

# C O N T E N T S

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Annual General meeting on Wednesday, September 30 2015 at 10.30 AM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

**Registered office:**

10, SRK Colony, West Marredpally,  
Secunderabad-500 026,  
Telangana.  
Phone# 040-27803608/10

**Corporate Office:**

A-1 3rd Floor, Surabhi Plaza, Vikrampuri,  
Karkhana, Secunderabad-500 009.  
Phone# 040-27890664/5

**Auditors****M/s. P. Murali & Co.,**

6-3-655/2/3, Somajiguda  
Hyderabad-500 082  
Phone# 040-2332 6666

**Main Bankers**

M/s. Canara Bank  
Industrial Finance branch  
Adarsh Nagar, Hyderabad.

**Registrar & Share Transfer Agents**

M/s. Aarthi Consultants Private Ltd  
1-2-285, Domalguda,  
Hyderabad - 500029.  
Phone# 91-40-27634445, 27638111  
Fax: 91-40-27632184

**Wholly Owned Subsidiary Company in USA**

M/s. KSoft Systems Inc.,  
266, Fernwood Ave, Edison, NJ  
USA - 08837  
Phone # 1-732- 696-2555  
[www.ksoftglobal.com](http://www.ksoftglobal.com)

**Viswanath Kompella**

Chairman Emeritus

**M. Santi Priya**

Chairperson & Whole Time Director

**Satyajet Prasad**

CEO

**K. Sri Kalyan**

Whole Time Director

**Datuk Kunasingam V. Sittampalam**

Independent Director

**Dr. Samad A. Momin**

Independent Director

**K. Krishna**

Independent Director

**M. Ramam**

Independent Director

**K. Ravindranath Tagore**

Company Secretary

## Message from CEO

Dear Valued Shareholders

It has been a phenomenal journey of 26 years of continuous growth and delivering value!!

It is a great privilege for me to work for your company that is committed to the customer & stakeholders and has one of the best talents. I'm pleased to announce the highlights of your company's performance during its 26th fiscal year ending March 31, 2015. Your company continues to fare well with YoY improvement on overall business and profits.

Your company has achieved a total consolidated income of Rs. 1388 million during the year 2014-15 as against Rs. 1130 million during the same period last year showing a growth of 22.83%.

Your company has been successful in growing business with its key clients. Your company has grown through additional product offering from QFundTM suite and has also been successful in supporting aggressive expansion of its client.

Your flagship Software product QFundTM continued its organic growth path. The product has undergone a successful technical consolidation and is ready for accelerated feature addition in the coming years. The product expansion to support hybrid model of store front & online has seen a very positive response from the potential customers and thereby opening a considerable market expansion opportunity. QFundTM continues to grow to support Tablet and Mobile platforms. QFundTM is a continuously growing product together with ever increasing demands from its client. Virinchi plans to invest further in QFundTM and implement a very powerful analytics capability within the product.

Your company's investments 3 years ago, towards improving hosting infrastructure by upgrading the hardware in International Data Centre (IDC) continues to pay rewards by achieving >99% of uptime to your client's business and ensuring their business continuity with a Disaster Recovery facility. To cater to the increasing customer base, Virinchi is in the process to add another IDC in Santa Clara, CA, USA. The installation of this IDC is in progress and shall be completely in use by Q1 2016.

Your company has been successful in acquiring several new clients for Enterprise Applications Practice. Your company has been successful in building Enterprise Applications Practice under KSoft (a fully owned subsidiary of Virinchi). The company had initiated the process of on boarding high quality of Enterprise Applications Practice experts and has been successful in expanding the practice in US to more than 140 people. Your company shall continue to expand the practice in US to 250 people by December 2015 and leverage on this team to fuel the growth around your company's Enterprise Applications Practice capabilities in both onsite and offshore model.

Your company understands the value of human capital in its overall growth plan. It continues its investment towards building the human capital with specific focus on meritocracy and recognizing the performing employees. The focus has been to build a customer centric work force.

Looking ahead to 2016, your management team is looking forward for your continued trust and support to take a planned growth path. Your company has multiple opportunities viz. QFundTM, Enterprise Applications Practice, software service offering to the QFundTM & Enterprise Applications Practice clientele. On behalf of everyone from Virinchi Management team, I'd like to thank our clients, employees and all the stakeholders for your continued support in making an excellent 26 years. Everyone at Virinchi is fully committed towards the company's overall goals and hence delivering a very strong year ahead.

**Satyajet Prasad**  
CEO

## NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of the Company will be held on Wednesday, the 30th day of September, 2015, at 10.30 AM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr.K Sri Kalyan who retires by rotation, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof :

“RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30th September, 2014, the appointment of M/s. P.Murali & Co, Chartered Accountants (ICAI Reg. No. 007257S) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.”

**BY ORDER OF THE BOARD**  
For **VIRINCHI TECHNOLOGIES LIMITED**

PLACE : HYDERABAD  
DATE : 31.08.2015

**K. Ravindranath Tagore**  
Company Secretary

### **Important Communiqué to Members - Green Initiative in Corporate Governance**

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in demat form can intimate/ update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company

### **NOTES**

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
- b) Particulars of the Directors who are proposed to be appointed /re-appointed at this meeting as required under Clause 49 of the Listing Agreement is provided in Corporate Governance. The Directors have furnished the requisite declarations for their appointment/re-appointment
- c) The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 23rd September, 2015 to 30th September 2015 (both days inclusive).
- d) Members holding shares in physical form may write to the Company/Company's R&T agents for any change in their address and bank mandates. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants.
- e) Members are requested to send all communication relating to shares to the Company's R&T Agents (Physical and Electronic) at the following address: M/s. Aarthi Consultants Private Ltd, Unit: Virinchi Technologies Ltd, 1-2-285, Domalguda, Hyderabad-500 029
- f) Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary at the Company's registered office. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, be transferred to the IEPF. The company has transferred the unpaid divided for the year 2004-05, 2005-06, 2006-07 to IEPF.

Year	Type of Dividend	Dividend Per share Rs.	Date of Declaration	Due Date of Transfer	Amount in Rs.
2009-10	Final	0.50	29/09/2010	28/10/2017	2,58,016
2010-11	Final	0.50	29/09/2011	28/10/2018	1,03,963
2011-12	Final	0.50	29/09/2012	28/10/2019	3,21,751

- g) The Certificate from the Auditors of the Company certifying that the Company's Stock Option Schemes are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolutions of the members passed at the general meetings will be available for inspection by the members at the AGM.
- h) SEBI has made it mandatory for every participant in the securities/capital market to furnish details of Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in physical form are requested to submit their details of PAN, along with a photocopy of the PAN Card, to the R&T Agent of the Company, M/s. Aarthi Consultants Private Limited.
- i) SEBI has made it mandatory for every participant in the securities/capital market to furnish details of Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in physical form are requested to submit their details of PAN, along with a photocopy of the PAN Card, to the R&T Agent of the Company, M/s. Aarthi Consultants Private Limited.
- j) In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the Electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.
- k) The Company has appointed Mr. N V S S Suryanarayana Rao, Practicing Company Secretary as Scrutinizer for conducting e-voting process for the 26th Annual General Meeting of the Company in a fair and transparent manner
- l) Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide E-Voting facility to members to cast their vote on all the resolutions set forth in the Notice convening 26th Annual General Meeting (AGM) to be held on 30.09.2015. The Company engaged the Services of Central Depository Services Limited (CDSL) to provide the e-Voting Facility:

The instructions for Members for e-voting are as under:

The voting period begins on Saturday, 26th September, 2015 at 9.00 a.m. and ends on Tuesday, 29th September at 5.00 p.m. During this period shareholders of the company, holding shares either in Physical Form or Dematerialised form, as on the cut off date 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

- (a) Instructions for e-voting
- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - ii) Click on "Shareholders" tab.
  - iii) Now enter your User ID

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the company

- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA0000001(Which is printed on address label) in the PAN field</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank account Details	Enter the Dividend Bank Details as recorded in your demat account or in the Bank company records for the said demat account or folio. Please enter the DOB or Details Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/client id.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in Physical form will then reach directly to the voting screen.
- ix) Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- x) Click on the relevant EVSN for the "Virinchi Technologies Limited" on which you choose to vote.
- xi) On the voting page, you will see Resolution Description and against the same the option 'YES/ NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.

- xii) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Notice of the Annual General Meeting.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi) Note for Non-Individual Shareholders & Custodians:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- m) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**BY ORDER OF THE BOARD**  
For **VIRINCHI TECHNOLOGIES LIMITED**

PLACE : HYDERABAD  
DATE : 31.08.2015

**K. Ravindranath Tagore**  
Company Secretary



## Brief Profile of Directors seeking Appointment/ Reappointment

Name	:	K. Sri Kalyan
Age	:	36 Years
Qualifications	:	B.E (Mech. Engg.), MBA (SCM)
Expertise	:	He has worked for seven years in Tecumseh Products India Private Limited in Quality Assurance, Production and Project Management and has Four years of Administration and Operations experience. He is a certified ISO 9001 internal auditor, ISO 14001 Lead Auditor and an in-house trainer for Lean Manufacturing and Six Sigma. As the head of the Manufacturing unit, he has worked on several cost saving and quality improvement projects involving TPM and SPC and Quality Circle Techniques. He is a post graduate from SP Jain Centre of Management, a leading B- School in Asia and has specialized in Global Logistics and Supply Chain Management.
Membership of Committee	:	NIL
Shareholding	:	NIL
Other Directorships	:	NIL

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the 26th Directors' Report on the business and operations of your company, for the financial year ended 31st March, 2015.

### Financial Highlights:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Total Income	14120.26	11445.62	8070.59	6533.14
Profit before interest, Depreciation and Tax	2456.80	1637.68	1493.33	1105.19
Interest	214.44	192.66	127.41	152.43
Depreciation	1138.00	850.29	964.51	731.82
Provision for Taxation	331.23	228.01	89.11	76.26
Profit after interest, Tax and depreciation	775.37	401.25	312.30	144.68
Deferred Tax provision	(53.44)	13.62	(49.05)	4.54
Balance brought forward	4705.44	4,317.80	4457.95	4317.80
Balance Carried to Balance Sheet	5132.97	4705.44	4427.43	4457.95

### RESULTS OF OPERATIONS:

Following are the results of operations for the financial year 2014-15

#### BUSINESS PERFORMANCE

**Consolidated Revenues:** The total Consolidated income of the Company for the FY 2014-15 Rs. 14120.26Lacs as against Rs. 11445.62 Lacs in FY 2013-14

**Standalone Revenues:** The total income of the Company for the FY 2014-15 Rs. 8070.59 Lacs as against Rs. 6533.14 Lacs in FY 2013-14

**Consolidated Profits:** Profit before Tax (PBT) stood at Rs. 1106.60 Lacs as against Rs. 629.26 Lacs for the previous year. Profit after Tax (PAT) stood at Rs.828.81 lacs as against Rs. 387.63 Lacs for the previous year.

**Standalone Profits:** Profit before Tax (PBT) stood at Rs. 401.41 Lacs as against Rs. 220.94 Lacs for the previous year. Profit after Tax (PAT) stood at Rs. 361.35 Lacs as against Rs. 140.14 Lacs for the previous year.

Your Company is primarily engaged in the business of providing IT Products & Services to its customers in US. The financial results of the Company on consolidated basis have been encouraging despite the challenges faced in terms of unfavorable business conditions in our primary market of US.

#### RESERVES AND SURPLUS

During the year the Company has transferred an amount of Rs.361.35 Lakhs to Reserves and Surplus.

#### DIVIDEND

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

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure 2 to the Board's report

### **Material changes and commitments;**

There are no material changes and commitments occurred between the end of the financial year of the company and the date of the report affecting the financial position of the company

### **Directors**

None of the directors of the company is disqualified under the provisions of the act or under the Listing agreement with the stock exchanges.

### **Appointments:**

In accordance with the provisions of the Companies Act, 2013 K Sri Kalyan retire by rotation at the Annual General Meeting and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, directorships in other companies as stipulated under clause 49 of the listing agreement with the stock exchanges in India are provided in the report on corporate governance.

### **Cessations:**

None of the Directors ceased to Director of the company during period under review.

### **Allotment of Shares:**

The Company has not allotted any shares during the period under review.

### **Internal control systems and their adequacy:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.virinchi.com](http://www.virinchi.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

## **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). There are no material departures from prescribed accounting standards in the adoption of these standards

## **The Directors Confirm that:**

- i) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards had been followed and there are no material departures.
- ii) The directors have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the company for that period.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- iv) We have prepared the annual accounts for the financial year ended 31st March, 2015 on a going concern basis.
- v) The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- vi) The directors have devised proper systems to ensure compliance with the provisions of the applicable laws and such other systems are adequate and are operating effectively.

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

As required by clause 49 of Listing Agreement, Auditor's certificate on corporate governance is enclosed as Annexure to Board's Report.

## **AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

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

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Certain observations made in the report with regard to non filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent.

## **AUDITORS**

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The company has received consent letter from the Statutory auditors and certificate indicating satisfaction of criteria stated in Section 141 of Companies Act, 2013 .

## **SECRETARIAL AUDIT:**

N V S S Suryanarayana Rao, Practicing Company Secretary was appointed to conduct Secretarial Audit of the company for the financial year 2014-15, as required under section 204 of the Companies Act, 2013 and rules framed there under. The Secretarial Audit report for Financial year 2014-15 forms part of board's report as Annexure

The Board has appointed Mr. N V S S Suryanarayana Rao, Practicing Company Secretary as Secretarial Auditor of the Company for financial year 2015-16.

