D costs and is recognized at cost, comprising expenditures directly attributable to the design and testing of new products or processes. Costs incurred after technological feasibility is established are capitalized until the product or process is available for general release.

Subsequent expenditures

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

Intangible Assets

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

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

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

Depreciation and amortization

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

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

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

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

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

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

The amortization of capitalized R&D costs is provided on a systematic basis over their estimated useful lives, which typically reflect the period over which the economic benefits from the asset are expected to be realized. The amortization method applied is generally the straight-line method unless another method better reflects the pattern of consumption of the economic benefits.

(f) Impairment of Assets :

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

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

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

(g) Foreign currency transactions :

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

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

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

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

(h) Investments:

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

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

(i) Inventories :

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

(j) Taxes on Income :

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

Current Tax

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

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

- Has a legally enforceable right to set off the recognised amounts; and
- Intends either to realize the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

Minimum Alternative Tax (MAT)

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

(k) Leases:**Finance Lease**

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

Operating Lease

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

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

(l) Borrowing Costs :

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

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

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

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

(m) Related Party :

The disclosures of transactions with related parties, their outstanding balances, terms & conditions, securities offered and guarantees given are disclosed in Note No. 32. The Group has not made provision for doubtful debts in respect of any of the related parties. The Group has not written-off or written back any amount in respect of above related parties.

(n) Earnings per share :

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

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

(o) Business Combinations :

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of minority interests is initially measured either at fair value or at the minority interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of minority interests is the amount of those interests at initial recognition plus the minority interests' share of subsequent changes in equity of subsidiaries.

(p) Cash and cash equivalents :

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

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

(q) Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

(r) Dividend :

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

(s) Events after reporting date :

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

(t) Segment Reporting :

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

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

(u) Cash Flow Statement :

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

(v) Trade Receivables :

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

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

(w) Trade and other payables :

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

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

(x) Employee Stock Options Plan :

Expenses related to ESOPs are recognized based on the fair value of options granted to employees over the vesting period. Fair value is determined using appropriate valuation techniques and is certified by the Registered Valuer.

Management is required to make estimates regarding employee turnover and the likelihood of option exercise. These estimates are based on historical data, industry trends, and management's judgment. However, actual employee turnover and option exercise may differ from these estimates, leading to adjustments in subsequent periods.

(y) CSR Expenditure :

The Group allocates CSR expenditure based on the nature of the initiatives undertaken during the financial year. Expenditure is categorized and disclosed accordingly to provide transparency on the utilization of resources.

The Group periodically evaluates the impact of its CSR activities to assess their effectiveness in achieving the desired social and environmental objectives. Key performance indicators are utilized to measure and monitor the outcomes of CSR initiatives.

Virtuoso Optoelectronics Limited**CIN - L74999MH2015PLC268355**

Notes forming integral part of Consolidated Financial Statements for the year ended 31st March, 2024

Note 3 : Share Capital**(₹ in Lakhs)**

Particulars	As at March 31, 2024
Authorised Capital	
3,50,00,000 (Previous year : 2,60,00,000) Equity Shares of Rs.10/- each	3,500.00
Issued, Subscribed and Paid-up Capital	
2,63,38,756 (Previous year : 2,28,38,656) Equity Shares of Rs.10/- each fully paid up	2,633.88
Total	2,633.88

Footnote

The Authorized Share Capital of the Company was increased from Rs.26,00,00,000/- (Rupees Twenty Six Crores Only) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs.35,00,00,000/- (Rupees Thirty Five Crores only) divided into 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and consequential alteration in the Memorandum of Association of the Company as approved by the shareholders by means of Postal Ballot through electronic means, on February 3, 2024.

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year**(₹ in Lakhs)**

Particulars	As at 31st March, 2024	
	Number of Equity Shares	Share Capital
Outstanding at the beginning of the year	2,28,38,656	2,283.87
Add : Fresh issue(IPO) during the year	-	-
Add : Preferential issue during the year	35,00,100	350.01
Outstanding at the end of the year	2,63,38,756	2,633.88

(b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10/- Per share. Each holder of equity shares is entitled to one vote per share and dividend in Indian rupees, if proposed by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have not declared dividend for the year ending 31st March, 2024.

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

(c) Details of shareholders holding more than 5% shares of the aggregate shares of Company**(₹ in Lakhs)**

Name of the Shareholder	As at 31st March, 2024	
	Number of shares	%
Mr. Sukrit Bharati	1,46,57,059	55.65%
Mr. Ashish Kacholia	6,81,070	2.59%
Bengal Finance & Investment Private Limited	7,55,070	2.87%
Other Shareholders	1,02,45,557	38.90%
Total	2,63,38,756	100.00%

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

(d) Details of Shares held by Promoters

Shares Held by Promoters at the end of the year			% Change in During the Year
Promoter Name	No. of Shares	% of Total Shares	
Mr. Sukrit Bharati	1,46,57,059	55.65%	-8.53%

Note 4 : Reserves and Surplus**(₹ in Lakhs)**

Particulars	As at March 31, 2024
(a) General Reserves	
Balance at the beginning of the year	1,338.13
Add: Net Profit/(Net Loss) as per Statement of Profit and Loss	1,015.40
Add: Adjustment in Reserves - Income Tax	1.73
Closing Balance	2,355.26

(₹ in Lakhs)

Particulars	As at 31st March 2024
(b) Securities Premium	
Balance at the beginning of the year	5,743.03
Add: Securities premium on shares issued during the year (Preferential Issue)	8,578.75
Less: Adjustment of Preferential Issue Expenses	-362.05
Closing Balance	13,959.73
Balance at the end of the year	16,314.98

Footnote

(a) The company has issued fresh equity shares - 35,00,100 on preferential basis at Rs. 255.10/- per share, including securities premium of Rs. 245.10/- per share.

(b) Expenses related to preferential issue were adjusted against the securities premium.

Note 5 : Money Received against Share Warrants**(Rs. In Lakhs)**

Particulars	As at March 31, 2024
Money received against Share Warrants	
Issue of Share Warrants	2,008.91
Total	2,008.91

Footnote

(a) The company has issued 31,50,000 Equity Warrants convertible into same number of equity shares at a price of Rs.255.10/- per Share Warrant (including a share premium of Rs.245.10/- per Share Warrant), of which Rs.63.775/- per warrant, i.e., 25% of Rs.255.10/- was received.

Note 6 : Long-Term Borrowings**(₹ in Lakhs)**

Particulars	As at March 31, 2024
Term Loans - Secured from Banks and Financial Institutions	
(a) Axis Bank (TL & GECL)	1,373.59
(b) Yes Bank (TL - Equipment Finance)	200.1
(c) Mahindra Finance (TL)	940.01
(d) SIDBI (TL)	725.6
(e) HDFC Bank (TL & GECL)	2,253.95
(f) ICICI Bank (TL)	816.3
(g) Tata Capital Finance (TL)	-
(h) Union Bank (TL)	913.25
(i) Siemens Finance (TL)	581.46
Less: Short Term Maturities of LongTerm Debts	-1,763.53
Term Loans - From Directors	0.31
Total	6,041.05

Footnote

(a) The company has availed term loans / GECL loans from various Banks for the investments in Property, Plant and Equipment. The rate of interest varies from 7.70% p.a. to 9.60% p.a. These loans are secured by way of:

- (i) Hypothecation & Exclusive Charge of Plant and Machinery procured out of term loans;
- (ii) Pari passu / Second paripassu charge on current assets for both present and future;
- (iii) Equitable mortgage of leasehold rights of industrial property bearing Plot No. 7 situated in MIDC Satpur, Nashik owned by M/s Filaments & Filaments;
- (iv) Guarantee given by National Credit Guarantee Trustee Company (NCGTC) and extension of charge on current assets for GECL Term Loans;
- (v) Equitable mortgage of industrial property bearing No. 203/1 & 205/2 situated in Badasaly Village, Madhya Pradesh owned by M/s Luma Lamp Private Limited
- (vi) First Charge / Second paripassu charge on industrial property bearing No. 64-B-1 situated in MIDC SatpurNashik owned by M/s Virtuoso Optoelectronics Limited;
- (vii) Unconditional and Irrecoverable Personal Guarantee of Managing Director;
- (viii) Corporate Guarantee of Associate Concerns / Property Owners - M/s Filament & Filaments & M/s Luma Lamps Private Limited;
- (ix) Lien on Fixed Deposits with the Banks / Financial Institutions;
- (x) Hypothecation of Vehicles purchased out of Auto Loan;

Note 7 : Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2024
Deferred Tax Liabilities (Net)	
Opening Balance	313.09
Add: DTL arising on account of temporary differences	167.59
Closing Balance	480.68
Total	480.68

Note 8 : Long Term Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024
Provision of Employee Benefit Expenses	
Provision for Gratuity	20.2
Deferred Employee Compensation Expenses	30.44
Total	50.64

Footnote

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

Note 9 : Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2024
Secured from Banks	
(a) Axis Bank - Cash Credit Limit	2,029.46
(b) Axis Bank Limited (PO - Finance)	-0.66
(c) HDFC Bank Limited (PO - Finance)	13.26
(d) ICICI Bank - Cash Credit Limit	1,661.56
(e) HDFC Bank - Cash Credit Limit	1,988.94
Short Term Borrowings - Unsecured	
(i) From Other Parties - Repayable on Demand	-
Short Term Maturities of Long Term Debts	1,763.53
Total	7,456.09

Footnote

(a) The company has availed cash credit loan from the Axis / HDFC & ICICI Banks. As per sanction letter, rate of interest is in the range of 9.15% p.a. to 9.60% p.a. and these limits are secured by way of:

- (i) Primary Security of hypothecation of Stocks, Book Debts;
- (ii) Charge on all existing and future current assets;
- (iii) Equitable mortgage of leasehold rights of industrial property bearing on Plot No. 7 situated in MIDC SatpurNashik owned by M/s Filaments & Filaments;
- (iv) Industrial property bearing No. 203/1 & 205/2 situated in Badasaly Village, MP owned by M/s Luma Lamp Private Limited;
- (v) Personal / Corporate Guarantee of Directors and Associate Concerns;
- (vi) Equitable mortgage of leasehold rights of industrial property bearing on No. F-108 situated in MIDC Satpur, Nashik owned by M/s Reprolite Papers (India) Private Limited;
- (vii) Paripassu charge on Industrial property bearing No. 64-B-1 situated in MIDC Satpur, Nashik owned by M/s Virtuoso Optoelectronics Limited (collateral security).

(b) The company has utilized the borrowings from the Banks for the specific purpose for which the same is taken.

Note 10 : Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2024
Trade Payables	
Other than due to Micro, Small and Medium Enterprises	9,580.48
Amount due to Micro, Small & Medium Enterprise (MSME)	245.84
Total	9,826.32

Footnote

- (a) The above figures of Trade Payables are shown as net of advances paid to the local / foreign suppliers.
- (b) The average credit period on purchases is 1 to 6 months.
- (c) The above includes payables to related parties. Refer Note 32 for more details.
- (d) Kindly refer Note No. 2(w) of the Significant Accounting Policies regarding trade payables.
- (e) Trade Payables Ageing Schedule as certified by the management is provided as follows:

Trade Payables Ageing Schedule as on March 31, 2024

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	154.95	90.89	-	-	-	245.84
ii) Others	8,488.77	1,091.71	-	-	-	9,580.48
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues -Others	-	-	-	-	-	-
Total	8,643.72	1,182.60	-	-	-	9,826.32

Note 11 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024
Other Current Liabilities	
Advance from Customers	37.34
Other Current Liabilities	7.86
Total	45.2

Note 12 : Short Term Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024
(a) Statutory dues payable	
GST Payable	140.75
TDS Payable	61.17
TCS Payable	1.96
Professional Tax Payable	0.38
PF Payable	2.24
ESIC Payable	0.31
Provision for Income Tax	251.8
(b) Other Provisions	
Salary and Bonus Payable	91.77
Rent Payable	32.17
Provisions for Gratuity	-
Provisions for Leave Encashment	3.77
Audit Fees Payable	14
Electricity Charges Payable	45.43
Jobwork & Labour Expenses Payable	33.7
Security Service Expense Payable	4.13
Telephone Charges Payable	0.21
Provision for Expenses	32.72
Total	716.51

Note 13 : Property, Plant & Equipment

(₹ in Lakhs)

Sr. No.	Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at April 1, 2023	Additions during the year	Deletions during the year	As at March 31, 2024	As at April 1, 2023	Additions during the year	Deletions during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
A	Tangible Assets										
1	Land at Satpur MIDC	157	-	-	157	-	-	-	-	157	157
2	Factory Building - Satpur	971.28	7.72	-	979	148.65	78.16	-	226.82	752.19	822.63
3	Factory Building -Janori (Leasehold Improvements)	140.36	-	-	140.36	21.23	11.32	-	32.54	107.82	119.13
4	Plant and Machinery	7,209.02	5,500.09	-	12,709.11	1,262.33	1,248.89	-	2,511.22	10,197.89	5,946.69
5	Tools, Dies & Equipment	561	83.68	-	644.68	290.54	70.97	-	361.51	283.17	270.46
6	Research & Development Tools	217.55	288.89	-	506.45	6.05	55.17	-	61.22	445.23	211.51
7	Electrical Installations	1,139.35	20.65	-	1,160.00	49.65	282.37	-	332.03	827.98	1,089.70
8	Furniture & Fixtures	293.1	23.62	-	316.72	88.63	53.06	-	141.7	175.02	204.46
9	Office Equipments	2.62	1.39	-	4	1.81	0.37	-	2.17	1.83	0.81
10	Computer Devices, Laptops, etc.	30.96	16.81	-	47.78	20.82	9.21	-	30.03	17.74	10.14
11	Servers & Networks	1.22	2.39	-	3.61	0.03	1.09	-	1.11	2.5	1.2
12	Motor Vehicles	14.4	62.82	-	77.22	0.21	16.58	-	16.79	60.43	14.19
	Total	10,737.86	6,008.06	-	16,745.93	1,889.95	1,827.19	-	3,717.14	13,028.79	8,847.92
B	Other Intangible Assets										
1	Website & Mobile Application	36.41	--	--	36.41	7.6	2.41	-	10.01	26.4	28.81
	Total	36.41	--	--	36.41	7.6	2.41	-	10.01	26.4	28.81
C	Capital Work-in-Progress										
1	Plant & Machinery	600.42	689.13	600.42	689.13	-	-	-	-	689.13	600.42
	Total	600.42	689.13	600.42	689.13	-	-	-	-	689.13	600.42

Footnote

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

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

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

(d) Ageing Schedule:

Capital work in progress (CWIP) Ageing Schedule as at March 31, 2024

CWIP	Amount of CWIP for a period of				Total as on March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in Progress	689.13	-	-	-	689.13
ii) Projects temporarily suspended	-	-	-	-	-

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

Intangible Assets under Development aging schedule as on March 31, 2024

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

Note 14 : Non-Current Investments**(₹ in Lakhs)**

Particulars	As at March 31, 2024
Investment in Fixed Deposits	
Fixed Deposit with Banks and Financial Institutions	935.17
Accrued Interest on Fixed Deposit	52.97
Investments in Shares	-
Total	988.13

Footnote

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

Note 15 : Other Non-Current Assets**(₹ in Lakhs)**

Particulars	As at March 31, 2024
Security Deposits	
Deposit for Government Tender	102.11
Gas Connection Deposit	0.25
MSEDCL Deposit - Factory	56.55
Security Rent Deposit	118.43
BSNL Telephone Deposit	0.17
Total	277.52

Footnote

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

Note 16 : Current Investments**(₹ in Lakhs)**

Particulars	As at March 31, 2024
Investments in Fixed Deposits	
Fixed Deposit with Banks (Short Term)	9,033.38
Accrued Interest on Fixed Deposit	-
Total	9,033.38

Footnote

(a) Investments in fixed deposits are from the proceeds of preferential issue of Equity Shares and Equity Share Warrants deployed on short term basis.

Note 17 : Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2024
Inventories (lower of cost or net realisable value)	
Raw Materials	15,361.03
Work-in-progress	706.42
Finished Goods	408.89
Total	16,476.35

Footnote

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

Note 18 : Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2024
Unsecured and Considered good	
Trade Receivables for supply of goods and services	2,130.57
Total	2,130.57

Footnote

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

(b) The above includes receivables from related parties. Refer Note 32 for more details.

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

Trade Receivables Ageing Schedule as at 31st March 2024

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	1,868.07	252.77	0.71	9.02	-	-	2,130.57
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	1,868.07	252.77	0.71	9.02	-	-	2,130.57

Note 19 : Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024
Balances with Banks	
In Current and Deposit Accounts	6.51
In Escrow Accounts	-
Cheques on Hand	-
Cash in Hand	2.16
Total	8.66

Note 20 : Short Term Loans & Advances

(₹ in Lakhs)

Particulars	As at March 31, 2024
Other Advances	
Advance to Staff	16.4
Balances with Government Authorities	3.71
Total	20.11

Note 21 : Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2024
Balance with Revenue Authorities	
TDS Receivables	41.3
TCS Receivables	1.24
GST Receivables (Excess ITC)	3.58
Advance Tax	325
Custom Duty Receivables	0.16
Export Duty Receivable	0.36
Government Grants and Incentives Receivables	2,243.22
Other Assets	
TDS Receivable - NBFC	5.14
Prepaid Insurance	31.06
Reimbursement of Stipend Claim (Govt. Scheme)	11.81
Prepaid Expenses	76.77
Prepaid Interest on SID/PO Facilities	-
Preliminary/Preoperative Expenses	160.69
Total	2,900.33

Footnote

(a) Government Grants & Incentives Receivable includes the subsidy receivable from the Government of Maharashtra under the Electronics Policy, 2016 and from the PLI Scheme of Central Government.

(b) Pre-operative expenses includes expenditure incurred on the new plants located at Mohadi (Plant F) & Vilholi (Plant D), where commercial operations have not yet started. Both the new plants will be operational in the next financial year.

Note 22: Revenue from Operations

(₹ in Lakhs)

Particulars	As at March 31, 2024
Sale of Products & Services	
Sale of Lighting, Consumer Durables, etc.	51,039.78
Service Income	13.13
Consultancy & Management Services	96.48
Other Sources of Revenue	
Government Grant and Incentives	1,957.06
Total	53,106.45

Footnote

(a) Government Grants & Incentives includes the subsidy receivable from the Government of Maharashtra under the Electronics Policy, 2016 and from the PLI Scheme of Central Government.

Note 23: Other Income

(₹ in Lakhs)

Particulars	As at March 31, 2024
Other Income	
Interest on Fixed Deposit	90.31
Foreign Exchange Gain	25.04
Misc. Income - Liabilities not Payable	6.43
Export Duty Drawback	0.36
Total	122.14

Note 24: Cost of raw materials consumed

(₹ in Lakhs)

Particulars	As at March 31, 2024
Raw material consumed	
Inventory at the beginning of the year	13,109.70
Add: Purchases during the year : Indigenous	43,269.75
Add: Purchases during the year : Imports	2,997.68
Add: Other Manufacturing Costs/Cost of Production (Footnote-b)	2,130.12
Less: Inventory at the end of the year	-15,361.03
Total	46,146.22

Footnote

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

(b) Other Manufacturing Cost / Cost of Production:

(₹ in Lakhs)

Particulars	As at March 31, 2024
Other Manufacturing Cost / Cost of Production	
Freight Inward	212.16
Conversion Cost - Manufacturing	1,056.93
Electricity & Fuel Charges	387.54
Customs Duty	384.22
Clearing & Forwarding Expenses	73.92
Loading & Unloading Charges	12.25
Packing & Water Charges	0.22
Tooling Cost	2.88
Total	2,130.12

Note 25 : Changes in inventories of finished goods, work-in-progress and stock-in trade

(₹ in Lakhs)

Particulars	As at March 31, 2024
Inventories at the beginning of the year	
Work-in progress	253
Finished goods	479.47
Sub-Total	732.47
Inventories at the end of the year	
Work-in progress	408.89
Finished goods	706.42
Sub-Total	1,115.32
(Increase)/Decrease in Inventories	-382.85



Note 26: Employee Benefit Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2024
Employee Benefit Expenses	
Salaries, Wages, Bonus and Other Allowances	800.52
Directors' Remuneration	36
Stipend Expenses - Internship	289.07
Contribution to provident fund	26.19
Contribution to ESIC fund	2.88
MLWF Establishment Contribution (ERC)	0.15
Expenses for Gratuity	9.56
Expenses for Leave Encashment	4.5
Staff Welfare Expenses	91.77
Education, Training and Development	2.18
Employee Compensation Expenses - ESOP	29.8
Total	1,292.63

Footnote

(a) The Company has granted 2,59,140 options exercisable under Employee Stock Option Plan / Scheme -2023.