## **SIGNIFICANT AND MATERIAL ORDERS**

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

## **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure

## **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The Particulars as required under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014 are enclosed in Annexure

## **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

## **FIXED DEPOSITS**

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

## **Performing Subsidiaries**

### **Virinchi Learning Private Ltd**

Virinchi Learning Private Ltd incorporated in the year 2010 as wholly owned subsidiary of Virinchi Technologies Ltd. The primary objective of incorporating Virinchi Learning is to promote technology based, for profit, quality education services to the different student categories in India, both by creation of new content & infrastructure and also by partnering with existing content providers by leveraging the strength of Information technology

The company has been granted a loan of Rs.5.5 crores by NSDC towards training of youth in the specified skills as notified by the NSDC in healthcare and bio tech sectors. The company has tied up with some training institutes and has developed the training content and the Company has trained 370 students in various courses viz., healthcare, Bio Technology, IT as per the NSDC Programme.

### **KSoft Systems Inc**

M/s. KSoft Systems Inc is in the business of software development and consulting. M/s. KSoft Systems Inc provides consulting services to various clients in the US in the domains of SAP, Oracle and other technologies.

M/s. KSoft Systems Inc., has taken 5000 Sft office premises on lease in Edison, NJ and had set up state of art infrastructure facility for serving the existing and new customers.

During the year around 100 people travelled and joined in various projects of the company and total head count is around 120 employees in KSoft as on 31st March, 2015

### **Virinchi Health Care Private Ltd**

Virinchi Helath Care private Ltd is incorporated in the year 2013 with the main objective of delivering quality health care to end users on an asset-heavy model connecting the whole eco-system including Hospitals, Doctors, Para-medics , Medical & Imaging Equipment, pharmacists and patients on a robust IT back bone. To achieve this objective, The company has leased a building at Banjara hills, in the city of Hyderabad, by way of long term lease agreement.

### **Tyohar Foods Pvt. Ltd.**

The company had planned to take up a project under Tyohar Foods Pvt Ltd and had purchased a 50,000 square feet of building in 4047 Square meters of land by participating in an open auction conducted by Canara Bank on 16th August 2012 and registered the said property located at Survey No 15, Suraram Village. However, post purchase, a petition was filed against the company and the bank, in Debts Recovery Tribunal vide S.A.No.370/2012 and I.A.No.1437/2012 and the DRT directed to maintain Status Quo orders pending detailed hearing. As the Sale was done through Auction which was conducted under the SARFESI act, the company and the Bank are hopeful of clearing the litigation favourably. However due to the delay in settlement, the proposed project at the scheduled property has been suspended by the company.

## **Consolidated Financial Statements**

In accordance with the Accounting Standards AS-21 and AS-27 on Consolidated financial Statements read with the Accounting Standard AS-23 on Accounting for investments in Associates, the Audited consolidated financial statements are provided in the annual report.

## **Particulars of Employees**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

### Details about Virinchi Employees Stock Option Scheme, 2004 (VESOS, 2004)

Pursuant to the provisions of Guideline 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock purchase Scheme), Guidelines, 1999, the details of stock options as on 31st March, 2015 under the Virinchi Employee Stock Options Scheme, 2004 are as under:

Sl. No	Description	Details
1.	Options Granted during 2014-15	NIL
2.	Pricing formula	N.A.
3.	Options Vested	N.A.
4.	Options exercised	N.A.
5.	The total number of shares arising as a result of exercise of option	N.A.
6.	Options lapsed	N.A.
7.	Variation of terms of options	N.A.
8.	Money realized by exercise of options	N.A.
9.	Total number of options in force	Total options reserved under the scheme: 11,67,000 and Total options granted: 9,00,000
10.	Employee wise details of options granted to i) Senior Management personnel ii) Any other employee who receives a grant in any one year of option amounting to 5% of or more of option granted during that year iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	N.A.
11.	Diluted Earning Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS)20 Earning Per share	N.A.
12.	The difference between the employee compensation costs computed under intrinsic value method and the employee compensation cost that shall have been recognized if the Company had used the Fair Value methods and its impact on profits and EPS of the Company.	N.A.
13.	Weighted Average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	NIL
14.	Description of the method and significant assumptions used during the year to estimate the fair value of options. <ul style="list-style-type: none"> <li>i. Risk-free interest rate</li> <li>ii. Expected life</li> <li>iii. Expected Volatility</li> <li>iv. Expected dividends</li> <li>v. The price of the underlying share in market at the time of option grant</li> </ul>	The Company has opted intrinsic Value method for accounting of Compensation Cost arising out of ESOP. The Company has not made any assumptions.

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTFLOW REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014**

**a) Conservation of Energy:**

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

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

**b) Research and Development**

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

**c) Foreign Exchange Earnings and Outgo:**

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

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

(Rs. in Lacs)

Particulars	FY 2014-15	FY 2013-14
Foreign Exchange Earnings	7838	6187.64
Foreign Exchange Outgo	7743	1547.78

**d) Technology Absorption, Adaptation and Innovation**

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

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

**Report on Corporate Governance**

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

**Management Discussion and Analysis Report**

Management's Discussion and Analysis report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges is presented in a separate section forming part of the Annual report.

**Acknowledgments**

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

**BY ORDER OF THE BOARD**  
For **VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**  
Chairperson & Whole Time Director

PLACE : HYDERABAD

DATE : 31-08-2015

**Virinchi**  
Technologies Limited



## Report on Corporate Governance

### 1. Company's Philosophy:

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

The Company is in compliance with the requirements of revised guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, and with the adoption this year, of a code of conduct for Non-Executive Directors also, which has been put on in the website of the company at [www.virinchi.com](http://www.virinchi.com)

### 2. Board of Directors:

#### a) Composition and Category of Directors:

- ❖ The Company has an Executive Chairperson and 2 Whole Time Directors, and to have a more professional outlook your company is having 5 Non- Executive directors which composition is in compliance with the clause 49 of the Listing Agreement
- ❖ 5 Board Meetings were held during the Financial Year 2014-15 and the gap between two Meetings did not exceed four months. The dates on which the said meetings were held are as follows:  
28th May, 2014, 13th August 2014, 30th August 2014, 13th November, 2014, 12th February, 2015
- ❖ The necessary quorum was present for all meetings.
- ❖ During the year, information as mentioned in Annexure to clause 49 of the Listing Agreement has been placed before the board for its consideration.

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

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No of Other Director-ships #	Committee Member-ships	Committee Chairman-ship
M. Santi Priya	Chairperson and Whole Time Director	5	Yes	-	-	-
K. Sri Kalyan	Whole Time Director	5	Yes	-	-	-
K. Krishna	Independent Non-Executive Director	5	Yes	-	-	-
M. Ramam	Independent Non-Executive Director	5	Yes	-	-	-
K.V.Sittampalam	Independent Non-Executive Director	1	No	1	-	-
Samad A.Momin	Independent Non-Executive Director	1	Yes	-	-	-

\* Mr. Viswanath Kompella resigned to the office of the Director W.e.f. 29.05.2015 and has been appointed as Chairman Emeritus.

# The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, section 25 companies and private limited companies.

- ❖ In accordance with clause 49, memberships/chairmanships of only the Audit Committee and shareholders/ investors grievance committees all Public Limited Companies (Excluding Virinchi Technologies Ltd) have been considered.
- ❖ Apart from receiving sitting fee for attending meetings, the independent directors do not have any material pecuniary relationships or transactions with the company, promoters, directors, senior management or its holding company, subsidiaries and associates which may affect independence of the director;
- ❖ The Independent director is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- ❖ The independent directors have not been executives of the company in the immediately preceding three financial years;
- ❖ They are not partners or executives or were not so during the preceding three years of the -statutory audit firm or the internal audit firm that is associated with the company -Legal Firm(s) and consulting firm(s) that have a material association with the company
- ❖ The Independent Directors are not material suppliers, service providers or customer or a lessors or lessees of the company, which may affect their independence
- ❖ They are not substantial shareholders of the company i.e. don't own 2 percent or more of the block of voting shares.

### 3. AUDIT COMMITTEE:

During the year under review Five (5) meetings were held for approval of Unaudited Financial Results and Audited results. The constitution of the Committee and the attendance of each member of the Committee are given below:

Name of the Director	Designation	Nature of Directorship	Committee Meetings attended
M.Ramam	Chairman	Independent Non-Executive Director	5
Viswanath Kompella	Member	Non-Executive Director	5
K.Krishna	Member	Independent Non-Executive Director	5

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

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

- ❖ Financial reporting process
- ❖ Draft financial statements and auditor's report (before submission to the Board)
- ❖ Accounting policies and practices
- ❖ Internal controls and internal audit systems
- ❖ Risk management policies and practices
- ❖ Internal audit reports and adequacy of internal audit function.

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

#### 4. REMUNERATION COMMITTEE:

The Remuneration Committee is constituted as follows.

Name of the Director	Designation	Nature of Directorship
M.Ramam	Chairman	Independent
K.V.Sittampalam	Member	Independent
Krishna Kanaparthi	Member	Independent

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

- ❖ The Remuneration committee recommends to the board, the compensation terms of the Executive Directors
- ❖ Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOPs, Pension Rights and any Compensation Payment.
- ❖ Considering approving and recommending to the board the changes in the designation and increase in salary of the executive directors
- ❖ Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- ❖ Bringing about objectivity in determining the remuneration package while striking a balance between the interest of our company and the shareholders.

#### Details of remuneration to the directors for the Year:

Name of the Director	Remuneration paid during the year 2014-15 (in Rs.)		
	Sitting Fees	Salary	Total
M. Santi Priya	-	18,00,000	18,00,000
K. Sri Kalyan	-	6,75,000	6,75,000
M. Ramam	25,000	-	25,000
K. Krishna	25,000	-	25,000

Shares held by Non-Executive Directors as on 31st March, 2015 are as follows:

S.No.	Name of the Director	No. of shares held as on the Date
1	Viswanath Kompella	25,68,300
2	Ramam Madu	250
3	Samad A Momin	Nil
4	K.V. Sittampalam	Nil
5	K. Krishna	Nil

#### 5. INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE:

The Board constituted an investors' grievance committee which looks into shareholders and investors grievances under the Chairmanship of M. Ramam who is an Independent and Non- Executive director. The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The committee looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Board of Directors has delegated the power of approving transfer of securities to M/s. Aarthi Consultants Private Limited.

**Composition of the Committee:**

Name	Designation	Category
M. Ramam	Chairman	Independent Non-Executive Director
K Sri Kalyan	Member	Non-Executive and Non-Independent Director
K. Krishna	Member	Independent Non-Executive Director

Name & Designation of the Compliance officer: Mr.K.Ravindranath Tagore, Company Secretary

The total No. of Complaints received and complied during the year were; Opening: 1 Complaints Received: 11 Complied:- 12 Pending: 0

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

The outstanding complaints as on 31st March, 2015 were: NIL

**6. Details of Annual General Meetings: Location and time of the last three AGM's.**

Financial Year	Date & Time	Venue	Nature of Special Resolutions if any, passed
2013-14	30/09/2014 12.30 P.M.	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	<ul style="list-style-type: none"> <li>• Appointment of Mr. Kunasingam V Sittampalam as Independent Director of the company for period of 5 Years</li> <li>• Appointment of Mr. Krishna K as Independent Director of the company for period of 5 Years</li> <li>• Appointment of Mr. Samad A Momin as Independent Director of the company for period of 5 Years</li> <li>• Appointment of Mr. Ramama Madu as Independent Director of the company for period of 5 Years</li> <li>• Authorisation to the Board Of Directors Of The Company ("The Board") To Hypothecate / Mortgage And/Or Charge In Addition To The Hypothecations / Mortgages And/Or Charges Created By The Company.</li> <li>• Authorisation to the board of directors of the company ("the board") to borrow any sum or sums of money from time to time.</li> </ul>
2012-13	28/09/2013 11.30AM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	<ol style="list-style-type: none"> <li>1. Mr. K. Sri Kalyan, as Whole Time Director of the Company, for a period of 3(Three) years with effect from 12th August, 2013 on a monthly remuneration of Rs. 60,000/- per month.</li> <li>2. Ms.M .Santi Priya,as Chairperson &amp; Whole Time Director, of the Company, for a period of 3(Three) years with effect from 22nd July, 2013 on a monthly remuneration of Rs.1,25,000 Per month</li> </ol>

2011-12	29/09/2012 11.30AM	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredapally, Secunderabad- 500026	NIL
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## 7. Risk Management Committee

During the year One (1) meeting of the Committee was held during the year

Name	Designation in the Committee	Category	Attendance
M.Ramam	Chairman	Independent	1
M. Santi Priya	Member	Whole Time Director	1
K. Sri Kalyan	Member	Whole Time Director	1
K. Krishna	Member	Independent Director	1

The Risk Management Committee (RM Committee) was constituted by the Board on November 13, 2014 adhering to the requirements of the Companies Act, 2013 and prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of Clause 49 of the Listing Agreement.

### Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk Minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its oversight Function

## 8. Disclosures

- A. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large:

**Details are given elsewhere in this report.**

- B. Details of non-compliance by the company, penalties, Strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **None**

## 9. Means of Communications:

As per the listing requirements, the company published periodical financial results in Business Standard, Andhra Bhoomi, Financial Express and leading English and regional newspapers. The Company has also posted its Quarterly results, shareholding pattern, Code of Conduct etc on the website of the company at [www.virinchi.com](http://www.virinchi.com)

## 10. General Shareholder information

- a) AGM: Date, Time and Venue : 30th September, 2015 at 10.30 AM,  
at Padmashali Kalyana Mandapam,  
2-12-66, Nehru Nagar, West Maredpally,  
Secunderabad-500026.
- b) Financial Year : 1st April to 31st March  
Financial Reporting for :  
Quarter ending June 30, 2015 : Before end of August,2015  
Quarter ending September 30, 2015 : Before end of November,2015  
Quarter ending December 31, 2015 : Before end of February, 2016  
Quarter ending March 31, 2016 : Before end of May, 2016
- c) Date of Book Closure : 23.09.2015 to 30.09.2015(both days inclusive)
- d) Listing on Stock Exchanges : The Company's Equity shares are listed on the  
Bombay Stock Exchange (BSE)
- e) Payment of Listing Fee : The Company has paid the listing fees to the  
BSE for the financial year 2015-16
- f) Stock Code : BSE: VIRINCHIIQ code: 532372  
Demat ISIN in NSDL and CDSL:INE539B01017

### g) Market Price Data :

The Monthly high and low quotation and the volume of shares traded on The Stock exchange, Mumbai are as under:

Month	Highest (Rs.)	Lowest (Rs.)	Volume of Shares traders traded
April, 2014	9.08	7.48	77,829
May,2014	11.30	8.56	2,03,237
June,2014	13.73	10.00	2,28,282
July, 2014	13.19	10.13	99,996
August, 2014	14.14	10.46	1,68,731
September, 2014	17.25	12.68	3,13,893
October, 2014	15.65	13.90	90,715
November, 2014	21.45	14.60	3,70,437
December, 2014	42.35	20.00	16,65,692
January,2015	44.15	28.00	8,55,121
February,2015	32.45	24.50	3,72,846
March,2015	27.85	18.90	4,64,906

Source: www.bseindia.com

- h) Registrar and Share transfer agents : Aarthi Consultants Pvt Ltd.  
1-2-285, Domalguda, Hyderabad –500 029.  
Ph: 27634445, 27638111 Fax: 27632184
- i) Share Transfer System : The Share transfers are being effected physically  
by the Company's share transfer agents,  
M/s. Aarthi Consultants Pvt. Ltd, Hyderabad
- j) Distribution of Shareholding as on 31st March, 2015

Shareholding of Nominal Value		Shareholders		Shares held	
Rs.		Numbers	% of total	No.	% of total
	(1)	(2)	(3)	(4)	(5)
1	1 - 5000	5828	73.01	1191959	6.63
2	5001 - 10000	1006	12.6	857884	4.77
3	10001 - 20000	541	6.78	872371	4.85
4	20001 - 30000	189	2.37	492408	2.74
5	30001 - 40000	88	1.1	316620	1.76
6	40001 - 50000	82	1.03	391002	2.17
7	50001 - 100000	99	1.24	772009	4.29
8	100001 & Above	150	1.88	13091797	72.79
<b>Total:</b>		<b>7983</b>	<b>100</b>	<b>17986050</b>	<b>100</b>

- k) Share holding pattern as on 31st March 2015

Category		No. of Shares held	% Age of Shareholding
<b>A</b>	<b>PROMOTER'S HOLDING:</b>		
1.	Promoters*		
	- Indian Promoters	4342597	24.14
	- Foreign Promoters	1068945	5.94
2.	Persons acting in Concert #	Nil	Nil
<b>B.</b>	<b>NON-PROMOTERS HOLDING</b>		
1.	Institutional Investors	Nil	Nil
2.	Mutual Funds	Nil	Nil
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-government Institutions)	Nil	Nil
4.	FII's	7824	0.04
<b>C.</b>	<b>OTHERS</b>		
1.	Private Corporate Bodies	2809423	15.62
2.	Indian Public	8898378	49.47
3.	NRI's / OCBs	728727	4.05
4.	Employees	1,825	0.01
5.	Clearing Members	128331	0.71
	<b>TOTAL</b>	<b>1,79,86,050</b>	<b>100.00</b>

**Dematerialization of Shares and liquidity:**

Since the Company has entered into an arrangement with both the depositories, namely NSDL and CSDL for dematerialization of its shares, the shareholders of the Company are free to dematerialize their shares and keep them in dematerialized form with any depository Participant. The Company shares are regularly traded on The Stock Exchange, Mumbai. 79.46% of the Company's share capital is dematerialized as on 31.03.2015.

**l) Outstanding GDRs./ADRs./Warrants/Convertible instruments, Conversion date and likely Impact on equity:-** NIL

**m) Address for Correspondence :** Virinchi Technologies Limited, 10, SRK Colony, West Maredpally, Secunderabad – 500 026

**Non –Mandatory Requirements :**

The Chairperson is entitled to reimbursement of expenses incurred in performance of her duties. The Company has already set up a Remuneration Committee. The Company shall adopt postal ballot system, where compulsory, under the Companies Act, 1956. The other suggestions have not yet been adopted.

BY ORDER OF THE BOARD  
**For VIRINCHI TECHNOLOGIES LIMITED**

PLACE : HYDERABAD  
DATE : 31-08-2015

M. Santi Priya  
Chairperson & Whole Time Director



## ANNEXURE TO THE DIRECTORS' REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis Report is given below:

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

#### Overview:

Virinchi is the global leader in providing IT solutions to the Retail Micro Lending Industry in North America with its flagship product 'QFund'. Virinchi has strategic alliances with the experts in the Industry and is consistently developing its market intelligence and approach which has led it to become a leader in the products offered from a pioneer in the focused business areas.

Virinchi is focused on providing Customer Delight with providing high quality services and continuous product & process innovation. The trust reposed in us by our clients is reflected in our growing revenues from operations such as post-implementation maintenance and support activities. Our distinct value proposition and service culture, coupled with our track record of successful service delivery, are reflected in our market leadership of our products and the long-standing customer relationships with dominant players in their respective verticals

The Company is public limited company Incorporated and domiciled In India and has its registered office at Hyderabad, Telangana, India. The Company has its primary listing in Bombay Stock Exchange Limited in India.

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles(GAAP) under historical Cost Convention on accrual basis , except for certain financial instruments valued at fair market values. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013( "the Act") read with Rule 7 of the Companies ( Accounts)

#### I. Industry structure and developments

The tech industry is always in flux. Frequent new products and category innovation define and redefine the sector's constantly shifting landscape. But lately we've seen even greater volatility than usual, and it has begun to affect the makeup of hardware and software companies themselves.

The tech industry is being reshaped in numerous ways. Disruption is evident in software and services delivery, business models, the vast amount of money being poured into startups of all stripes, the cloud, big data, entrepreneurialism, and constant innovation. Against that backdrop, companies can no longer rely on one-note value strategies.

Over the past two decades, India has risen to become the leading destination for global IT services sourcing, business process services and research and development services. Global IT services providers, based in India, have a proven track record for providing business and technology solutions, offering a large, high quality and English-speaking talent pool and a friendly regulatory environment. These factors have facilitated the emergence of India as a global sourcing hub.

Global IT sourcing from India offers significant cost advantages as well as productivity gains on account of access to highly skilled and competent talent at lower wage costs. According to the National Association of Software and Service Companies (NASSCOM) Strategic Review Report 2015 ("NASSCOM Report"), India-based IT services providers have been able to maintain their cost competitiveness by deploying various cost control strategies including the delivery networks in Tier II/III cities, recruiting on college and university campuses as well as experienced professionals, and offsetting wage inflation with operational gains and productivity measures.

Business favorable policy decisions of the Government of India have played a key role in the development of robust IT and business process management ("BPM") sectors in the country. The Software Technology Park ("STP") Scheme and the Special Economic Zone Act also played a critical role in the emergence and development of the IT and BPM industries by providing incentives in the form of tax holidays.

## **Opportunities:**

Our Strategy for Run business is centered on -

1. Driving revenue growth in our core businesses through services and solutions in prioritized verticals, service lines & geographies.
2. Drive Cross-service line collaboration & Integrated Process & Technology Service offerings

The company, on a continuous basis, scans the market for scalable opportunities and has over the past twelve months identified some key areas of growth opportunities. These opportunities are in the areas of Health care, Skill Development. The company is making concerted efforts and investments to move up the value chain in its chosen markets and acquiring new competencies and services. It includes strengthening of domain knowledge, hiring highly talented sales and marketing managers, restructuring of businesses, project management and investments in new geographies. The company is experiencing significant traction from its existing customers and is receiving several enquiries from potential customers in its chosen markets. The company continues to strengthen and build relationships with its current and prospective customers as well as its global delivery model to ensure a low total cost of ownership for the customer.

## **Threats**

Our revenues from this business are derived in major currencies of the world. The exchange rate between the rupee and major currencies of the world has fluctuated significantly in recent years and may continue to fluctuate in the future. Currency fluctuations can adversely affect our revenues and gross margins. In an economic slowdown, our clients may reduce or postpone their technology spending significantly. Reduction in spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.

At an organizational level, we have a well-defined business contingency plan and disaster recovery plan to address these unforeseen events and minimize the impact on services delivered from our development centers based in India or abroad. Your company has perfect understanding of the amount of risks and extent of risks involved while delivering the project to client and knows well how to tackle them effectively. Your company is also trying to explore and find other opportunities that might prove to be beneficial in increasing our revenues and gain market share. Threat continues to be competition among companies within India and from emerging low cost destinations.

## **Segment wise or product wise performance:**

This does not applicable to the company as the company is operating in only one segment.

## **Risks and concerns:**

Following are some of the major risks, which the management believes form a part of the company's business and the company seriously engaged itself to mitigate them.

Financial Risks - foreign currency rate fluctuations

Business Portfolio Risks - include vertical domain concentration, service concentration, client concentrations and geographical concentration.

Legal and Statutory Risks – include contractual liabilities & statutory compliances Competition Risks - New competitors may enter the markets in which the company operates

## **Internal Control Systems & their adequacy:**

The Management Information Systems is the back bone of our internal control mechanism. The Company has adequate internal control systems and procedures in all operational areas and at all levels equipment procurement, finance and administration marketing and personnel departments. The Company also has internal Audit system commensurate with its size and nature of business. The Audit Committee reviews the internal audit reports and the adequacy of internal controls from time to time.

## Discussion on Financial Performance with respect to Operational Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. The Management of the Company accepts responsibility for the integrity and objectivity of the financial statements as well as for the various estimates used therein. The financial statements have been prepared on a prudent basis to reflect an accurate picture of the Company's state of affairs.

### Financial Highlights:

**Consolidated Revenues:** The total Consolidated income of the Company for the FY 2014-15 Rs. 14120.26Lacs as against Rs. 11445.62 Lacs in FY 2013-14

**Standalone Revenues:** The total income of the Company for the FY 2014-15 of Rs. 8070.59 Lacs as against Rs. 6533.14 Lacs in FY 2013-14

**Consolidated Profits:** Profit before Tax (PBT) stood at Rs. 1106.60 Lacs as against Rs. 629.26 Lacs for the previous year. Profit after Tax (PAT) stood at Rs.828.81 lacs as against Rs. 387.63 Lacs for the previous year.

**Standalone Profits:** Profit before Tax (PBT) stood at Rs. 401.41 Lacs as against Rs. 220.94 Lacs for the previous year. Profit after Tax (PAT) stood at Rs. 361.35 Lacs as against Rs. 140.14 Lacs for the previous year.

### Material Developments in Human Resources

As of March 31, 2015, your company had over 400 employees. In any services enterprise, employees form the core of an organization. We recognize the vitality of this stakeholder. A significant portion of our management focus is invested in engaging with our employees. We endeavor to develop best in class global leadership. We strengthen our talent pool by providing employees with growth and career enhancement opportunities. While serving global customers, employing people across the globe is an equally important aspect of our vision of becoming a truly global company.

We continue to innovate newer ways for accessing and attracting talent. We deploy pioneering and meaningful practices to enhance the engagement, capability and competitiveness of our global workforce. These practices are aligned to different phases of hiring, assimilation, learning, growth and retention.

Our leadership position, focus on training and compensation and fascination with leading-edge technologies enhances our ability to retain highly skilled personnel. Virinchi offers a world of learning opportunities, including those aimed at up-skilling, cross-skilling or re-skilling to its employees through a slew of training programs in spheres of technical, domain, soft skills and leadership aspects. Through our tie-ups with premier institutions across the globe, we offer higher education/certification programs. 'The Integrated Talent Management System' provides anytime, anywhere learning.

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### Declaration regarding compliance with the code of conduct and ethics policy of the company by Board Members and senior management personnel

This is to confirm that the company has adopted code of conduct and Ethics policy for the Board of Directors and Associates of the Company, which is available at [www.virinchi.com](http://www.virinchi.com)

I M. Santi Priya, Chair person & Whole Time Director declare that the Board of directors and senior management personnel have affirmed compliance with the Code of Conduct and Ethics Policy of the Company.

PLACE : HYDERABAD  
DATE : 31-08-2015

**M. Santi Priya**  
Chairperson & Whole Time Director

## Compliance Certificate on Corporate Governance

To  
The Members,  
VIRINCHI TECHNOLOGIES LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s. Virinchi Technologies Limited, ("the company") for the year ended 31st March, 2015 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

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

**For P. MURALI & CO.,**  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 007257S

PLACE : HYDERABAD  
DATE : 31-08-2015

**P.MURALI MOHANA RAO**  
PARTNER.  
Membership No. 023412

### **Certification as required under Revised Clause 49 of the Listing Agreement**

We, M. Santi Priya, Chairperson & Whole Time Director, K Sri Kalyan, Whole Time Director of Virinchi Technologies Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account, and its Schedules and Notes on Accounts, as well as the Cash Flow statement and the Directors Report.
2. Based on our knowledge and information, these statements do not contain any un true statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the company, and we have:
  - a) Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared. and
  - b) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. We have disclosed to the Company's auditors and the audit committee
  - a) all significant changes in internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - c) any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

**K Sri Kalyan**  
Whole Time Director

PLACE : HYDERABAD  
DATE : 31-08-2015

**M. Santi Priya**  
Chairperson & Whole Time Director

**Annexure to Boards Report  
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended On 31st March, 2015

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

To,  
The Members,  
Virinchi Technologies Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Virinchi Technologies Limited for the financial year ended on 31st March, 2015 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) OTHER APPLICABLE ACTS,

- (a) Payment Of Wages Act, 1936, and rules made thereunder,
- (b) The Minimum Wages Act, 1948, and rules made thereunder,
- (c) Employees' State Insurance Act, 1948, and rules made thereunder,
- (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (e) The Payment of Bonus Act, 1965, and rules made thereunder,
- (f) Payment of Gratuity Act, 1972, and rules made thereunder,

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above .

**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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Hyderabad  
31/08/2015

**N V S Suryanarayana Rao**  
Practicing Company Secretary  
COP No.: 5356

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

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members,  
Virinchi Technologies Limited  
10 SRK Colony,  
West Marredpally,  
Secunderabad-500026.

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

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

Hyderabad  
31/08/2015

**N V S Suryanarayana Rao**  
Practicing Company Secretary  
COP No.: 5356



**Annexure to Boards Report  
Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	L72200TG1990PLC011104
ii)	Registration Date	:	13/03/1990
iii)	Name of the Company	:	Virinchi Technologies Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	10 , SRK Colony, West Marredpally, Secunderabad, Telangana-500026
vi)	Whether listed company	:	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	M/s. Aarthi Consultants Private Ltd 1-2-285, Domalguda, Hyderabad - 500029 Phone# 91-40-27634445, 27638111 Fax: 91-40-27632184

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Software Development and Research	99831325	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY& CIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Virinchi Infra and Realty Private Limited Address: Plot No.10, Sivaramakrishna Colony, West Marredpally, Secunderabad, Telangana-500026 CIN: U45209TG2012PTC084900	Subsidiary	100%	Sec.2(87)(ii)
2	Tyohar Foods Private Limited Address: Plot No.10, SRK Colony, West Marredpally, Secunderabad, Telangana-500026 CIN: U15122TG2012PTC082709	Subsidiary	100%	Sec.2(87)(ii)
3	Virinchi Health Care Private Limited Address: Plot No.10, Sivaramakrishna Colony, West Marredpally, Secunderabad, Telangana-500026 CIN: U85100TG2013PTC091707	Subsidiary	100%	Sec.2(87)(ii)
4	Asclepius Consulting & Technologies Private Limited Address: NO.6 & 30, (Old No. 76 & 77), 24th Main Road, 3rd Cross, J P Nagar 2nd Phase, BANGALORE, Karnataka- 560078 CIN: U72200KA2008PTC045437	Subsidiary	51%	Sec.2(87)(ii)
5	VIRINCHI LEARNING PRIVATE LIMITED Address: Plot No.10, SRK Colony, West Marredpally, Secunderabad, Telangana-500026 CIN: U72200TG2010PTC069967	Subsidiary	100%	Sec.2(87)(ii)
6	VIRINCHI MEDIA AND ENTERTAINMENT PRIVATE LIMITED Address: Plot No.10, Sivaramakrishna Colony, West Marredpally, Secunderabad, Telangana-500026 CIN: U92100TG2010PTC070028	Subsidiary	100%	Sec.2(87)(ii)
7	KSOFT SYSTEMS INC 266, Fernwood Ave, Edison, NJ USA - 08837	Subsidiary	100%	Sec.2(87)(ii)
8	QFUND TECHNOLOGIES PRIVATE LIMITED Address: Plot No.10, Sivaramakrishna Colony, West Marredpally, Secunderabad, Telangana-500026 CIN : U72200TG2010PTC070100	Subsidiary	100%	Sec.2(87)(ii)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i). Category-wise Share Holding

Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year the year				%Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
(1) Indian									
a) Individual/ HUF	2245954	850000	3095954	17.21	1927470	850000	2777470	15.44	-1.77
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	806042	250700	1056042	5.88	1056742	0	1056042	5.88	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other									
f) i) Trust	508385	0	508385	2.83	508385	0	508385	2.83	0
<b>Sub-total(A)(1):-</b>	<b>3560381</b>	<b>1100700</b>	<b>4661081</b>	<b>25.91</b>	<b>3491897</b>	<b>850700</b>	<b>4342597</b>	<b>24.14</b>	<b>-1.77</b>
(2) Foreign									
NRIs-Individuals	773974	0	773974	4.30	974461	0	974461	5.42	1.12
Other-Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
e) (1) Overseas Corporate Bodies	94484	0	94484	0.53	94484	0	94484	0.53	0
<b>Sub- Total (A) (2)</b>	<b>868458</b>	<b>0</b>	<b>868458</b>	<b>4.83</b>	<b>1068945</b>	<b>0</b>	<b>1068945</b>	<b>5.94</b>	<b>1.12</b>
<b>Total shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	<b>4428839</b>	<b>1100700</b>	<b>5529539</b>	<b>30.74</b>	<b>4560842</b>	<b>850700</b>	<b>5411542</b>	<b>30.09</b>	<b>-0.65</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	7824	0	7824	0.04	7824	0	7824	0.04	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7824</b>	<b>0</b>	<b>7824</b>	<b>0.04</b>	<b>0.04</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	536450	2150000	2686450	14.94	659423	2150000	2809423	15.62	0.68
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4603656	90032	4693688	26.10	4544375	89532	4633907	25.76	-0.34
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4173401	12500	4185901	23.71	4251971	12500	4264471	23.71	0.44
<b>c) Others (specify)</b>									
c) i) Non Resident Indians	140427	88300	228727	1.27	140427	88300	228727	1.27	0
c) ii) Overseas Corporate Bodies	0	500000	500000	2.78	0	500000	500000	2.78	0
c) iii) Foreign Nationals									
c) iv) Clearing Members	94237	0	94237	0.52	128331	0	128331	0.71	0.19
c) v) Trusts	0	0	0	0	0	0	0	0	0
c) v i) Foreign Bodies – D R	0	0	0	0	0	0	0	0	0
c) vii) Employees	0	1825	1825	0.01	0	1825	1825	0.01	0
<b>Sub-total (B) (2):-</b>	<b>9613854</b>	<b>2842657</b>	<b>12456511</b>	<b>69.26</b>	<b>9724527</b>	<b>2842157</b>	<b>12566684</b>	<b>69.87</b>	<b>0.65</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>9613854</b>	<b>2842657</b>	<b>12456511</b>	<b>69.91</b>	<b>9732351</b>	<b>2842157</b>	<b>12574508</b>	<b>69.91</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>14293193</b>	<b>3692857</b>	<b>17986050</b>	<b>100</b>	<b>14293193</b>	<b>3692857</b>	<b>17986050</b>	<b>100</b>	<b>0</b>

**B. Shareholdings of Promoters:**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total	No of Shares	% of total Shares of the company	% of Shares Pledges/ encumbered to total shares	
1	VISWANATH KOMPELLA	2568300	14.28	0	2568300	14.28	0	0
2	PRAVEEN KUMAR KONDAI	675000	3.75	0	675000	3.75	0	0
3	VIRINCHI EMPLOYEES WELFARE TRUST	508385	2.83	0	508385	2.83	0	0
4	P K I SOLUTIONS PVT LTD	405605	2.26		405605	2.26		0
5	SHREE SHREE RESORTS PVT LTD	401137	2.23	0	401137	2.23	0	0
6	BHARAT MEGAWATTS GEN PRIVATE LIMITED	250000	1.39	0	250000	1.39	0	0
7	ABHILASH KONDAI	200487	1.11		200487	1.11		0
8	ANIL KUMAR PINAPALA	100000	0.56	0	100000	0.56	0	0
9	SHANMUGAM S	72974	0.41	0	72974	0.41	0	0
10	AMELIUM CORPORATION SDN BHD	53839	0.3	0	53839	0.3	0	0
11	SHEMA RENNY ABRAHAM	50000	0.28	0	50000	0.28	0	0
12	SADEC POWER SDN BHD	40645	0.23	0	40645	0.23	0	0
13	SRINATH KOMPELLA	33970	0.19	0	33970	0.19	0	0
14	RAJENDER RAO KARPE	26000	0.14	0	26000	0.14	0	0
15	DEEPA REJI ABRAHAM	25000	0.14	0	25000	0.14	0	0
16	K SRINATH	200	0	0	200	0	0	0

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	55,29,539	30.77		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	(1,17,997)	(0.65)		NA
	At the end of the year	54,11,542	30.09		

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

SN	Name of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SALOKHYA INFRASTRUCTURE PRIVATE LIMITED	1150000	6.39	1150000	6.39
2	AGRADE EXIM PRIVATE LIMITED	1000000	5.56	1000000	5.56
3	RITE EQUITY SDN BHD	500000	2.78	16000	0.09
4	SANGEETHA S	341060	1.90	356390	1.98
5	MAGIC SHARE TRADERS LIMITED	260000	1.45	260000	1.45
6	VRAJLAL VALJI KAPADIA	255000	1.42	220000	1.22
7	MANU GOPALDAS CHHABRIA	230917	1.28	220567	1.23
8	BRIJMOHAN KETAN KUMAR MANADHANIYA (HUF)	160000	0.89	160000	0.89
9	VIJAY PANDURANG PAWAR	128050	0.71	128050	0.71
10	APARNA JAIN	120000	0.67	311000	1.73

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	133,005,148	-	-	133,005,148
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>133,005,148</b>	<b>-</b>	<b>-</b>	<b>133,005,148</b>
Change in Indebtedness during the financial year				
* Addition	33,656,421	-	-	33,656,421
* Reduction	4,468,362	-	-	4,468,362
<b>Net Change</b>	<b>29,188,059</b>	<b>-</b>	<b>-</b>	<b>29,188,059</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	162,193,206	-	-	162,193,206
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>162,193,206</b>	<b>-</b>	<b>-</b>	<b>162,193,206</b>

(v) Shareholding of Directors and Key Managerial Personnel:

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M Santi Priya CFO & Whole Time Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
2	K Sri Kalyan Whole time Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL
3.	K Ravindranath Tagore Company Secretary				
	At the beginning of the year	10,000	0.05	10,000	0.05
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	10,000	0.05	10,000	0.05
4.	Kompella Viswanath Non - Executive Director				
	At the beginning of the year	2,568,300	14.28	2,568,300	14.28
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	2,568,300	14.28	2,568,300	14.28
5.	Ramam Madhu Independent Director				
	At the beginning of the year	250	0.001	250	0.001
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	250	0.001	250	0.001

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		M Santi Priya CFO & Whole Time Director	K Sri Kalyan Whole Time Director	
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	6,75,000	24,75,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	18,00,000	6,75,000	24,75,000
	Overall Ceiling as per the Act	Rs.46.88 Lakhs( being the 11 % of Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)		

### B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Kunasingam V Sittampalam	Krishna Kanaparthi	Ramam Madu	Samad A Momin	
1	Independent Directors Fee for attending board/ committee meetings	-	25,000	25,000	-	50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	25,000	25,000	-	50,000
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings					
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	25,000	25,000	-	50,000
	Total Managerial Remuneration	-	25,000	25,000	-	50,000
	Overall Ceiling as per the Act	Rs.46.88 Lakhs( being the 11 % of Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)**

Sl.No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		K Ravindranath Tagore Company Secretary	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,82,000	13,82,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	<b>Total (C)</b>	13,82,000	13,82,000

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

Type	Section of the	Brief Description Punishment/ Compounding fees imposed	Details of Penalty/ NCLT/Court	Authority(RD/	Appeal Made if any (details)
<b>A. Company</b> Penalty Punishment Compounding					
<b>B. Directors</b> Penalty Punishment Compounding			<b>NIL</b>		
<b>C. Other Officers in Default</b> Penalty Punishment Compounding					



## INDEPENDENT AUDITOR'S REPORT

To the Members of Virinchi Technologies Limited:

### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Virinchi Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31st March, 2015 on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For P. Murali & Co.,**  
Chartered Accountants  
Firm Registration No : 0072575

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 29/05/2015

**Annexure referred to in paragraph 1 of Our Report of even date to the members of Virinchi Technologies Limited on the accounts of the company for the year ended 31st March, 2015 Under “Report on other Legal & Regulatory Requirements”**

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- ii. (a) The company has no inventory. Hence this clause is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. To the best of our knowledge and as explained, the company is not in the business of manufacturing and sale of any goods. Therefore, in our opinion, the provision of the order made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013 is not applicable.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees’ State Insurance, Income-tax, Service Tax, Custom Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
  - (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees’ State Insurance, Income-tax, Service Tax, Custom Duty and other material statutory dues in arrears as at 31st March 2015 for a period of more than 6 months for the date they became payable.
  - (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, and Customs Duty which have not been deposited on account of any disputes except as below:

Name of the Status	Nature of Disputes	Amount in Rs relates (FY)	Period to which the Amount pending.	Forum where disputes
Income Tax Act, 1961	Under section 143(3) of the Income Tax Act, 1961.	5,20,290/-	2009-10	CIT(A)-Hyderabad

- (d) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 1956 [1 of 1956] and rules made there under.