Accordingly, ESOP - Employee Compensation Expenses booked for the year.

(b) Kindly refer Note No. 2(x) of the Significant Accounting Policies regarding Employee Stock Options Plan.

Note 27: Finance Cost

(₹ in Lakhs)

Particulars	As at March 31, 2024
Finance Cost	
Interest on Loan	1,863.98
Other Borrowing Costs	140.97
Total	2,004.95

Note 28: Other Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2024
Other Expenses	
Payment to Auditors	10.4
Printing & Stationery	9.13
Professional & Legal Fees	85.69
Rent, Rates & Taxes	531.35
Office Expenses	7.68
Freight Outward	6.81
Income Tax & Interest Payment (Dues)	5.62
Insurance Charges	46.23
Telephone Expenses	6.08
Travelling Expenses	67.62
Sales Promotion Expenses	24.44

(₹ in Lakhs)

Particulars	As at March 31, 2024
Repairs & Maintenance	4.43
Security Service Charge	45.47
Cleaning & Utility Expense	10.32
CSR Expenditure	13.18
Directors' Sitting Fees	1.6
Exhibition Expenses (Client)	25.32
Total	901.38

Note 28(a) : Details of Payments to Auditors

(₹ in Lakhs)

Particulars	As at March 31, 2024
As Auditor:	
Statutory Audit Fees	8.4
Tax Audit Fees	2
In Other Capacities	
Professional Fees	1.98
Total	12.38

Note 29: Employee Benefit Obligations

The disclosure required as per Accounting Standard 15 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

29.1 Defined Benefits Plan**(a) Gratuity Benefits:**

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

The following table summarizes the components of net benefit expenses recognized in respect of Gratuity:

(₹ in Lakhs)

Particulars	As at March 31, 2024
Expense recognized in the statement of Profit and Loss	
Interest Cost	0.83
Current Service Cost	7.66
Past Service Cost	-
Expected return on plan assets	-
Net Actuarial Gain/(Loss) recognized in the period	0.58
Expenses to be recognized in P&L	9.07

(₹ in Lakhs)

Particulars	As at March 31, 2024
Reconciliation of liability recognized in balance sheet	
Present value of the obligation at the beginning of the period	11.12
Expenses to be recognized in P&L	9.07
Benefit paid (if any)	-
Present value of the obligation at the end of the period	20.2
Liability recognized in Balance Sheet	
Present value of the obligation at the end of the period	20.2
Fair value of plan assets at end of period	-
Net liability / (asset) recognised in the Balance Sheet and related analysis	20.2
Funded Status - Surplus/(Deficit)	-20.2
Current Liability (Short Term)	1.95
Non-Current Liability(Long Term)	18.25
The principal assumptions used in determining gratuity as shown below:	
Discount Rate	7.25%
Rate of increase in compensation levels	5.00%
Withdrawal Rate	5.00%

(b) Leave Encashment:

The leave obligation cover the Company's liability for earned leave. The entire amount of the provision of Rs. 4.50 Lakhs is presented as current, since the company does not have an unconditional right to defer settlement for these obligations.

29.2 Defined Contribution Plans**(a) Provident Fund:**

The Company contribution towards Provident Fund is paid to the Central Government is debited to the statement of profit and loss. The amount debited to the statement of profit and loss during the year was Rs. 26.19 Lakhs.

Note 30: Other Disclosures (As certified by Management)

(₹ in Lakhs)

Particulars	As at March 31, 2024
Contingent Liabilities - TDS Outstanding Demand	-
Contingent Liabilities - Custom Duty Payable (EPCG Obligations)	624.41
Corporate Guarantees	NIL
Commitments	NIL
Value of Imports on CIF Basis	7,585.85
Expenditure in Foreign Currency	NIL
Earnings in Foreign Exchange - Exports	17.12

Footnote:

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

Note 31: Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in Lakhs)

Particulars	FY 2023-24
1. The principal amount and the interest due thereon as at the end of each accounting year.	90.05
2. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	--
3. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	--
4. The amount of interest accrued and remaining unpaid at the end of each accounting year.	--
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	--

Footnote:

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

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

Note 32: Related Party Disclosures

The Company's principal related parties consist of its holding company Virtuoso Optoelectronics Limited and its subsidiaries, affiliates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

A. List of Related Parties and Relationship**(a) Key Management Personnel (KMP)**

1. Sukrit Bharati - Managing Director
2. Abhinav - Executive Director
3. Sajid Shaikh - CFO
4. CS Vibhuti Kulkarni - Compliance Officer (Appointed on 28/01/2024)
5. CS Hariom Kushwaha - Compliance Officer (Resigned on 27/01/2024)

(b) Non-Executive Director

1. Vishrut Bharati - Non Executive Director
2. Ziral Soni - Independent Director
3. Ila S Bhat - Independent Director
4. Drashti Solanki - Independent Director

(c) Relatives of Key Management Personnel

1. Nikitha Shravan Poddatur
2. Arvind Bharati
3. Ashu Bharati

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

1. Swami Shanti Prakash Virtuoso Escro Private Limited
2. Agsure Innovations Private Limited

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

1. Solarcopyer Limited
2. Starlite Components Limited
3. Paragon Plastics Private Limited
4. Lumalamp Limited
5. Techmark International FZE
6. Starlite Lamp Components Private Limited

B. Transactions with Related Parties during the year

Transactions and balances with its own subsidiaries are eliminated on consolidation.

(₹ in Lakhs)

Particulars	2023-24	
	Transaction Value for the year	Closing Balances
A) Key Management Personnel -		
Issue of Share Capital (including Share Premium)	-	-
Issue of Share Warrants (including share premium)	382.65	-
Director's Remuneration	36	-
Unsecured Loans / (Repayments)	-7.86	-
Salary Expenses - KMP	36.14	2.63
B) Relatives of Key Management Personnel		
Issue of Share Capital (including share premium)	-	-
Issue of Share Warrants (including share premium)	159.44	-
Salary Expenses	6	-
C) Transactions with the entities which is controlled by the Key Management Personnel -		
Issue of Share Capital	-	-
Sale of Goods / Services	-	-
Purchase of Goods / Services	-	-
D) Transactions with the entities which is controlled by the Relatives of KMP -		
Sale of Goods / Services	87.72	17.16
Purchase of Goods / Services	-	-

Footnote:

(a) The transactions with the related parties are made on terms equivalent to those that prevail in arms' length transactions.

(b) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from / to above related parties.

(c) Reimbursement for expenses / payments made by the directors on behalf of the company in the ordinary course of business is not reported above.

Note 33 : Earnings Per Share

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

(₹ in Lakhs)

Particulars	As at March 31, 2024
Net profit / (loss) for calculation of Basic EPS	1,017.04
Weighted Average Number of Equity Shares outstanding during the year for Basic EPS	2,31,30,331
Basic Earnings Per Share (Rs.)	4.4
Weighted Average Number of Equity Shares outstanding during the year for Diluted EPS	2,35,65,591
Diluted Earnings Per Share (Rs.)	4.32
Nominal Value per Share (Rs.)	10

The Weighted average number of Equity Share for calculation of Diluted EPS includes 31,50,000 Equity Share Warrants convertible into one equity share and 2,59,140 Employee Stock Options.

Note 34: Employee Stock Option Plans (ESOP)

The Company instituted VOEPL Employees Stock Option Plan-2023 (ESOP 2023) for all eligible employees pursuant to a resolution approved by the shareholders in the Extra-ordinary General Meeting held on February 24, 2023. The Nomination and Remuneration Committee of the Board of the company administers the ESOP 2023 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The company has established VOEPL 2023 Plan with 20,00,000 equity shares. However, the company has granted 2,59,140 options during the year.

The exercise price of the options is Rs.246.30/- per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The carrying amount of the liability at 31 March, 2024 was Rs. 29.80 Lakhs.

The expense recognised for employee services received during the year is shown in the following table:

(₹ in Lakhs)

Particulars	As at March 31, 2024
Expense arising from equity-settled share-based payment transactions	29.8
Total expense arising from share-based payment transactions	29.8

There were no cancellations or modifications to the awards in year ending 31 March, 2024.

Movements during the year: The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

(₹ in Lakhs)

Particulars	As at March 31, 2024
Options outstanding at the beginning of the year	-
Granted during the year	2,59,140
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Options outstanding at the end of the year	2,59,140
Exercisable at 31 March	2,59,140

The following tables list the inputs to the models used for the plan for the years ended 31 March, 2024:

(₹ in Lakhs)

Particulars	As at March 31, 2024
Weighted average fair values at the measurement date	246.3
Dividend yield (%)	-
Expected Annualized Volatility (%)	32.81%
Risk-free interest rate (%)	7.17%
Expected life of share options (years)	4.5 years
Weighted average share price (Rs.)	246.3
Model used	Black-Scholes Method

Note 35 : Corporate Social Responsibility (CSR)

(₹ in Lakhs)

Particulars	As at March 31, 2024
1. Amount required to be spent by the company during the year	13.18
2. Amount of expenditure incurred on:	
(i) Construction/acquisition of any asset	-
(ii) On purposes other than (i) above	13.18
3. Shortfall at the end of the year	-

(₹ in Lakhs)

Particulars	As at March 31, 2024
4. Total of previous years shortfall	-
5. Nature of CSR Activities	Education & Apprenticeship Training
6. Details of related party transaction	-
7. Reason for shortfall	-
The Company endeavoured to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the amount on CSR activities in accordance with the statutory requirements.	

Footnote

(a) The company is liable to comply with the requirements of Section 135 of the Companies Act, 2013 from the financial year 2023-24. The Company is spending its 2% of average net profits as CSR expenditure on the Apprenticeship training.