- viii. The Company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution/banks. The company has not issued any debentures.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions.
- xi. In our opinion, and according to the information and explanations given to us, Term loans obtained by the company were applied for the purpose for which such loans were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

**For P. Murali & Co.,**  
Chartered Accountants  
Firm Registration No : 007257S

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 29/05/2015

## M/S. VIRINCHI TECHNOLOGIES LIMITED

### BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	179,610,102	179,610,102
(b) Reserves and Surplus	2	705,573,217	708,624,920
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	14,837,224	41,952,202
(b) Deferred tax liabilities (Net)	4	29,438,033	34,343,248
(c) Long term provisions	5	6,579,575	5,246,863
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	147,355,983	91,052,946
(b) Trade payables	7	17,899,336	675,899
(c) Short-term provisions	8	21,186,126	19,278,959
<b>Total</b>		<b><u>1,122,479,596</u></b>	<b><u>1,080,785,139</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	466,273,435	497,520,254
(ii) Intangible assets	9	140,532,902	159,023,619
(iii) Capital work-in-progress		15,988,467	6,730,042
(b) Non-current investments	10	19,755,087	19,555,087
(c) Long term loans and advances	11	195,769,493	132,126,789
<b>(2) Current assets</b>			
(a) Trade receivables	12	150,246,046	152,293,789
(b) Cash and cash equivalents	13	122,480,685	105,659,605
(c) Other current assets	14	11,433,481	7,875,954
<b>Total</b>		<b><u>1,122,479,596</u></b>	<b><u>1,080,785,139</u></b>

#### NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board

**VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**

CFO & Whole Time Director

**K. Sri Kalyan**

Whole Time Director

**P.Murali Mohana Rao**

Partner

Membership No. 023412

**K. Ravindranath Tagore**

Company Secretary

Place : Hyderabad

Date : 29-05-2015

## M/S. VIRINCHI TECHNOLOGIES LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
1. Revenue from operations	15	790,872,878	640,069,378
2. Other Income	16	16,186,385	13,244,147
<b>3. Total Revenue (1 +2)</b>		<b>807,059,263</b>	<b>653,313,525</b>
4. Expenses:			
a) Employee benefit expense	17	160543924	113,519,120
b) Other operating expenses	18	17,418,113	16,420,272
c) Administrative Expenses	19	437,312,001	372,172,555
d) Financial costs	20	12,741,360	15,242,933
e) Depreciation and amortization expense	9	96,450,594	73,182,248
f) Other expenses	21	42,452,230	40,682,287
<b>Total Expenses</b>		<b>766,918,222</b>	<b>631,219,415</b>
<b>5. Profit before exceptional and extraordinary items and tax (3- 4)</b>		<b>40,141,041</b>	<b>22,094,110</b>
<b>6. Exceptional Items</b>		-	-
<b>7. Profit before extraordinary items and tax (5- 6)</b>		<b>40,141,041</b>	<b>22,094,110</b>
<b>8. Extraordinary Items</b>		-	-
<b>9. Profit before tax (7- 8)</b>		<b>40,141,041</b>	<b>22,094,110</b>
<b>10. Tax expense:</b>			
(a) Current tax		8,911,215	7,626,036
(b) Deferred tax Liability/(Asset)		(4,905,215)	453,860
<b>11. Profit(Loss) from the period from continuing operations (9 - 10)</b>		<b>36,135,041</b>	<b>14,014,214</b>
<b>12. Profit/(Loss) for the period</b>		<b>36,135,041</b>	<b>14,014,214</b>
<b>13. Earning per equity share:</b>			
(a) Basic		2.01	0.78
(b) Diluted		2.01	0.78

#### NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above form an integral part of the account

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board  
**VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**  
CFO & Whole Time Director

**K. Sri Kalyan**  
Whole Time Director

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 29-05-2015

**K. Ravindranath Tagore**

Company Secretary

## M/S. VIRINCHI TECHNOLOGIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(in lakhs)

Particulars	Note No	Current Year ₹	Previous Year ₹
<b>A. Cash Flow from Operating Activities:</b>			
Net Profit/ (Loss) before taxation and extraordinary items		401.41	220.94
<b>Adjustments for:</b>			
Depreciation		964.51	731.82
Interest expenses		127.41	152.43
Operating Profit before Working Capital Changes		1,493.33	1,105.19
<b>Working Capital Changes</b>			
Trade and other receivables		(651.52)	76.64
Trade payables		754.34	457.33
<b>Cash Generated from Operations</b>		<b>1596.14</b>	<b>1,639.16</b>
Interest paid		127.41	152.43
Taxation for the year		89.11	76.26
<b>Net Cash from Operating Activities</b>		<b>1379.62</b>	<b>1,410.47</b>
<b>B. Cash Flow from Investing Activities:</b>			
Purchase of Fixed Assets		(951.58)	(976.62)
Investment		(2.00)	57.81
<b>Net Cash used in Investing Activities</b>		<b>(953.58)</b>	<b>(918.80)</b>
<b>C. Cash Flow From Financial Activities:</b>			
Net Proceeds from Long Term Borrowings		(257.82)	(106.33)
<b>Net Cash used in Financing Activities</b>		<b>(257.82)</b>	<b>(106.33)</b>
Net increase in cash and cash equivalents		168.21	385.33
<b>Cash and Cash equivalents as at 01.04.2014</b>		<b>1,056.60</b>	<b>671.27</b>
<b>Cash and Cash equivalents as at 31.03.2015</b>		<b>1,224.81</b>	<b>1,056.60</b>

As per Our Report of Even Date  
**For P. Murali & Co.**  
 Chartered Accountants  
 Firm Registration No. 007257S

For and on behalf of the Board  
**VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**  
 CFO & Whole Time Director

**K. Sri Kalyan**  
 Whole Time Director

**P.Murali Mohana Rao**  
 Partner  
 Membership No. 023412

**K. Ravindranath Tagore**  
 Company Secretary

Place : Hyderabad  
 Date : 29-05-2015

## **A. SIGNIFICANT ACCOUNTING POLICIES:**

### **1. General:**

- These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current and noncurrent as per the companies' normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

- **Use of Estimates**

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

### **2. Cash and Cash Equivalents**

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an 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 changes in value.

#### **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

### **3. Tangible and Intangible Assets**

#### **i) Tangible Fixed Assets**

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Direct costs are capitalized until fixed assets are ready for use.

#### **ii) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated



impairment loss, if any. Profit or Loss on disposal of intangible assets are recognized in the Statement of Profit and Loss.

Product development Expenditure is written off over a period of 10 years. Products which are considered as redundant due to Technological advancement would be written off immediately.

### **iii) Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## **4. Depreciation and Amortization:**

- (i) Effective 1st April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of The Companies Act 1956.
- (ii) Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.
- (iii) Individual assets acquired for less than Rs.5,000/-are entirely depreciated in the year of acquisition. Leasehold improvements are written off, over the lower of, the remaining primary period of lease or the life of the asset.
- (iv) The carrying value of Fixed Assets whose life has completed as per Schedule II of The Companies Act, 2013 is transferred to Retained earnings amounting to Rs. 3,91,86,745/-.

## **5. Revenue Recognition:**

- (i) Income from Software development is accounted on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- (ii) Revenue from professional services consists primarily of revenue earned from services performed on a time and material basis. The related revenue is recognized as and when the services are performed.
- (iii) Revenue from Software development services includes revenue from time and material and fixed price contracts recognized as related services are performed.
- (iv) Revenue on Fixed price contracts is recognized in accordance with percentage of completion and method of account.
- (v) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

## **6. Foreign Exchange Transactions:**

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of transactions.

- (i) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (ii) Non-monetary foreign currency items are carried at cost.

- (iii) In respect of foreign operations, which are non-integral operations, all assets and liabilities, other monetary and non-monetary, are translated at closing rate, which all income and expenses are translated at average rate for the year. The resulting exchange differences are included in the Profit and Loss Account.

## **7. Investments**

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

Cost of overseas investment comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

## **8. Gratuity:**

The Company has made a provision for gratuity to its employees. Gratuity is a defined benefit retirement plan covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment.

## **9. Related Party Disclosures :**

The Company furnishes the details of Related Party Disclosures as given in Para 23 and 26 as required by AS-18.

## **10. Earnings per Share**

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

## **11. Taxes on Income**

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Not to recognize Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

## **12. Provisions, Contingent Liabilities and Contingent Assets**

The company creates the provisions where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made for the amount of the obligation. A disclosure for contingent liability will be made when there is a possible obligation or present obligation that may, but probably, will not required the outflow of resources. Where, there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures will be made.

**NOTE NO. 1 : SHARE CAPITAL**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>NOTE NO. 1 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b> 25,000,000 Equity Share of Rs.10/- each	250,000,000	250,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL:</b>		
(a) Subscribed & Fully Paid up: 17958228 equity shares of Rs. 10/- each	179,582,280	179,582,280
(b) Subscribed & not fully paid up	27,822	27,822
<b>Total Equity Share capital</b>	<b>179,610,102</b>	<b>179,610,102</b>

The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	No. of shares	No. of shares
<b>Equity Shares of Rs.10 each, Fully paid up</b>		
At the Beginning	17,986,050	17,986,050
Issued during the year - Bonus Issue		
Issued during the year - Cash Issue		
Forfeited / Bought Back during the year		
At the end	<b>17,986,050</b>	<b>17,986,050</b>

**Details of Shareholder holding more than 5% shares of the company:**

Name of the Shareholder	% of Share Holding	% of Share Holding
Viswanath Kompella - No. of Shares (C.Y) 2568300 No. of Shares ( P.Y) 2568300	14.28	14.28
Salokhya Infrastructure Pvt Ltd - No. of Shares (C.Y) 1150000 No. of Shares (P.Y) 1150000	6.39	6.39
Agrade Exim Pvt Ltd - No. of Shares (C.Y) 1000000 No. of Shares (P.Y) 1000000	5.56	5.56

**NOTE NO 2 : RESERVES AND SURPLUS**

Particulars	As at 31.03.2015	As at 31.03.2014
a) As at the commencement of the year	253,718,978	253,718,978
b) Share options outstanding account	9,111,286	9,111,286
c) Surplus		
Opening Balance - Profit and Loss Account	445,794,657	431,780,443
Add: Transfer from Profit & Loss Account	36,135,041	14,014,213
Less: Adjustment to fixed assets pursuant to enactment of Schedule II of the companies Act 2013.	39,186,745	-
	<b>442,742,953</b>	<b>445,794,657</b>
<b>Total Reserves and Surplus</b>	<b>705,573,217</b>	<b>708,624,920</b>

**NOTE NO. 3 : LONG TERM BORROWINGS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Long Term borrowings</b>		
a) Term Loans:		
From banks:		
Secured	37,483,840	41,952,202
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Director of the Company)		
Less : Term loan Repayable in next 12 months	(22,646,616)	-
<b>Total long term borrowings</b>	<b>14,837,224</b>	<b>41,952,202</b>

**NOTE NO. 4 : DEFERRED TAX LIABILITY ( NET )**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Opening Deferred tax Liability	34,343,248	33,889,388
Add:		
Deferred Tax Asset for the year ( Due to SLM and WDV Difference)	(4,493,407)	639,865
Deferred Tax Liability for the year ( Due to Others )	(411,808)	(186,005)
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>29,438,033</b>	<b>34,343,248</b>

**NOTE NO. 5 : LONG TERM PROVISIONS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Provision for employee benefits</b>		
- Provision for Gratuity	6,579,575	5,246,863
<b>Total Long Term Provisions</b>	<b>6,579,575</b>	<b>5,246,863</b>

**NOTE NO. 6 : SHORT TERM BORROWINGS.**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Short term borrowings</b>		
a) Loans repayable on demand:		
From banks		
Secured	124,709,367	91,052,946
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Director of the Company)		
b) Term Loan repayable in next 12 months	22,646,616	-
<b>Total short term borrowings</b>	<b>147,355,983</b>	<b>91,052,946</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Trade Payables	17,899,336	675,899
<b>Total Trade Payables</b>	<b>17,899,336</b>	<b>675,899</b>

**NOTE NO. 8 : SHORT TERM PROVISIONS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) <b>Provisions for employee benefits</b>		
Provident Fund	740,684	569,008
Salaries	9,116,121	8,452,196
b) <b>Others</b>		
<b>Statutory Liabilities</b>		
Income Tax	8,911,215	7,626,036
TDS	720,624	1,324,316
Service Tax	541,573	-
ESI	118,285	106,685
<b>Provision for Expenses</b>		
Rent	144,308	134,852
Audit Fee	153,540	168,540
Professional Tax	39,550	27,400
Electricity Charges	645,143	732,441
Telephone Charges	55,083	137,485
<b>Total short term provisions</b>	<b>21,186,126</b>	<b>19,278,959</b>