(b) As per the circular from Ministry of Corporate Affairs, industries / establishments are permitted to utilize their Corporate Social Responsibility (CSR) funds for Apprentices Training which includes expenditure on Basic Training and stipend funds payable to apprentices under Apprentices Act, 1961 (amended 2014)

Note 36 : Segment Reporting

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

Note 37 : Balance Confirmations

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

Note 38 : General Remarks to Financial Statements

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

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

(c) Normally the company is regular in payment of all statutory dues. There were no statutory dues outstanding for more than six months as on 31-03-2024.

(d) We have not physically verified cash in hand and closing stock as on 31-03-2024. Cash balance and quantitative details of stock have been certified by the management and accepted & relied upon by us. Due to the high volume and nature of business, it is not possible to verify quantitative details of the goods manufactured and traded by the Company.

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

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

(g) Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current period's classification

(h) The consolidated financial statements are approved for issue by the Board of Directors in their meeting held on May 28, 2024.

(i) The Company has evaluated subsequent events from the balance sheet date through May 28, 2024, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose.

Note 39 : Other Statutory Information

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

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

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

(d) The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.

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

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

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

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

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

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

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

(h) To the best of our knowledge and representation received from the management, the Company has not granted any loans or advances in nature of loans to promoters, directors and KMPs either severally or jointly with any other person during the year ended March 31, 2024.

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

(j) The Company has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets during the year ended March 31, 2024.

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

Note 40 : Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date

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

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN – L74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Sajid Shaikh
Chief Financial Officer

Vishrut Bharati
Director
DIN : 06818457

Vibhuti Kulkarni
Company Secretary

CA Suyash Chhajed Partner
Membership No. 121597

Place : Nashik
Date: May 28, 2024

Independent Auditor's Report

To,
The Members of
Virtuoso Optoelectronics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Virtuoso Optoelectronics Limited (the "Company") which comprise the standalone balance sheet as at March 31, 2024, the standalone statement of profit and loss, and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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The Key Audit Matter	How our audit addressed the key audit matters
1. Revenue Recognition from Sales	
<p>Revenue is measured net of returns, discounts and rate difference on the Company's sales.</p> <p>Revenue is recognized when the control of the underlying products has been transferred to the customer. There is a risk of revenue being overstated due to fraud resulting from the pressure on management to achieve performance targets at the reporting period end.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the revenue recognition accounting policies, including those relating to sales returns, discounts and rate difference. Performing substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included sales invoices / e-invoice, etc. For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns. For sample customer balances, obtained direct confirmation and tested the reconciliations, if any.
2. Revenue Recognition from Government Grants	
<p>As per AS 12 "Accounting for Government Grant", Government grants available to the enterprise are considered for inclusion in accounts: (i) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and (ii) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> We evaluated the recognition and measurement principles of sanctioning grants under the PLI Scheme and State Electronics Policy, ensuring compliance with accounting standards. This included assessing revenue recognition conditions and the proper allocation of incentives over the performance period. We verified the company's compliance with PLI scheme eligibility criteria and performance obligations, ensuring documentation supported eligibility and annual cap of incentives. We assessed the adequacy of disclosure regarding PLI and IPS incentives in the financial statements and compliance with reporting requirements outlined by regulatory authorities.
3. Inventory Valuation	
<p>Inventories are held at the lower of landed cost and net realizable value (NRV).</p> <p>Due to high volume and nature of products, the company is dealing with and the absence of adequate records, valuation of inventory may be misstated.</p> <p>Also NRV is being based on the assumptions/judgment of the management. Inappropriate assumptions of NRV can impact the assessment of the carrying value of inventories.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the inventory valuation method followed by the management and by comparing with applicable AS. Performing substantive testing (including year-end cut off testing) by selecting samples of inward and outward movement of inventory during the year by verifying the underlying documents, which included sales invoices / purchase invoice and bill of entry. Evaluating the design and implementation of the Company's internal controls over the Landed Cost of Inventory and Net Realizable Value (NRV) assessment. Considered the valuation certificate provided by the management and stock statements submitted to the banks.

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

Other Information

The Company's Management and Board of Directors are responsible for other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books of the Company;

(c) The standalone balance sheet, the standalone statement of profit and loss and the standalone statement of cash flow dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act;

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

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

(a) The Company does not have any pending litigations which would impact its financial position in its standalone financial statements;

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024;

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

(ii) 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 other wise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.

(e) The Company has neither declared nor paid any dividend during the year.

(f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) - In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Jain Chhajer & Associates, Chartered Accountants

Firm Registration No. 127911W

CA Suyash Chhajer
Partner
Membership No: 121597
UDIN: 24121597BKGVDC6185

ANNEXURE "A"

To The Independent Auditors

Report of Even Date on the Standalone Financial Statements of Virtuoso Optoelectronics Limited

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

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

(i) Property, Plant and Equipments

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

[B] The company does not have any intangible assets; accordingly this clause 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 a regular program of verification to cover all the items of Property, Plant and Equipment during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of records of Company examined by us we report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements 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 the records of the Company, the Company has not revalued its Property, Plant and equipment (including Right of Use assets) or intangible assets or both during the year ended 31st March 2024.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company; 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 thereunder.

(ii) (a) In our opinion and according to the information given to us, the company has maintained proper records of its inventories. The inventory has been physically verified by the management during the year, in our opinion frequency of verification is reasonable and procedures and coverage of such verification by the management is appropriate. No material discrepancies have been noticed on verification between physical stock and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records produced of the company and as disclosed in note 9 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores, in aggregate, from banks on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) According to information and explanations given to us and on the basis of our examination of the records of the company, the Company has made investments in the Subsidiary Company during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms and limited liability partnerships or any other parties during the year.

(a) [A] Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not given any loan and advances in the nature of loans or stood guarantee or provided security to subsidiary. The Company does not hold any investment in any joint ventures or associates.

[B] Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not given any loan and advances in the nature of loans or stood guarantee or provided security to parties other than subsidiary. The Company has not stood guarantee or provided security to parties other than subsidiaries. Accordingly, provisions of clauses 3 (iii) (c) to (f) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(iv) According to information and explanations given to us and on the basis of our examination of the records of the company, the Company has not given any loans or provided any guarantees or given any security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

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

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

(vii) (a) The Company does not have any liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess and other statutory dues were in arrears as at 31 March 2024, for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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 not been declared willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31st March, 2024.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(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 made preferential allotment / private placement of 35,00,100 fully paid-up equity shares and 31,50,000 Equity Warrants during the year. In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment or private placement of Equity Shares / Equity Warrants for the purposes for which they were raised. Also, the Company has not made any preferential allotment or private placement of shares (partially or optionally) convertible debentures during the year.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards of Auditing, we report no fraud by the Company or on the Company has been noticed or reported during the course of the audit our audit.

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

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

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date for the period under audit.

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

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.

- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the other information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to ongoing projects. Accordingly, clause 3(xx)(b) of the Order is not applicable.

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

CA Suyash Chhajer
Partner
Membership No: 121597
UDIN: 24121597BKGVDC6185

Place: Nashik
Date: May 28, 2024

ANNEXURE "B"

To The Independent Auditors

Report on the Standalone Financial Statements of Virtuoso Optoelectronics Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Virtuoso Optoelectronics Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

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

CA Suyash Chhajer
Partner
Membership No: 121597
UDIN:
24121597BKCVDC6185

Place: Nashik
Date: May 28, 2024

Virtuoso Optoelectronics Limited

CIN - L74999MH2015PLC268355

STANDALONE BALANCE SHEET AS ON MARCH 31, 2024

(₹ in Lakhs)

Sr. No.	Particulars	Note No	As at 31st March 2024	As at 31st March 2023
	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	3	2,633.88	2,283.87
	(b) Reserves and Surplus	4	16,312.32	7,081.16
	(c) Money Received against Share Warrants	5	2,008.91	-
	Total Equity		20,955.11	9,365.03
2	Share Application Money pending allotment		-	-
3	Non-Current Liabilities			
	(a) Long-Term Borrowings	6	6,040.74	4,093.88
	(b) Deferred Tax Liabilities (Net)	7	480.54	313.09
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions	8	50.00	9.88
	Total Non-Current Liabilities		6,571.28	4,416.84
4	Current Liabilities			
	(a) Short-Term Borrowings	9	7,456.09	4,721.17
	(b) Trade Payables	10		
	• Total Outstanding Dues of Micro Enterprises & Small Enterprises (MSME)		245.00	206.64
	• Total Outstanding Dues of Creditors other than Micro Enterprises & Small Enterprises		9,579.69	8,484.32
	(c) Other Current Liabilities		-	-
	(d) Short Term Provisions	11	714.71	455.77
	Total Current Liabilities		17,995.49	13,867.89
	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant & Equipment and Intangible Assets	12		
	(i) Property, Plant & Equipment		13,015.47	8,847.26
	(ii) Other Intangible Assets		-	-
	(iii) Capital Work-in-Progress		689.13	600.42
	(iv) Intangible Assets under Development		-	-
	(c) Non-Current Investments	13	991.24	1,022.92
	(d) Deferred Tax Assets(Net)		-	-
	(e) Long-Term Loans & Advances		-	-
	(f) Other Non-Current Assets	14	276.23	73.52
	Total Non-Current Assets		14,972.07	10,544.12

(₹ in Lakhs)			
3	Current Assets		
	(a) Current Investments	15	9,033.38
	(b) Inventories	16	16,475.12
	(c) Trade Receivables	17	2,121.56
	(d) Cash and Cash Equivalents	18	6.97
	(e) Short-Term Loans & Advances	19	16.02
	(f) Other Current Assets	20	2,896.75
	Total Current Assets		30,549.80
			17,105.64
	Total Assets		45,521.87
			27,649.76
	Significant Accounting Policies	1	

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN - L74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