**Note No. 9 Fixed Assets and Depreciation**

S. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block		
		As on 01.04.2014	Addition During the year	As on 31.03.2014	Depn As on 01.04.2014	Dep for the year	Dep Tr. to Reserves	Total Depreciation	Net Block As on 31.03.2015	Net block As on 31.03.2014
I.	TANGIBLE ASSETS									
1	LAND	54,725,874		54,725,874	-	-	-	-	54,725,874	54,725,874
2	BUILDING	249,573,964	451,394	250,025,358	23,155,992	7,864,099		31,020,091	219,005,267	226,417,972
3	PLANT & MACHINERY	17,463,416	1,771,140	19,234,556	4,020,056	1,546,566		5,566,621	13,667,935	13,443,360
4	ELECTRICAL EQUIPMENT	33,372,053	1,836,083	35,208,136	6,484,443	4,304,947	364,018	11,153,408	24,054,728	26,887,610
6	OFFICE EQUIPMENT	25,266,154	3,943,831	29,209,985	6,950,670	5,008,217	7,751,781	19,710,669	9,499,316	18,315,484
7	COMPUTERS	75,854,832	25,457,673	101,312,505	14,914,178	23,814,979	8,177,181	46,906,338	54,406,166	60,940,653
8	FURNITURE	124,704,744	13,069,291	137,774,035	39,081,859	13,519,727	4,345,895	56,947,481	80,826,554	85,622,885
9	VEHICLES	26,676,514	1,175,596	27,852,110	15,510,099	3,855,409	(1,600,993)	17,764,515	10,087,595	11,166,415
	<b>SUB TOTAL (A)</b>	<b>607,637,551</b>	<b>47,705,008</b>	<b>655,342,559</b>	<b>110,117,296</b>	<b>59,913,944</b>	<b>19,037,883</b>	<b>189,069,123</b>	<b>466,273,435</b>	<b>497,520,254</b>
II.	INTANGIBLE ASSETS									
	SOFTWARE	65,254,961	9,494,795	74,749,756	25,199,105	5,447,060	20,354,778	51,000,942	23,748,814	40,055,856
	PRODUCT DEVELOPMENT	286,749,439	28,700,000	315,449,439	167,781,676	31,089,590	(205,915)	198,665,351	116,784,088	118,967,763
	<b>SUB TOTAL (B)</b>	<b>352,004,400</b>	<b>38,194,795</b>	<b>390,199,195</b>	<b>192,980,781</b>	<b>36,536,650</b>	<b>20,148,863</b>	<b>249,666,293</b>	<b>140,532,902</b>	<b>159,023,619</b>
III.	CAPITAL WORK IN PROGRESS	6,730,042	9,258,423	15,988,465	-	-	-	-	15,988,467	6,730,042
	<b>SUB TOTAL (C)</b>	<b>6,730,042</b>	<b>9,258,423</b>	<b>15,988,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,988,467</b>	<b>6,730,042</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>966,371,993</b>	<b>95,158,226</b>	<b>1,061,530,219</b>	<b>303,098,077</b>	<b>96,450,594</b>	<b>39,186,745</b>	<b>438,735,416</b>	<b>622,794,804</b>	<b>663,273,916</b>
	<b>PREVIOUS YEAR</b>	<b>898,431,133</b>	<b>93,661,739</b>	<b>966,371,993</b>	<b>259,636,708</b>	<b>73,182,248</b>	<b>29,720,879</b>	<b>303,098,077</b>	<b>663,273,916</b>	<b>638,794,425</b>

**NOTE NO. 10 : NON- CURRENT INVESTMENTS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>1) Investment in Subsidiaries</b>		
a) Equity Shares		
100% holding in Ksoft Systems Inc	4,591,087	4,591,087
100% Holding in Qfund Technologies Pvt. Ltd.	100,000	1,00,000
100% Holding in Virinchi Learning Private Ltd	10,800,000	10,800,000
100% Holding in Virinchi Media & Entertainment Pvt Ltd	100,000	100,000
100% Holding in Tyohar Foods Pvt Ltd	100,000	100,000
100% Holding in Virinchi Infra & reality Pvt Ltd	100,000	100,000
100% Holding in Virinchi Health Care Pvt Ltd	100,000	100,000
51% Asclepius Consulting & Technologies Pvt. Ltd	3,000,000	3,000,000
	<b>18,891,087</b>	<b>18,891,087</b>
<b>2) Trade Investments</b>		
a) Investment in Equity Instrument Quoted (400 Shares of Canara Bank) (Market value is Rs. 1,47,160)	14,000	14,000
b) Investment in Mutual funds Canara Robeco Mutual Funds	850,000	650,000
	<b>864,000</b>	<b>664,000</b>
<b>Total Non Current Investments</b>	<b>19,755,087</b>	<b>19,555,087</b>

**NOTE NO. 11 : LONG TERM LOANS AND ADVANCES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>a) Security Deposit</b>		
Secured	975,045	747,882
Unsecured	2,248,957	2,001,075
<b>b) Loans and advances to related parties</b>		
Unsecured		
K Soft Systems Inc	(3,883,253)	42,959,781
Qfund Technologies Pvt Ltd	55,134,679	51,252,969
Virinchi Employees Welfare Trust	12,650,000	12,650,000
Virinchi Learning Pvt Ltd	25,875,993	19,995,986
Asclepius Consulting & Technologies Pvt Ltd	5,017,398	2,257,329
Tyohar Foods Pvt. Ltd	(6,685,182)	(16,040,137)
Virinchi Media & Entertainment Pvt Ltd	14,825,133	14,423,448
Virinchi Healthcare Pvt. Ltd	69,366,404	-
<b>c) Other loans And advances</b>		
Unsecured - Capital Assets Incl Interest receivable	20,244,319	1,878,456
<b>Total Long term loans &amp; advances</b>	<b>195,769,493</b>	<b>132,126,789</b>

**NOTE NO. 12 : TRADE RECEIVABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Outstanding for a period exceeding 6 months from the date they are due for payment unsecured, considered good		
<b>Other Receivables</b> Unsecured, Considered Good	150,246,046	152,293,789
<b>Total Trade Receivables</b>	<b>150,246,046</b>	<b>152,293,789</b>

**NOTE NO. 13 : CASH AND BANK BALANCES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Balances with banks	41,238,352	21,415,571
b) Cash on hand	334,657	855,538
c) Other Bank Balances On Deposit Accounts 12 Months from date of deposit	80,907,676	83,388,495
<b>Total Cash and Cash Equivalents</b>	<b>122,480,685</b>	<b>105,659,604</b>

**NOTE NO.14 : OTHER CURRENT ASSETS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Salary and Other Advances	3,992,827	761,901
Advance Tax	7,440,654	7,113,053
IT Refund FY 2011-12	-	1,000
	<b>11,433,481</b>	<b>7,875,954</b>



**NOTE NO. 15 : REVENUE FROM OPERATIONS**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
Revenue from operations		
(a) Revenue from Services	763,136,577	639,613,058
(b) Other Operating Revenues	27,736,301	456,320
<b>Total Revenue from Operations</b>	<b>790,872,878</b>	<b>640,069,378</b>

**NOTE NO. 16 : OTHER INCOME**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Interest income	13,184,585	8,278,657
(b) Other non-operating income	3,001,800	3,002,600
(c) Net gain/loss on foreign currency translation	-	1,962,890
<b>Total Other Income</b>	<b>16,186,385</b>	<b>13,244,147</b>

**NOTE NO. 17 : EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Salaries & Wages	145,031,978	103,170,390
(b) Contribution to Provident & Other Funds	6,528,126	4,399,487
(c) Staff Welfare Expenses	8,983,820	5,949,243
<b>Total Employee Benefit Expenses</b>	<b>160,543,924</b>	<b>113,519,120</b>

**NOTE NO. 18 : OTHER OPERATING EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Power & Fuel	8,329,616	8,135,796
(b) Rent	3,205,972	2,775,702
(c) Repairs & Maintenance	632,958	504,711
(d) Insurance	2,106,872	1,585,813
(e) Rates & Taxes	2,951,683	2,536,780
(f) Payment to Auditors:		
(i) As Auditor	191,012	270,360
(ii) For Taxation Matters	-	611,110
<b>Total Other Operating Expenses</b>	<b>17,418,113</b>	<b>16,420,272</b>

**NOTE NO. 19 : ADMINISTRATIVE EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Telephone, Postage and Others	2,588,802	2,547,999
(b) Business Promotion Expenses	128,840,524	122,360,655
(c) Conveyance	512,721	314,821
(d) Office Maintenance	17,495,712	10,433,035
(e) Printing & Stationery Expenses	1,881,695	1,105,664
(f) Managerial Remuneration	2,475,000	2,462,000
(g) Consultancy Charges	283,517,547	188,654,299
(h) Bad Debts	-	44,294,082
<b>Total Administrative Expenses</b>	<b>437,312,001</b>	<b>372,172,555</b>

**NOTE NO. 20 : FINANCE COST**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Interest Expenses :		
- Interest on Cash Credit	10,420,740	13,363,678
- Interest on Car Loan	571,854	530,374
- Loan processing Charges & Bank Charges	-	1,348,881
(b) Applicable net gain/loss on foreign currency translations	1,748,766	-
<b>Total Finance Cost</b>	<b>12,741,360</b>	<b>15,242,933</b>

**NOTE NO. 21 : OTHER EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
Travelling and Conveyance	28,959,100	27,283,944
Vehicle Maintenance	7,593,416	6,076,694
Internet Charges	1,944,084	2,381,135
Other Administrative Expenses	3,955,630	4,940,514
<b>Total Other expenses</b>	<b>42,452,230</b>	<b>40,682,287</b>

**Note: 22**

	Current year (₹)	Previous Year (₹)
Directors Remuneration	24,75,000/-	24,62,000/-

**Note: 23**

Auditors Remuneration (Incl. Service Tax for Statutory and Tax Matters)

	Current Year (₹)	Previous Year (₹)
Audit Fee	1,91,012/-	8,81,470/-

**Note: 24**

The Company is engaged in the development of Computer Software and Services. The Production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales.

**NOTE 25: Investments**

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable. Provision for diminution in the value of investments is not created as it is not a permanent decline.

Details of Investment in Wholly Owned Subsidiaries:

**1. Wholly Owned Subsidiaries**

S No.	Name of the Subsidiary	Amount (Rs)
1	Qfund Technologies Pvt. Ltd.	100,000
2	KSoft Systems Inc	45,91,087
3	Virinchi Media & Entertainment Pvt. Ltd	1,00,000
4	Virinchi Learning Pvt. Ltd.	1,08,00,000
5	Tyohar Foods Pvt Ltd	1,00,000
6	Virinchi Infra & Realty Pvt Ltd	1,00,000
7	Virinchi Health Care Pvt Ltd	1,00,000

**2. Other Subsidiaries**

S No.	Name of the Subsidiary	Amount (Rs)
1	Asclepius Consulting & Technologies Pvt Ltd	30,00,000

**NOTE 26: Earning per Share:**

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Particulars	2014-2015	2013-2014
Profit available for the equity share holders	3,613,5041	14,014,213
No. of equity shares outstanding for EPS-Basic	17,986,050	17,986,050
No. of equity shares outstanding of EPS-Diluted	1,798,6050	17,986,050
Basic	2.01	0.78
Diluted	2.01	0.78

**Note: 27**

Foreign Currency Outflow during the year of Rs 7743 Lakhs spent during the year.

**Note: 28**

Operational revenue received in foreign currency during the year is Rs. 7838 Lakhs

**Note: 29**

There are no dues to SSI Units outstanding for more than 45 days.

**Note: 30**

Confirmations were not obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.

**Note 31**

During the year company entered into a forward contract for USD 500000 per months. Company blocked the Dollar average rate of Rs. 63.50. Unexpired portion of forward contract is USD 7 Millions from the end of Financial Year.

**Note 32 Deferred Tax Asset/ Liability:**

Particulars.	As at 31.3.2015	As at 31.3.2014
Deferred Tax Liability		
a) Opening Balance	3,43,43,248	3,38,89,388
ADD: Deferred tax liability	(4,905,215)	4,53,860
<b>Total</b>	<b>2,94,38,033</b>	<b>3,43,43,248</b>

**Note 33 Related Party Transactions.**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

**Related Party Disclosures**

The followings are the list of related parties:

**a) Subsidiary Companies:**

1. Qfund Technologies Pvt. Ltd.
2. KSoft Systems Inc
3. Virinchi Media & Entertainment Pvt. Ltd
4. Virinchi Learning Pvt. Ltd.
5. Tyohar Foods Pvt Ltd
6. Virinchi Infra & Realty Pvt Ltd
7. Virinchi Health Care Pvt Ltd
8. Asclepius Consulting and Technologies Pvt. Ltd.