Sajid Shaikh
Chief Financial Officer

Vibhuti Kulkarni
Company Secretary

Place : Nashik
Date: May 28, 2024

CA Suyash Chhajer
Partner Membership
No. 121597

Place : Nashik
Date: May 28, 2024

Virtuoso Optoelectronics Limited

CIN - L74999MH2015PLC268355

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ In Lakhs), Except EPS

Sr. No.	Particulars	Note No	Year Ended	
			31st March 2024	31st March 2023
1	Income			
	(a) Revenue from operations	21	53,108.41	33,726.51
	(b) Other Income	22	122.01	80.70
	Total Income		53,230.42	33,807.21
2	Expenses			
	(a) Cost of raw material consumed	23	46,243.61	29,545.30
	(b) Changes in inventories of finished goods, work-in-progress & stock-in-trade	24	(382.85)	(248.85)
	(c) Employee Benefits Expenses	25	1,244.95	709.42
	(d) Finance costs	26	2,004.93	1,353.95
	(e) Depreciation and amortization expense	12	1,826.91	942.89
	(f) Other Expenses	27	862.68	375.40
	Total Expenses		51,800.23	32,678.12
3	Profit Before Tax (PBT)		1,430.19	1,129.09
4	Tax Expenses:			
	(a) Current Tax		250.00	198.00
	(b) Deferred Tax Charge/ (Benefit)		167.45	154.38
5	Profit after Tax (PAT)		1,012.73	776.71
	Paid up Equity Share Capital (Face Value of Rs. 10/- each)		2,633.88	2,283.87
	Reserves excluding Revaluation Reserves		16,312.32	7,081.16
	Earning per Equity Share (EPS)			
	(Basic EPS for the period)	32	4.38	4.28
	(Diluted EPS for the period)	32	4.30	4.28
	Significant Accounting Policies	1		

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

As per our report of even date

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

CA Suyash Chhajer
Partner Membership
No. 121597

Place : Nashik
Date: May 28, 2024

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN - L74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

Sajid Shaikh
Chief Financial Officer

Vibhuti Kulkarni
Company Secretary

Place : Nashik
Date: May 28, 2024

Virtuoso Optoelectronics Limited

CIN - L74999MH2015PLC268355

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Sr. No.	Particulars	Year Ended	
		31st March 2024	31st March 2023
1	Cash Flow from Operating Activities		
	Net profit before tax	1,430.19	1,129.09
	Adjustments for:		
	Depreciation	1,826.91	942.89
	Finance Cost	2,004.93	1,353.95
	Interest on Fixed Deposits	(90.17)	(25.43)
	Adjustment in Reserves - Excess Provision for Taxation	1.73	-
	Adjustment of IPO Expenses - Securities Premium	-	(39.32)
	Adjustment of Preferential Issue Expenses - Securities Premium	(362.05)	(22.70)
	Operating Profit before Working Capital Changes	4,811.53	3,338.49
	Changes in Working Capital		
	(Increase) / Decrease in Trade Receivables	502.53	(1,736.18)
	(Increase) / Decrease in Other Assets	(2,509.05)	(540.75)
	(Increase) / Decrease in Inventories	(2,632.95)	(7,511.25)
	Increase / (Decrease) in Trade Payables	1,133.74	5,664.89
	Increase / (Decrease) in Provisions	299.06	21.51
	Cash Generated from / (used in) Operations	1,604.87	(763.29)
	Income Taxes Paid	(250.00)	(198.00)
	Net Cash Flow / (used in) Operating Activities (A)	1,354.87	(961.29)
2	Cash Flow from Investing Activities		
	Investments in Property, Plant & Equipment	(6,083.84)	(5,352.70)
	Investments in Subsidiary Company	(3.10)	-
	Investment in Fixed Deposits	(8,998.59)	(944.54)
	Interest on Fixed Deposits	90.17	25.43
	Net Cash Flow / (used in) Investing Activities (B)	(14,995.36)	(6,271.81)
3	Cash Flow from Financing Activities		
	Proceeds from IPO Issue - BSE SME Platform	-	3,024.00
	Proceeds from Preferential Issue - SME Platform	8,928.76	3,500.00
	Proceeds from Share Warrants	2,008.91	-
	Proceeds from Borrowings	4,681.78	2,014.79
	Payment of Finance Costs	(2,004.93)	(1,353.95)
	Net Cash Flow / (used in) Financing Activities (C)	13,614.51	7,184.84
	Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(25.98)	(48.26)
	Cash & Cash Equivalents at the beginning of the year	32.96	81.22
	Cash & Cash Equivalents at the end of the year	6.97	32.96
	Cash and Cash Equivalents comprises		
	Balances with Bank		
	- On Current / Escrow Accounts	6.02	32.81
	- Deposits with original maturity of less than three months	-	-
	- Cash on Hand	0.95	0.15
	Total cash and bank balances at the end of the year	6.97	32.96

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3, "Cash Flow Statement" notified under section 133 of the Companies Act, 2013, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- Cash comprise cash on hand, current accounts and deposits with banks. Cash equivalents are short term balances (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

As per our report of even date

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

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN - L74999MH2015PLC268355

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

Sajid Shaikh
Chief Financial Officer

Vibhuti Kulkarni
Company Secretary

Place : Nashik
Date: May 28, 2024

CA Suyash Chhajer
Partner Membership
No. 121597

Place : Nashik
Date: May 28, 2024

Notes To The Financial Statements For The Year Ended 31st March, 2024

(i) Company Overview

The Company ("Virtuoso Optoelectronics Limited", "VOEPL") having CIN - L74999MH2015PLC268355 is public limited company incorporated and domiciled in India having its registered office at Plot No.7, MIDC Area, Trimbak Road, Satpur, Nashik - 422007, Maharashtra, India. The Company is engaged primarily in the in manufacturing, selling and marketing of Consumer Electronics Goods. The range of products manufactured by the company includes Air Conditioners, Water Heaters and Lighting. The Company also offers Electronics Manufacturing Services (EMS) and related products to its customers. The equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) - SME Platform.

(ii) Summary Of Significant Accounting Policies

(a) Basis of preparation and measurement :

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

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

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

The financial statements of the Company for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 28, 2024.

(b) Operating Cycle :

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

(c) Revenue Recognition :

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

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

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

Interest income is recognized using time proportionate method.

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

Dividend income is accounted when right to receive is established.

Government grants are recognized when there is reasonable assurance of compliance with associated conditions and receipt of the grant. Accordingly, the Company has recognized its revenue from government grants separately in the income statement under "Other Source of Revenue - Government Grant and Incentives" to enhance transparency and allow users to assess the impact on the company's financial performance.

(d) Property, Plant and Equipment:

Recognition and measurement:

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

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

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

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

The Company has capitalized R&D costs and is recognized at cost, comprising expenditures directly attributable to the design and testing of new products or processes. Costs incurred after technological feasibility is established are capitalized until the product or process is available for general release.

Subsequent expenditures

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

Intangible Assets

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

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

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

Depreciation and amortization

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

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

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

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

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

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

The amortization of capitalized R&D costs is provided on a systematic basis over their estimated useful lives, which typically reflect the period over which the economic benefits from the asset are expected to be realized. The amortization method applied is generally the straight-line method unless another method better reflects the pattern of consumption of the economic benefits.

(e) Impairment of Assets

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

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

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

(f) Foreign currency transactions:

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

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

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

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

(g) Investments:

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

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

(h) Inventories:

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

(i) Taxes on Income :

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

Current Tax

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

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

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

Deferred Tax

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

Minimum Alternative Tax (MAT)

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

(j) Leases:**Finance Lease**

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

Operating Lease

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

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

(k) Borrowing Costs :

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

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

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

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

(l) Related Party :

The disclosures of transactions with related parties, their outstanding balances, terms & conditions, securities offered and guarantees given are disclosed in Note No. 31. The company has not made provision for doubtful debts in respect of any of the related parties. The company has not written-off or written back any amount in respect of above related parties.

(m) Earnings per share :

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

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

(n) Cash and cash equivalents:

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

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

(o) Provisions, Contingent Liabilities and Contingent Assets :

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

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

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

(p) Dividend :

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

(q) Events after reporting date :

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

(r) Segment Reporting :

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

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

(s) Cash Flow Statement :

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

(t) Trade Receivables :

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

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

(u) Trade and other payables :

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

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

(v) Employee Stock Options Plan :

Expenses related to ESOPs are recognized based on the fair value of options granted to employees over the vesting period. Fair value is determined using appropriate valuation techniques and is certified by the Registered Valuer.

Management is required to make estimates regarding employee turnover and the likelihood of option exercise. These estimates are based on historical data, industry trends, and management's judgment. However, actual employee turnover and option exercise may differ from these estimates, leading to adjustments in subsequent periods.

(w) CSR Expenditure :

The Company allocates CSR expenditure based on the nature of the initiatives undertaken during the financial year. Expenditure is categorized and disclosed accordingly to provide transparency on the utilization of resources.

The Company periodically evaluates the impact of its CSR activities to assess their effectiveness in achieving the desired social and environmental objectives. Key performance indicators are utilized to measure and monitor the outcomes of CSR initiatives.

Virtuoso Optoelectronics Limited**CIN - L74999MH2015PLC268355**

Notes forming integral part of the Financial Statements for the
year ended 31st March, 2024

Note 3 : Share Capital**(₹ In Lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised Capital		
3,50,00,000 (Previous year : 2,60,00,000) Equity Shares of Rs.10/- each	3,500.00	2,600.00
Issued, Subscribed and Paid-up Capital		
2,63,38,756 (Previous year : 2,28,38,656) Equity Shares of Rs.10/- each fully paid up	2,633.88	2,283.87
Total	2,633.88	2,283.87

Footnote

The Authorized Share Capital of the Company was increased from Rs.26,00,00,000/- (Rupees Twenty Six Crores Only) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs.35,00,00,000/- (Rupees Thirty Five Crores only) divided into 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Two Only) each and consequential alteration in the Memorandum of Association of the Company as approved by the shareholders by means of Postal Ballot through electronic means, on February 3, 2024.

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year**(₹ In Lakhs)**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of Equity Shares	Share Capital	Number of Equity Shares	Share Capital
Outstanding at the beginning of the year	2,28,38,656	2,283.87	1,49,82,512	1498.25
Add : Fresh issue(IPO) during the year	-	-	54,00,000	540.00
Add : Preferential issue during the year	35,00,100	350.01	24,56,140	245.61
Outstanding at the end of the year	2,63,38,756	2,633.88	2,28,38,656	2,283.87

(b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10/- Per share. Each holder of equity shares is entitled to one vote per share and dividend in Indian rupees, if proposed by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have not declared dividend for the year ending 31st March, 2024.