**b) Key Management Personnel:**

S.NO	NAME	Designation
1	M. SANTI PRIYA	CFO & Whole Time Director
2	K. SRI KALYAN	Whole Time Director
3	K. RAVINDRANATH TAGORE	Company Secretary

**c) Other Related Party:**

1.Vivo Bio Tech Ltd

**The followings are the related party transactions:**

Name of the related Party	Nature of transaction	Current year (Rs)	Previous year (Rs)
M Santi Priya	Remuneration	18,00,000	18,00,000
KSoft Systems Inc.	Consultancy charges	25,73,67,868	180,935,900
Vivo Bio Tech Ltd	Lease Rental Income	30,00,000	30,00,000
K. Sri Kalyan	Remuneration	6,75,000	4,50,000

**Note: 34**

Details of contingent liabilities:

**Claims against the company not acknowledged as debts include:**

1. Demand of Rs. 5,20,290/- raised by Income Tax Dept for the FY 2009-10.

**Note: 35**

Previous year's figures have been regrouped wherever necessary.

**Note: 36**

The figures have been rounded off to the nearest rupee.

As per Our Report of Even Date  
**For P. Murali & Co.**  
Chartered Accountants  
Firm Registration No. 007257S

**P.Murali Mohana Rao**  
Partner  
Membership No. 023412

Place : Hyderabad  
Date : 29-05-2015

For and on behalf of the Board  
**VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**  
CFO & Whole Time Director

**K. Sri Kalyan**  
Whole Time Director

**K. Ravindranath Tagore**  
Company Secretary

## Auditors' Certificate

To  
THE BOARD OF DIRECTORS  
VIRINCHI TECHNOLOGIES LIMITED  
HYDERABAD

We have examined the attached cash flow statement of M/s. Virinchi Technologies Limited, for the year ended 31st March, 2015. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with stock exchange and is based on and in agreement with the corresponding profit and loss Account and Balance Sheet of the Company covered by our report of 29th May, 2015 to the Members of the Company.

**P. MURALI & CO.**  
CHARTERED ACCOUNTANTS  
Firm Regn.No. 007257S

PLACE: HYDERABAD  
DATE : 29.05.2015

**P. MURALI MOHANA RAO**  
PARTNER  
M.No: 023412

## INDEPENDENT AUDITOR'S REPORT

To the Members of Virinchi Technologies Limited:

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Virinchi Technologies Limited ("the Company"), and its subsidiaries ( the holding company and its subsidiaries together referred to as "the Group") which comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Financial Statements').

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The respective board of directors of the companies included in the group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 consolidated financial statements by the directors of holding company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

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

evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the group as at 31st March 2015, their consolidated profit and their consolidated cash flows for the year ended on that date

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comment in the auditor's report of the holding company and subsidiaries incorporated in India to whom the order applies. we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
  - e) On the basis of written representations received from the directors of holding company as on March 31, 2015, and taken on record by the Board of Directors of the holding company and report of the auditor who are appointed under section 139 of the Act, of its subsidiaries companies incorporated in India, none of the directors of group companies incorporated in India are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The consolidated financial statements disclosed the impact of pending litigations as at 31st March, 2015 on its consolidated financial position of the group.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding company and its subsidiaries incorporated in India.

**For P. Murali & Co.,**  
Chartered Accountants  
Firm Registration No : 007257S

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 29/05/2015

**Annexure referred to in paragraph 1 of Our Report of even date to the members of Virinchi Technologies Limited on the accounts of the company for the year ended 31st March, 2015 Under “Report on other Legal & Regulatory Requirements”**

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- ii. (a) The company has no inventory. Hence this clause is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. To the best of our knowledge and as explained, the company is not in the business of manufacturing and sale of any goods. Therefore, in our opinion, the provision of the order made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013 is not applicable.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees’ State Insurance, Income-tax, Service Tax, Custom Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
  - (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees’ State Insurance, Income-tax, Service Tax, Custom Duty and other material statutory dues in arrears as at 31st March 2015 for a period of more than 6 months for the date they became payable.
  - (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, and Customs Duty which have not been deposited on account of any disputes except as below:

Name of the	Nature of	Amount in RS	Period to which the amount relates(FY)	Forum where disputes pending.
Income Tax Act, 1961	Under section 143(3) of the Income Tax Act, 1961.	5,20,290/-	2009-10	CIT(A)-Hyderabad

- (d) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 1956 [1 of 1956] and rules made there under.

- viii. The Company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution/banks. The company has not issued any debentures.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions.
- xi. In our opinion, and according to the information and explanations given to us, Term loans obtained by the company were applied for the purpose for which such loans were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

**For P. Murali & Co.,**  
Chartered Accountants  
Firm Registration No : 007257S

**P. Murali Mohana Rao**  
Partner  
M.No. 023412

Place: Hyderabad  
Date: 29/05/2015

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015**

Particulars	Note No	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	179,610,102	179,610,102
(b) Reserves and Surplus	2	891,511,966	752,025,345
(c) Minority Interest		(2,418,907)	(2,195,332)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	153,798,828	130,767,179
(b) Deferred tax liabilities	4	32,947,158	38,291,212
(c) Long term provisions	5	6,959,628	5,593,016
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	156,901,046	109,571,186
(b) Trade payables	7	30,396,369	13,098,940
(c) Short-term provisions	8	51,439,200	42,113,306
<b>Total</b>		<b>1,501,145,390</b>	<b>1,268,874,953</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	552,115,908	580,636,052
(ii) Intangible assets	9	202,371,172	220,530,830
(iii) Capital work-in-progress		35,012,717	14,748,992
(b) Non-current investments	10	1,864,000	664,000
(c) Long term loans and advances	11	253,369,440	60,322,395
(d) Other Non Current Assets			42,959,781
<b>(2) Current assets</b>			
(a) Inventories		40,000	50,000
(b) Trade receivables	12	191,076,383	198,161,296
(c) Cash and cash equivalents	13	248,162,779	137,394,661
(d) Other current assets	14	17,132,991	13,406,945
<b>Total</b>		<b>1,501,145,390</b>	<b>1,268,874,953</b>

**NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES**

Notes referred to above form an integral part of the account

As per Our Report of Even Date

**For P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

**For and on behalf of the Board  
VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**  
CFO & Whole Time Director

**K. Sri Kalyan**  
Whole Time Director

**P.Murali Mohana Rao**

Partner

Membership No. 023412

Place : Hyderabad

Date : 29-05-2015

**K. Ravindranath Tagore**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015**

Particulars	Note No	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
1. Revenue from operations	15	1,387,708,578	1,129,735,055
2. Other Income	16	24,317,381	14,826,709
<b>3. Total Revenue (1 +2)</b>		<b>1,412,025,959</b>	<b>1,144,561,764</b>
<b>4. Expenses:</b>			
a) Purchases		1,575,201	2,052,589
b) Increase / Decrease Stocks		10,000	28,014
c) Employee benefit expense	17	491,532,942	321,144,362
d) Other operating expenses	18	68,527,422	51,690,053
e) Administrative Expenses	19	561,981,436	564,911,469
f) Financial costs	20	21,444,205	19,266,327
g) Depreciation and amortization expense	9	113,799,634	85,029,137
h) Other expenses	21	42,719,126	40,966,933
<b>Total Expenses</b>		<b>1,301,589,966</b>	<b>1,085,088,884</b>
<b>5. Profit before exceptional and extraordinary items and tax ( 3- 4)</b>		<b>110,435,993</b>	<b>59,472,880</b>
<b>6. Exceptional Items</b>		-	-
<b>7. Profit before extraordinary items and tax (5- 6)</b>		<b>110,435,993</b>	<b>59,472,880</b>
<b>8. Capital Reserve/Goodwill</b>			<b>(1,048,922)</b>
<b>9. Minority Interest Profit/Loss</b>		<b>223,579</b>	<b>(2,404,094)</b>
<b>10. Profit before tax (7- 8)</b>		<b>110,659,572</b>	<b>62,925,895</b>
<b>11. Tax expense:</b>			
(a) Current tax		33,122,533	22,800,838
(b) Deferred tax Liability/(Asset)		(5,344,054)	1,361,942
<b>12. Profit(Loss) from the period from continuing operations (9 - 10)</b>		<b>82,881,093</b>	<b>38,763,115</b>
<b>13. Profit/(Loss) for the period</b>		<b>82,881,093</b>	<b>38,763,115</b>
(a) Basic		4.61	2.16
(b) Diluted		4.61	2.16

**NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES**

Notes referred to above form an integral part of the account

As per Our Report of Even Date  
For **P. Murali & Co.**

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board  
**VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**  
CFO & Whole Time Director

**K. Sri Kalyan**  
Whole Time Director

**P.Murali Mohana Rao**  
Partner  
Membership No. 023412  
Place : Hyderabad  
Date : 29-05-2015

**K. Ravindranath Tagore**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(in lakhs)

Particulars	Note No	Current Year ₹	Previous Year ₹
<b>A. Cash Flow from Operating Activities:</b>			
Net Profit/ (Loss) before taxation and extraordinary items		1,104.36	594.73
<b>Adjustments for:</b>			
Depreciation		1,138.00	850.29
Interest expenses		214.44	192.66
Operating Profit before Working Capital Changes		2,456.80	1,637.68
<b>Working Capital Changes</b>			
Trade and other receivables		(1,510.80)	934.96
Trade payables		753.20	929.11
Cash Generated from Operations		1,699.19	3,501.75
Interest paid		214.44	192.66
Taxation for the year		331.23	228.01
<b>Net Cash from Operating Activities</b>		<b>1,153.52</b>	<b>3,081.08</b>
<b>B. Cash Flow from Investing Activities:</b>			
Purchase of Fixed Assets		(264.16)	(1,142.47)
Investment		(12.00)	(387.35)
<b>Net Cash used in Investing Activities</b>		<b>(276.16)</b>	<b>(1,529.82)</b>
<b>C. Cash Flow From Financial Activities:</b>			
Net Proceeds from Long Term Borrowings		230.32	(902.28)
<b>Net Cash used in Financing Activities</b>		<b>230.32</b>	<b>(902.28)</b>
Net increase in cash and cash equivalents		1,107.68	648.28
<b>Cash and Cash equivalents as at 01.04.2014</b>		<b>1,373.95</b>	<b>725.66</b>
<b>Cash and Cash equivalents as at 31.03.2015</b>		<b>2,481.63</b>	<b>1,373.94</b>

As per Our Report of Even Date  
**For P. Murali & Co.**  
Chartered Accountants  
Firm Registration No. 007257S

For and on behalf of the Board  
**VIRINCHI TECHNOLOGIES LIMITED**

**M. Santi Priya**  
CFO & Whole Time Director

**K. Sri Kalyan**  
Whole Time Director

**P.Murali Mohana Rao**  
Partner  
Membership No. 023412

**K. Ravindranath Tagore**  
Company Secretary

Place : Hyderabad  
Date : 29-05-2015

## A. SIGNIFICANT ACCOUNTING POLICIES:

### 1. General:

- These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current and noncurrent as per the companies' normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

- Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

### 2. Cash and Cash Equivalents

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an 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 changes in value.

#### Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

### 3. Tangible and Intangible Assets

#### i) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Direct costs are capitalized until fixed assets are ready for use.

#### ii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated

impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

Product development Expenditure is written off over a period of 10 years. Products which are considered as redundant due to Technological advancement would be written off immediately.

**iii) Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**4. Depreciation and Amortization:**

- (i) Effective 1st April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of The Companies Act 1956.
- (ii) Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.
- (iii) Individual assets acquired for less than Rs.5,000/-are entirely depreciated in the year of acquisition. Leasehold improvements are written off over the lower of, the remaining primary period of lease or the life of the asset.
- (iv) The carrying value of Fixed Assets whose life has completed as per Schedule II of The Companies Act, 2013 is transferred to Retained earnings amounting to Rs. 18,14,592/-.

**5. Revenue Recognition:**

- (i) Income from Software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- (ii) Revenue from professional services consists primarily of revenue earned from services performed on a time and material basis. The related revenue is recognized as and when the services are performed.
- (iii) Revenue from Software development services includes revenue from time and material and fixed price contracts recognized as related services are performed.
- (iv) Revenue on Fixed price contracts is recognized in accordance with percentage of completion and method of account.
- (v) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

**6. Foreign Exchange Transactions:**

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of transactions.

- (i) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (ii) Non-monetary foreign currency items are carried at cost.
- (iii) In respect of foreign operations, which are non-integral operations, all assets and liabilities, other monetary and non-monetary, are translated at closing rate, which all income and expenses are translated at average rate for the year. The resulting exchange differences are included in the Profit and Loss Account.



## **7. Investments**

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

Cost of overseas investment comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

## **8. Gratuity:**

The Company has made a provision for gratuity to its employees. Gratuity is a defined benefit retirement plan covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment.

## **9. Related Party Disclosures :**

The Company furnishes the details of Related Party Disclosures as given in Para 23 and 26 as required by AS-18.

## **10. Earnings per Share**

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

## **11. Taxes on Income**

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Not to recognize Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

## **12. Provisions, Contingent Liabilities and Contingent Assets**

The company creates the provisions where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made for the amount of the obligation. A disclosure for contingent liability will be made when there is a possible obligation or present obligation that may, but probably, will not required the outflow of resources. Where, there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures will be made.