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

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

Name of the Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	Number of Shares	%	Number of Shares	%
Mr. Sukrit Bharati	1,46,57,059	55.65%	1,46,57,059	64.18%
Mr. Ashish Kacholia	6,81,070	2.59%	12,28,070	5.38%
Bengal Finance & Investment Private Limited	7,55,070	2.87%	12,28,070	5.38%
Other Shareholders	1,02,45,557	38.90%	57,25,457	25.07%
Total	2,63,38,756	100.00%	2,28,38,656	100.00%

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

(d) Details of Shares held by Promoters

Shares Held by Promoters at the end of the year			% Change in During the Year
Promoter Name	No. of Shares	% of Total Shares	
Mr. Sukrit Bharati	1,46,57,059	55.65%	-8.53%

Note 4 : Reserves and Surplus

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(a) General Reserves		
Balance at the beginning of the year	1,338.13	561.42
Add: Net Profit / (Net Loss) as per Statement of Profit and Loss	1,012.73	776.71
Add: Adjustment in Reserves - Income Tax	1.73	-
Closing Balance	2,352.59	1,338.13

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(b) Securities Premium		
Balance at the beginning of the year	5,743.03	66.67
Less: Balance utilised on issue of bonus shares	-	-
Add: Securities premium on shares issued during the year (IPO)	-	2,484.00
Add: Securities premium on shares issued during the year (Preferential Issue)	8,578.75	3,254.39
Less: Adjustment of IPO Expenses	-	(39.32)
Less: Adjustment of Preferential Issue Expenses	(362.05)	(22.70)
Closing Balance	13,959.73	5,743.03
Balance at the end of the year	16,312.32	7,081.16

Footnote

(a)The company has issued fresh equity shares - 35,00,100 on preferential basis at Rs. 255.10/- per share, including securities premium of Rs. 245.10/- per share.

(b)Expenses related to preferential issue were adjusted against the securities premium.

Note 5 : Money Received against Share Warrants

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Money received against Share Warrants		
Issue of Share Warrants	2,008.91	-
Total	2,008.91	-

Footnote

(a)The company has issued 31,50,000 Equity Warrants convertible into same number of equity shares at a price of Rs.255.10/- per Share Warrant (including a share premium of Rs.245.10/- per Share Warrant), of which Rs.63.775/- per warrant, i.e., 25% of Rs.255.10/- was received.

Note 6 : Long-Term Borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Term Loans - Secured from Banks and Financial Institutions		
(a) Axis Bank (TL & GECL)	1,373.59	1,625.51
(b) Yes Bank (TL - Equipment Finance)	200.10	263.03
(c) Mahindra Finance (TL)	940.01	1,229.00
(d) SIDBI (TL)	725.60	736.52
(e) HDFC Bank (TL & GECL)	2,253.95	615.60
(f) ICICI Bank (TL)	816.30	652.10
(g) Tata Capital Finance (TL)	-	174.96

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(h) Union Bank (TL)	913.25	-
(i) Siemens Finance (TL)	581.46	-
Less: Short Term Maturities of Long Term Debts	(1,763.53)	(1,202.85)
Total	6,040.74	4,093.88

Footnote

(a) The company has availed term loans / GECL loans from various Banks for the investments in Property, Plant and Equipment. The rate of interest varies from 7.70% p.a. to 9.60% p.a. These loans are secured by way of:

- (i) Hypothecation & Exclusive Charge of Plant and Machinery procured out of term loans;
- (ii) Pari passu / Second pari passu charge on current assets for both present and future;
- (iii) Equitable mortgage of leasehold rights of industrial property bearing Plot No. 7 situated in MIDC Satpur, Nashik owned by M/s Filaments & Filaments;
- (iv) Guarantee given by National Credit Guarantee Trustee Company (NCCTC) and extension of charge on current assets for GECL Term Loans;
- (v) Equitable mortgage of industrial property bearing No. 203/1 & 205/2 situated in Badasaly Village, Madhya Pradesh owned by M/s Luma Lamp Private Limited
- (vi) First Charge / Second pari passu charge on industrial property bearing No. 64-B-1 situated in MIDC Satpur Nashik owned by M/s Virtuoso Optoelectronics Limited;
- (vii) Unconditional and Irrecoverable Personal Guarantee of Managing Director;
- (viii) Corporate Guarantee of Associate Concerns / Property Owners - M/s Filament & Filaments & M/s Luma Lamps Private Limited;
- (ix) Lien on Fixed Deposits with the Banks / Financial Institutions;
- (x) Hypothecation of Vehicles purchased out of Auto Loan;

Note 7 : Deferred Tax Liabilities (Net)

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Tax Liabilities (Net)		
Opening Balance	313.09	158.71
Add: DTL arising on account of temporary differences	167.45	154.38
Closing Balance	480.54	313.09
Total	480.54	313.09

Note 8 : Long Term Provisions

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision of Employee Benefit Expenses		
Provision for Gratuity	20.20	9.88
Deferred Employee Compensation Expenses	29.80	-
Total	50.00	9.88

Footnote

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

Note 9 : Short-Term Borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Secured from Banks		
(a) Axis Bank - Cash Credit Limit	2,029.46	1,681.29
(b) Axis Bank Limited (PO - Finance)	(0.66)	1.82
(c) HDFC Bank Limited (PO - Finance)	13.26	0.00
(d) ICICI Bank - Cash Credit Limit	1,661.56	153.91
(e) HDFC Bank - Cash Credit Limit	1,988.94	1,681.29
Short Term Borrowings - Unsecured		
(i) From Other Parties - Repayable on Demand	-	-
Short Term Maturities of Long Term Debts	1,763.53	1,202.85
Total	7,456.09	4,721.17

Footnote

(a) The company has availed cash credit loan from the Axis / HDFC / ICICI Banks. As per sanction letter, rate of interest is in the range of 9.15% p.a. to 9.60% p.a. and these limits are secured by way of:

- (i) Primary Security of hypothecation of Stocks, Book Debts;
- (ii) Charge on all existing and future current assets;
- (iii) Equitable mortgage of leasehold rights of industrial property bearing on Plot No. 7 situated in MIDC Satpur Nashik owned by M/s Filaments & Filaments;
- (iv) Industrial property bearing No. 203/1 & 205/2 situated in Badasaly Village, MP owned by M/s Luma Lamp Private Limited;
- (v) Personal / Corporate Guarantee of Directors and Associate Concerns;
- (vi) Equitable mortgage of leasehold rights of industrial property bearing on No. F-108 situated in MIDC Satpur, Nashik owned by M/s Reprolite Papers (India) Private Limited;
- (vii) Paripassu charge on Industrial property bearing No. 64-B-1 situated in MIDC Satpur Nashik owned by M/s Virtuoso Optoelectronics Limited (collateral security).

(b) The company has utilized the borrowings from the Banks for the specific purpose for which the same is taken.

Note 10 : Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Trade Payables		
Other than due to Micro, Small and Medium Enterprises	9,579.69	8,484.32
Amount due to Micro, Small & Medium Enterprise (MSME)	245.00	206.64
Total	9,824.69	8,690.96

Footnote

- (a) The above figures of Trade Payables are shown as net of advances paid to the local / foreign suppliers.
- (b) The average credit period on purchases is 1 to 6 months.
- (c) The above includes payables to related parties. Refer Note 31 for more details.
- (d) Kindly refer Note No. 2(u) of the Significant Accounting Policies regarding trade payables.
- (e) **Trade Payables Ageing Schedule as certified by the management is provided as follows:**

Trade Payables Ageing Schedule as on March 31, 2024

(₹ In Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	154.95	90.05	-	-	-	245.00
ii) Others	8,488.77	1,090.92	-	-	-	9,579.69
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues -Others	-	-	-	-	-	-
Total	8,643.72	1,180.97	-	-	-	9,824.69

Trade Payables Ageing Schedule as on March 31, 2023

(₹ In Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	197.89	8.75	-	-	-	206.64
ii) Others	7,205.96	1,278.36	-	-	-	8,484.32
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues -Others	-	-	-	-	-	-
Total	7,403.85	1,287.11	-	-	-	8,690.96

Note 11 : Short Term Provisions

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Statutory dues payable		
GST Payable	140.75	-
TDS Payable	61.17	31.14
TCS Payable	1.96	1.90
Professional Tax Payable	0.38	0.26
PF Payable	2.24	3.58
ESIC Payable	0.31	0.30
Provision for Income Tax	250.00	199.01
(b) Other Provisions		
Salary and Bonus Payable	91.77	57.77
Rent Payable	32.17	7.50
Provisions for Gratuity	-	1.25

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Provisions for Leave Encashment	3.77	3.48
Audit Fees Payable	14.00	13.05
Electricity Charges Payable	45.43	21.23
Jobwork & Labour Expenses Payable	33.70	83.43
Security Service Expense Payable	4.13	3.23
Telephone Charges Payable	0.21	0.16
Provision for Expenses	32.72	28.51
Total	714.71	455.77

Note 12 : Property, Plant & Equipment

(₹ In Lakhs)

Sr. No.	Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at April 1, 2023	Additions during the year	Deletions during the year	As at March 31, 2024	As at April 1, 2023	Additions during the year	Deletions during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
A	Tangible Assets										
1	Land at Satpur MIDC	157.00	-	-	157.00	-	-	-	-	157.00	157.00
2	Factory Building - Satpur	971.28	7.72	-	979.00	148.65	78.16	-	226.82	752.19	822.63
3	Factory Building - Janori (Leasehold Improvements)	140.36	-	-	140.36	21.23	11.32	-	32.54	107.82	119.13
4	Plant and Machinery	7,209.02	5,500.09	-	12,709.11	1,262.33	1,248.89	-	2,511.22	10,197.89	5,946.69
5	Tools, Dies & Equipment	561.00	83.68	-	644.48	290.54	70.97	-	361.51	283.17	270.46
6	Research & Development Tools	217.55	288.89	-	506.45	6.05	55.17	-	61.22	445.23	211.51
7	Electrical Installations	1,139.35	20.65	-	1,160.00	49.65	282.37	-	332.03	827.98	1,089.70
8	Furniture & Fixtures	290.31	10.68	-	300.99	86.50	52.78	-	139.28	161.71	203.80
9	Office Equipments	2.62	1.39	-	4.00	1.81	0.37	-	2.17	1.83	0.81
10	Computer Devices, Laptops, etc.	30.96	16.81	-	47.78	20.82	9.21	-	30.03	17.74	10.14
11	Servers & Networks	1.22	2.39	-	3.61	0.03	1.09	-	1.11	2.50	1.20
12	Motor Vehicles	14.40	62.82	-	77.22	0.21	16.58	-	16.79	60.43	14.19
	Total	10,735.08	5,995.13	-	16,730.20	1,887.82	1,826.91	-	3,714.73	13,015.47	8,847.26
	(Previous Year)	5,982.80	4,752.28	-	10,735.08	944.93	942.89	-	1,887.82	8,847.26	5,037.87
B	Capital Work-in-Progress										
1	Plant & Machinery	600.42	689.13	600.42	689.13	-	-	-	-	689.13	600.42
	Total	600.42	689.13	600.42	689.13	-	-	-	-	689.13	600.42
	(Previous Year)	-	-	600.42	-	-	-	-	-	600.42	-

Footnote

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

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

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

(d) Ageing Schedule:

Capital work in progress (CWIP) Ageing Schedule as at March 31, 2024**(₹ In Lakhs)**

CWIP	Amount of CWIP for a period of				Total as on March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in Progress	689.13	-	-	-	689.13
ii) Projects temporarily suspended	-	-	-	-	-

Capital work in progress (CWIP) Ageing Schedule as at March 31, 2023**(₹ In Lakhs)**

CWIP	Amount of CWIP for a period of				Total as on March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in Progress	600.42	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-

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

Intangible Assets under Development aging schedule as on March 31, 2024**(₹ In Lakhs)**

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

Intangible Assets under Development aging schedule as on March 31, 2023**(₹ In Lakhs)**

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

Note 13 : Non-Current Investments**(₹ In Lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Investment in Fixed Deposits		
Fixed Deposit with Banks and Financial Institutions	935.17	1,011.15
Accrued Interest on Fixed Deposit	52.97	11.77
Investments in Shares		
Investment in YLP Solutions Private Limited (51%)	3.10	-
10.200 Shares (Previous Year : NIL)		
Total	991.24	1,022.92

Footnote

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

(b) The Company has acquired 51% stake of YLP Solutions Private Limited and the acquisition completed on September 7, 2023. Accordingly, the YLP Solutions Private Limited became subsidiary of the Company

Note 14 : Other Non-Current Assets**(₹ In Lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposits		
Deposit for Government Tender	102.11	60.00
Gas Connection Deposit	0.25	0.25
MSEDCL Deposit - Factory	55.51	13.10
Security Rent Deposit	118.18	-
BSNL Telephone Deposit	0.17	0.17
Total	276.23	73.52

Footnote

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

Note 15 : Current Investments**(₹ In Lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Investments in Fixed Deposits		
Fixed Deposit with Banks (Short Term)	9,033.38	-
Accrued Interest on Fixed Deposit	-	-
Total	9,033.38	-

Footnote

(a) Investments in fixed deposits are from the proceeds of preferential issue of Equity Shares and Equity Share Warrants deployed on short term basis.

Note 16 : Inventories

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Inventories (lower of cost or net realisable value)		
Raw Materials	15,359.80	13,109.70
Work-in-progress	706.42	253.00
Finished Goods	408.89	479.47
Total	16,475.12	13,842.17

Footnote

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

Note 17 : Trade Receivables

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured and Considered good		
Trade Receivables for supply of goods and services	2,121.56	2,624.09
Total	2,121.56	2,624.09

Footnote

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

(b) The above includes receivables from related parties. Refer Note 31 for more details

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

Trade Receivables Ageing Schedule as at 31st March 2024

(₹ In Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	1,868.07	248.48	-	5.00	-	-	2,121.56
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	1,868.07	248.48	-	5.00	-	-	2,121.56

Trade Receivables Ageing Schedule as at 31st March 2023

(₹ In Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	2,521.69	77.56	24.84	-	-	-	2,624.09
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	2,521.69	77.56	24.84	-	-	-	2,624.09

Note 18 : Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Balances with Banks		
In Current and Deposit Accounts	6.02	26.36
In Escrow Accounts	-	6.45
Cheques on Hand	-	-
Cash in Hand	0.95	0.15
Total	6.97	32.96

Note 19 : Short Term Loans & Advances

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Other Advances		
Advance to Staff	16.02	9.69
Total	16.02	9.69

Note 20 : Other Current Assets

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Balance with Revenue Authorities		
TDS Receivables	41.30	21.02
TCS Receivables	1.24	0.72
GST Receivables (Excess ITC)	-	1.01
Advance Tax	325.00	150.00
Custom Duty Receivables	0.16	0.80
Export Duty Receivable	0.36	-
Government Grants and Incentives Receivables	2,243.22	286.16
Other Assets		
TDS Receivable - NBFC	5.14	5.63
Prepaid Insurance	31.06	38.80
Reimbursement of Stipend Claim (Govt. Scheme)	11.81	17.12
Prepaid Expenses	76.77	9.28
Prepaid Interest on SID/PO Facilities	-	66.20
Preliminary / Preoperative Expenses	160.69	-
Total	2,896.75	596.74

Footnote

(a) Government Grants & Incentives Receivable includes the subsidy receivable from the Government of Maharashtra under the Electronics Policy, 2016 and from the PLI Scheme of Central Government.

(b) Pre-operative expenses include expenditure incurred on the new plants located at Mohadi (Plant F) & Vilholi (Plant D), where commercial operations have not yet started. Both the new plants will be operational in the next financial year.

Note 21 : Revenue from Operations

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Sale of Products & Services		
Sale of Lighting, Consumer Durables, etc.	51,138.22	33,439.69
Service Income	13.13	0.66
Other Sources of Revenue		
Government Grant and Incentives	1,957.06	286.16
Total	53,108.41	33,726.51

Footnote

(a) Government Grants & Incentives includes the subsidy receivable from the Government of Maharashtra under the Electronics Policy, 2016 and from the PLI Scheme of Central Government.

Note 22 : Other Income

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Other Income		
Interest on Fixed Deposit	90.17	25.43
Foreign Exchange Gain	25.04	52.03
Discount Received	-	1.98
Misc. Income - Liabilities not Payable	6.43	1.26
Export Duty Drawback	0.36	-
Total	122.01	80.70

Note 23 : Cost of raw materials consumed

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Raw material consumed		
Inventory at the beginning of the year	13,109.70	5,847.30
Add: Purchases during the year : Indigenous	43,365.91	31,184.44
Add: Purchases during the year : Imports	2,997.68	4,148.29
Add: Other Manufacturing Costs/Cost of Production (Footnote-b)	2,130.12	1,474.97
Less: Inventory at the end of the year	(15,359.80)	(13,109.70)
Total	46,243.61	29,545.30

Footnote

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

(b) Other Manufacturing Cost / Cost of Production:

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Other Manufacturing Cost / Cost of Production		
Freight Inward	212.16	137.69
Conversion Cost - Manufacturing	1,056.93	531.09
Electricity & Fuel Charges	387.54	174.74
Customs Duty	384.22	400.07
Clearing & Forwarding Expenses	73.92	221.45
Loading & Unloading Charges	12.25	2.96
Packing & Water Charges	0.22	0.36
Tooling Cost	2.88	6.61
Total	2,130.12	1,474.97

Note 24 : Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Inventories at the beginning of the year		
Work-in progress	253.00	-
Finished goods	479.47	483.63
Sub-Total	732.47	483.63
Inventories at the end of the year		
Work-in progress	408.89	253.00
Finished goods	706.42	479.47
Sub-Total	1,115.32	732.47
(Increase)/Decrease in Inventories	(382.85)	(248.85)

Note 25 : Employee Benefit Expenses

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Employee Benefit Expenses		
Salaries, Wages, Bonus and Other Allowances	752.85	473.90
Directors' Remuneration	36.00	30.00
Stipend Expenses - Internship	289.07	154.93
Contribution to provident fund	26.19	17.79
Contribution to ESIC fund	2.88	2.56
MLWF Establishment Contribution (ERC)	0.15	-
Expenses for Gratuity	9.56	2.57
Expenses for Leave Encashment	4.50	4.93
Staff Welfare Expenses	91.77	21.23
Education, Training and Development	2.18	1.51
Employee Compensation Expenses - ESOP	29.80	-
Total	1,244.95	709.42

Footnote

(a) The Company has granted 2,59,140 options exercisable under Employee Stock Option Plan / Scheme -2023. Accordingly, ESOP - Employee Compensation Expenses booked for the year.

(b) Kindly refer Note No. 2(v) of the Significant Accounting Policies regarding Employee Stock Options Plan.

Note 26 : Finance Cost

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Finance Cost		
Interest on Loan	1,863.98	1,190.48
Other Borrowing Costs	140.96	163.47
Total	2,004.93	1,353.95

Note 27 : Other Expenses

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Other Expenses		
Payment to Auditors	10.00	6.00
Printing & Stationery	9.12	0.73
Professional & Legal Fees	81.84	40.08
Rent, Rates & Taxes	523.66	213.44
Office Expenses	7.08	9.80
Freight Outward	6.81	4.50
Income Tax & Interest Payment (Dues)	5.62	14.07
Insurance Charges	46.23	13.51
Telephone Expenses	6.08	2.53
Travelling Expenses	66.80	31.03
Sales Promotion Expenses	24.44	17.54
Repairs & Maintenance	4.43	3.87
Security Service Charge	45.47	18.30
Cleaning & Utility Expense	10.32	-
CSR Expenditure	13.18	-
Directors' Sitting Fees	1.60	-
Total	862.68	375.40

Note 27(a) : Details of Payments to Auditors

(₹ In Lakhs)

PARTICULARS	AS AT 31ST MARCH 2024	AS AT 31ST MARCH 2023
As Auditor:		
Statutory Audit Fees	8.00	4.50
Tax Audit Fees	2.00	1.50
In Other Capacities		
Professional Fees	1.98	2.75
Total	11.98	8.75

Note 28 : Employee Benefit Obligations

The disclosure required as per Accounting Standard 15 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014

28.1 Defined Benefits Plan

(a) Gratuity Benefits:

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

The following table summarizes the components of net benefit expenses recognized in respect of Gratuity:

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Expense recognized in the statement of Profit and Loss		
Interest Cost	0.83	0.76
Current Service Cost	7.66	5.03
Past Service Cost	-	-
Expected return on plan assets	-	-
Net Actuarial Gain/(Loss) recognized in the period	0.58	(5.17)
Expenses to be recognized in P&L	9.07	0.63
Reconciliation of liability recognized in balance sheet		
Present value of the obligation at the beginning of the period	11.12	10.50
Expenses to be recognized in P&L	9.07	0.63
Benefit paid (if any)	-	-
Present value of the obligation at the end of the period	20.20	11.12
Liability recognized in Balance Sheet		
Present value of the obligation at the end of the period	20.20	11.12
Fair value of plan assets at end of period	-	-
Net liability / (asset) recognised in the Balance Sheet and related analysis	20.20	11.12
Funded Status - Surplus/(Deficit)	(20.20)	(11.12)
Current Liability (Short Term)	1.95	1.25
Non-Current Liability(Long Term)	18.25	9.88
The principal assumptions used in determining gratuity as shown below:		
Discount Rate	7.25%	7.50%
Rate of increase in compensation levels	5.00%	5.00%
Withdrawal Rate	5.00%	5.00%

(b) Leave Encashment:

The leave obligation covers the Company's liability for earned leave. The entire amount of the provision of Rs. 4.50 Lakhs (year ended 31/03/2023 4.93 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for these obligations.

28.2 Defined Benefits Plan

(a) Provident Fund :

The Company contribution towards Provident Fund is paid to the Central Government is debited to the statement of profit and loss. The amount debited to the statement of profit and loss during the year was Rs. 26.19 Lakhs (year ended 31/03/2023 Rs. 17.79 Lakhs).

Note 29 : Other Disclosures (As certified by Management)

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Contingent Liabilities - TDS Outstanding Demand	-	0.98
Contingent Liabilities - Custom Duty Payable (EPCG Obligations)	624.41	585.00
Corporate Guarantees	NIL	NIL
Commitments	NIL	NIL
Value of Imports on CIF Basis	7,585.85	4,870.01
Expenditure in Foreign Currency	NIL	NIL

Footnote

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

Note 30 : Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

Particulars	FY 2022-23	FY 2021-22
1. The principal amount and the interest due thereon as at the end of each accounting year.	90.05	8.75
2. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	--	--
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	--	--
4. The amount of interest accrued and remaining unpaid at the end of each accounting year.	--	--
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	--	--

Footnote

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

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

Note 31: Related Party Disclosures**A. List of Related Parties and Relationship****(a) Key Management Personnel (KMP)**

1. Sukrit Bharati - Managing Director
2. Abhinav - Executive Director
3. Sajid Shaikh - CFO
4. CS Vibhuti Kulkarni - Compliance Officer (Appointed on 28/01/2024)
5. CS Hariom Kushwaha - Compliance Officer (Resigned on 27/01/2024)

(b) Non-Executive Director

1. Vishrut Bharati - Non Executive Director
2. Ziral Soni - Independent Director
3. Ila S Bhat - Independent Director
4. Drashti Solanki - Independent Director

(c) Relatives of Key Management Personnel

1. Nikitha Shravan Poddatur
2. Arvind Bharati
3. Ashu Bharati

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

1. YLP Solutions Private Limited - Subsidiary Company
2. Swami Shanti Prakash Virtuoso Esco Private Limited
3. Agsure Innovations Private Limited

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

1. Solarcopyer Limited
2. Starlite Components Limited
3. Paragon Plastics Private Limited
4. Lumalamp Limited
5. Techmark International FZE
6. Starlite Lamp Components Private Limited

B. Transactions with Related Parties during the year**(₹ In Lakhs)**

Particulars	2023-24		2022-23	
	Transaction Value for the year	Closing Balances	Transaction Value for the year	Closing Balances
A) Key Management Personnel				
Issue of Share Capital (including Share Premium)	-	-	-	-

(₹ In Lakhs)

Particulars	2023-24		2022-23	
	Transaction Value for the year	Closing Balances	Transaction Value for the year	Closing Balances
Issue of Share Warrants (including share premium)	382.65	-	-	-
Director's Remuneration	36.00	-	30.00	-
Unsecured Loans / (Repayments)	-	-	(450.00)	-
Salary Expenses - KMP	36.14	2.63	31.78	2.27
B) Relatives of Key Management Personnel				
Issue of Share Capital (including share premium)	-	-	-	-
Issue of Share Warrants (including share premium)	159.44	-	-	-
C) Transactions with the entities which is controlled by the Key Management Personnel -				
Issue of Share Capital	-	-	-	-
Investment in Subsidiary Shares	3.10	3.10	-	-
Sale of Goods / Services	15.79	-	-	-
Purchase of Goods / Services	94.10	-	57.89	-
D) Transactions with the entities which is controlled by the Relatives of KMP -				
Sale of Goods / Services	87.72	17.16	9.92	-
Purchase of Goods / Services	-	-	-	2.34

Footnote

(a) The transactions with the related parties are made on terms equivalent to those that prevail in arms' length transactions.

(b) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from / to above related parties.

(c) Reimbursement for expenses / payments made by the directors on behalf of the company in the ordinary course of business is not reported above.

Note 32 : Earnings Per Share

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

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Net profit / (loss) for calculation of Basic EPS	1,012.73	776.71
Weighted Average Number of Equity Shares outstanding during the year for Basic EPS	2,31,30,331	1,81,64,818
Basic Earnings Per Share (Rs.)	4.38	4.28
Weighted Average Number of Equity Shares outstanding during the year for Diluted EPS	2,35,65,591	1,81,64,818
Diluted Earnings Per Share (Rs.)	4.30	4.28
Nominal Value per Share (Rs.)	10	10

The Weighted average number of Equity Share for calculation of Diluted EPS includes 31,50,000 Equity Share Warrants convertible into one equity share and 2,59,140 Employee Stock Options.

Note 33: Employee Stock Option Plans (ESOP)

The Company instituted VOEPL Employees Stock Option Plan-2023 (ESOP 2023) for all eligible employees pursuant to a resolution approved by the shareholders in the Extra-ordinary General Meeting held on February 24, 2023. The Nomination and Remuneration Committee of the Board of the company administers the ESOP 2023 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The company has established VOEPL 2023 Plan with 20,00,000 equity shares. However, the company has granted 2,59,140 options during the year.

The exercise price of the options is Rs.246.30/- per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The carrying amount of the liability at 31 March, 2024 was Rs. 29.80 Lakhs (31 March, 2023: Rs. NIL).

The expense recognised for employee services received during the year is shown in the following table:

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Expense arising from equity-settled share-based payment transactions	29.80	-
Total expense arising from share-based payment transactions	29.80	-

There were no cancellations or modifications to the awards in year ending 31 March, 2024.

Movements during the year : The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Options outstanding at the beginning of the year	-	-
Granted during the year	2,59,140	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Options outstanding at the end of the year	2,59,140	-
Exercisable at 31 March	2,59,140	-

The following tables list the inputs to the models used for the plan for the years ended 31 March, 2024:

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Weighted average fair values at the measurement date	246.30	N.A.
Dividend yield (%)	-	N.A.
Expected Annualized Volatility (%)	32.81%	N.A.
Risk-free interest rate (%)	7.17%	N.A.
Expected life of share options (years)	4.5 years	N.A.
Weighted average share price (Rs.)	246.30	N.A.
Model used	Black-ScholesMethod	N.A.

Note 34 : Corporate Social Responsibility (CSR)

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
1. Amount required to be spent by the company during the year	13.18	-
2. Amount of expenditure incurred on:		-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	13.18	-
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Nature of CSR Activities	Education & Apprenticeship Training	-
6. Details of related party transaction	-	-
7. Reason for shortfall	-	-

The Company endeavored to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the amount on CSR activities in accordance with the statutory requirements.

Footnote

(a) The company is liable to comply with the requirements of Section 135 of the Companies Act, 2013 from the financial year 2023-24. The Company is spending its 2% of average net profits as CSR expenditure on the apprenticeship training.

(b) As per the circular from Ministry of Corporate Affairs, industries/establishments are permitted to utilize their Corporate Social Responsibility (CSR) funds for Apprentices Training which includes expenditure on Basic Training and stipend funds payable to apprentices under Apprentices Act, 1961 (amended 2014)

Note 35 : Segment Reporting

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

Note 36 : Balance Confirmations

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

Note 37 : General Remarks to Financial Statements

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

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

(c) Normally the company is regular in payment of all statutory dues. There were no statutory dues outstanding for more than six months as on 31-03-2024.

(d) We have not physically verified cash in hand and closing stock as on 31-03-2024. Cash balance and quantitative details of stock have been certified by the management and accepted & relied upon by us. Due to the high volume and nature of business, it is not possible to verify quantitative details of the goods manufactured and traded by the Company.

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

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

(h) Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current period's classification

(i) The financial statements are approved for issue by the Board of Directors in their meeting held on May 28, 2024.

(j) The Company has evaluated subsequent events from the balance sheet date through May 28, 2024, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose.

Note 38 : Other Statutory Information

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

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

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

(d) The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.

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

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

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

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

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

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

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

(h) To the best of our knowledge and representation received from the management, the Company has not granted any loans or advances in nature of loans to promoters, directors and KMPs either severally or jointly with any other person during the year ended March 31, 2024.

(i) The Company has not been declared will full defaulter by any bank, financial institution, government or government authority.

(j) The Company has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets during the year ended March 31, 2024.

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

Note 39 : Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date

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

For and on behalf of the Board of Directors of
Virtuoso Optoelectronics Limited
CIN - L74999MH2015PLC268355

Place : Nashik
Date: May 28, 2024

Sukrit Bharati
Chairman & MD
DIN: 03638084

Vishrut Bharati
Director
DIN : 06818457

Sajid Shaikh
Chief Financial Officer

Vibhuti Kulkarni
Company Secretary

CA Suyash Chhajer
Partner Membership
No. 121597

Place : Nashik
Date: May 28, 2024