**Notes to Consolidated financial statements for the year ended 31st March, 2015**

**NOTE NO. 1 : SHARE CAPITAL**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>NOTE NO. 1 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
25,000,000 Equity Share of Rs.10/- each	250,000,000	250,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL:</b>		
(a) Subscribed & Fully Paid up: 17958228 equity shares of Rs. 10/- each	179,582,280	179,582,280
(b) Subscribed & not fully paid up	27,822	27,822
<b>Total Equity Share capital</b>	<b>179,610,102</b>	<b>179,610,102</b>

**NOTE NO. 2 : RESERVES AND SURPLUS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>RESERVES AND SURPLUS</b>		
a) Securities Premium Reserve	253,718,978	253,718,978
b) Share options outstanding account	9,111,286	9,111,286
c) Capital Reserves	115,384,631	18,651,523
d) Surplus :		
i) Opening Balance - Profit and Loss Account	470,543,558	431,780,443
Add: Transfer from Profit & Loss Account	82,881,093	38,763,115
Less: Excess Depreciation transferred	40,127,580	-
	<b>513,297,071</b>	<b>470,543,558</b>
<b>Total Reserves and Surplus</b>	<b>891,511,966</b>	<b>752,025,345</b>

**NOTE NO. 3 : LONG TERM BORROWINGS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Long Term borrowings</b>		
<b>a) Term Loans:</b>		
<b>i) From banks:</b>		
Secured	130,617,732	119,522,265
(Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Director of the Company)		
Less : Term loan Repayable in next 12 months	(22,646,616)	-
<b>ii) From Government Agencies</b>		
NSDC	32,100,000	-
<b>b) Other Loans and Advances</b>		
Un-Secured	13,727,712	11,244,914
<b>Total long term borrowings</b>	<b>153,798,828</b>	<b>130,767,179</b>

**NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Opening Deferred tax Liability	37,945,849	33,889,388
Add:		
Deferred Tax Asset for the year ( Due to SLM and WDV Difference)	(4,586,883)	4,587,829
Deferred Tax Liability for the year ( Due to Others )	(411,808)	(186,005)
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>32,947,158</b>	<b>38,291,212</b>

**NOTE NO. 5 : LONG TERM PROVISIONS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Provision for employee benefits</b>		
Provision for Gratuity	6,959,628	5,593,016
<b>Total Long Term Provisions</b>	<b>6,959,628</b>	<b>5,593,016</b>

**NOTE NO. 6 : SHORT TERM BORROWINGS.**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Loans repayable on demand:</b>		
a) From banks		
Secured (Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Director of the Company)	134,254,430	109,571,186
b) Term loan Repayable in next 12 months	22,646,616	-
<b>Total short term borrowings</b>	<b>156,901,046</b>	<b>109,571,186</b>

**NOTE NO. 7 : TRADE PAYABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
a) Trade Payables	30,396,369	13,098,940
<b>Total Trade Payables</b>	<b>30,396,369</b>	<b>13,098,940</b>

**NOTE NO. 8 : SHORT TERM PROVISIONS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>a) Provisions for employee benefits</b>		
Provident Fund	832,318	651,280
Salaries	11,458,808	9,961,970
<b>b) Others</b>		
<b>Statutory Liabilities</b>		
Income Tax	33,122,533	22,800,838
TDS	3,439,154	5,174,891
Service Tax	541,573	-
ESI	118,285	107,335
Vat Payable	9,500	-
<b>Provision for Expenses</b>		
Rent	144,308	134,852
Bonus	-	1,036,500
Audit Fee	236,192	240,338
Professional Tax	42,150	30,750
Electricity Charges	645,143	732,441
Telephone Charges	93,778	162,111
Consultancy Charges	270,000	1,080,000
Interest	485,458	-
<b>Total short term provisions</b>	<b>51,439,200</b>	<b>42,113,306</b>

**Note : 9  
FIXED ASSETS AND DEPRECIATION**

S. No.	Particulars	Gross Block			Depreciation/Amortization				Net Block	
		As on 01.04.2014	Additions During the year	As on 31.03.2015	Depn As on 01.04.2014	Dep for the year	Dep Tr to Reserves	Depreciation	Net Block As on 31.03.2015	Net block As on 31.03.2014
<b>I. TANGIBLE ASSETS</b>										
1	LAND	54,725,874		54,725,874 -	-	-		54,725,874	54,725,874	
2	BUILDING	305,114,825	451,394	305,566,219	32,981,168	9,719,164		42,700,332	262,865,887	272,133,657
3	PLANT & MACHINERY	22,770,908	1,771,140	24,542,048	4,321,965	1,890,071		6,212,036	18,330,012	18,448,943
4	ELECTRICAL EQUIPMENT	33,539,498	1,836,083	35,375,581	6,531,606	4,339,447	364,018	11,235,072	24,140,509	27,007,892
5	OFFICE EQUIPMENT	27,986,182	3,943,831	31,930,013	7,772,056	5,442,219	7,751,781	20,966,057	10,963,956	20,214,126
6	COMPUTERS	110,060,744	32,133,398	142,194,142	26,217,564	31,799,220	9,118,015	67,134,799	75,059,342	84,466,859
7	FURNITURE	130,997,413	15,517,466	146,514,879	40,135,907	14,215,030	4,345,895	58,696,832	87,818,047	91,101,749
8	VEHICLES	28,067,690	8,289,265	36,356,955	15,530,738	4,214,930	(1,600,993)	18,144,675	18,212,280	12,536,952
<b>SUB TOTAL (A)</b>		<b>713,263,134</b>	<b>63,942,577</b>	<b>777,205,711</b>	<b>133,491,004</b>	<b>71,620,082</b>	<b>19,978,717</b>	<b>225,089,803</b>	<b>552,115,908</b>	<b>580,636,052</b>
<b>II INTANGIBLE ASSETS</b>										
1	SOFTWARE	71,394,113	12,749,485	84,143,597	27,711,187	6,621,989	20,354,778	54,687,954	29,455,643	44,636,642
2	PRODUCT DEVELOPMENT	350,180,762	32,627,539	382,808,301	174,541,124	35,557,563	(205,915)	209,892,772	172,915,529	175,894,188
<b>SUB TOTAL (B)</b>		<b>421,574,875</b>	<b>45,377,024</b>	<b>466,951,898</b>	<b>202,252,311</b>	<b>42,179,552</b>	<b>20,148,863</b>	<b>264,580,726</b>	<b>202,371,172</b>	<b>220,530,830</b>
<b>PREVIOUS YEAR</b>		<b>1,061,849,175</b>	<b>114,247,372</b>	<b>1,151,659,189</b>	<b>280,437,655</b>	<b>85,026,540</b>	<b>29,720,879</b>	<b>335,743,316</b>	<b>815,915,874</b>	<b>766,724,685</b>

**NOTE NO. 10 : NON- CURRENT INVESTMENTS**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>Trade Investments</b>		
a) Investment in Equity Instrument Quoted (400 Shares of Canara Bank) (Market value is Rs. 1,47,160)	14,000	14,000
b) Investment in Mutual funds Canara Robeco Mutual Funds	1,850,000	650,000
<b>Total Non Current Investments</b>	<b>1,864,000</b>	<b>664,000</b>

**NOTE NO.11 : LONG TERM LOANS AND ADVANCES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
<b>a) Security Deposit</b>		
i) Secured	975,045	747,882
ii) Unsecured	48,086,408	23,538,500
<b>b) Loans and advances to related parties</b>		
i) Unsecured -Virinchi Employees Welfare Trust	12,650,000	12,650,000
<b>c) Other loans And advances</b>		
i) Unsecured - Capital Assets Incl Interest receivable	191,657,987	23,386,013
<b>Total Long term loans &amp; advances</b>	<b>253,369,440</b>	<b>60,322,395</b>

**NOTE NO. 12 : TRADE RECEIVABLES**

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, Considered Good	191,076,383	198,161,296
<b>Total Trade Receivables</b>	<b>191,076,383</b>	<b>198,161,296</b>

**NOTE NO. 13 : CASH AND BANK BALANCES**

<b>Particulars</b>	<b>As at 31/03/2015</b> ₹	<b>As at 31/03/2014</b> ₹
<b>Cash and cash equivalents :</b>		
a) Balances with banks	52,624,209	36,552,505
b) Cash on hand	1,263,944	1,453,661
c) Other Bank Balances 12 Months from date of deposit	194,274,626	99,388,495
<b>Total Cash and Cash Equivalents</b>	<b>248,162,779</b>	<b>137,394,661</b>

**NOTE NO. 14 : OTHER CURRENT ASSETS**

<b>Particulars</b>	<b>As at 31/03/2015</b> ₹	<b>As at 31/03/2014</b> ₹
a) Salary and Other Advances	5,833,098	4,792,062
b) Advance Tax	10,181,541	8,613,053
c) IT Refund FY 2011-12	-	1,830
d) Service Tax Credit	1,118,352	-
	<b>17,132,991</b>	<b>13,406,945</b>

**Consolidated Notes to statements of Profit and loss for the year ended 31st March, 2015**

**NOTE NO. 15 : REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended 31/03/2015 ₹</b>	<b>Year Ended 31/03/2014 ₹</b>
Revenue from operations		
(a) Revenue from Services	1,357,142,882	1,121,656,118
(b) Sale of Products	30,565,696	3,097,816
(c) Other Operating Revenues	-	4,981,121
<b>Total Revenue from Operations</b>	<b>1,387,708,578</b>	<b>1,129,735,055</b>

**NOTE NO. 16 : OTHER INCOME**

<b>Particulars</b>	<b>Year Ended 31/03/2015 ₹</b>	<b>Year Ended 31/03/2014 ₹</b>
(a) Interest income	20,053,990	8,293,215
(b) Other non-operating income	3,546,515	3,798,543
(c) Net gain/loss on foreign currency translation	716,876	2,734,951
<b>Total Other Income</b>	<b>24,317,381</b>	<b>14,826,709</b>

**NOTE NO. 17 : EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>Year Ended 31/03/2015 ₹</b>	<b>Year Ended 31/03/2014 ₹</b>
(a) Salaries & Wages	468,451,273	310,558,052
(b) Contribution to Provident & Other Funds	6,966,165	415,542
(c) Staff Welfare Expenses	16,115,504	10,170,768
<b>Total Employee Benefit Expenses</b>	<b>491,532,942</b>	<b>321,144,362</b>

**NOTE NO. 18 : OTHER OPERATING EXPENSES**

<b>Particulars</b>	<b>Year Ended 31/03/2015 ₹</b>	<b>Year Ended 31/03/2014 ₹</b>
(a) Power & Fuel	16,037,529	11,233,007
(b) Rent	22,018,383	14,452,882
(c) Repairs & Maintenance	1,235,480	1,241,529
(d) Insurance	13,296,553	10,017,397
(e) Rates & Taxes	15,649,903	13,768,824
(f) Payment to Auditors:		
(i) As Auditor	289,574	365,304
(ii) For Taxation Matters	-	611,110
<b>Total Other Operating Expenses</b>	<b>68,527,422</b>	<b>51,690,053</b>



**NOTE NO. 19 : ADMINISTRATIVE EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Telephone, Postage and Others	6,667,479	8,465,800
(b) Business Promotion Expenses	152,710,786	151,190,569
(c) Conveyance	15,692,615	13,447,388
(d) Office Maintenance	33,063,464	20,831,884
(e) Printing & Stationery Expenses	1,926,907	1,146,103
(f) Managerial Remuneration	2,475,000	2,462,000
(g) Consultancy Charges	349,217,656	315,668,958
(h) Interest on Taxes payable	-	214,612
(i) Bad Debts	227,529	51,484,156
<b>Total Administrative Expenses</b>	<b>561,981,436</b>	<b>564,911,469</b>

**NOTE NO. 20 : FINANCE COST**

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
(a) Interest Expenses :		
- Interest on Cash Credit	14,701,436	13,581,306
- Interest on Car Loan	571,854	530,374
- Bank Charges	114,374	51,54,647
- Interest on TL	4,307,775	-
(b) Applicable net gain/loss on foreign currency translations	1,748,766	-
<b>Total Finance Cost</b>	<b>21,444,205</b>	<b>19,266,327</b>

**NOTE NO. 21 : OTHER EXPENSES**

Particulars	Year Ended 31/03/2015 ₹	Year Ended 31/03/2014 ₹
(a) Travelling and Conveyance	28,996,387	27,424,761
(b) Vehicle Maintenance	7,593,416	6,076,694
(c) Internet Charges	1,944,084	2,516,976
(d) Other Administrative Expenses	4,185,239	4,948,502
<b>Total Other expenses</b>	<b>42,719,126</b>	<b>40,966,933</b>

**NOTE 22**

	Current year (Rs)	Previous Year (Rs)
Directors Remuneration	24,75,000/-	24,62,000/-

**NOTE 23**

Auditors Remuneration (Incl. Service Tax for Statutory and Tax Matters)

	Current year (Rs)	Previous Year (Rs)
	1,91,012/-	3,65,304/-

**NOTE 24**

The Company is engaged in the development of Computer Software and Services. The Production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales.

**NOTE 25: Investments**

Investments are stated at cost i.e. cost of acquisition, inclusive of expenses incidental to acquisition wherever applicable. Provision for diminution in the value of investments is not created as it is not a permanent decline.

**NOTE 26: Earning per Share:**

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Particulars	2014-2015	2013-2014
Profit available for the equity share holders	8,28,81,093	3,87,63,115
No. of equity shares outstanding for EPS-Basic	1,79,86,050	1,79,86,050
No. of equity shares outstanding of EPS-Diluted	1,79,86,050	1,79,86,050
Basic	4.61	2.16
Diluted	4.61	2.16

**NOTE 27:**

There are no dues to SSI Units outstanding for more than 45 days.

**NOTE 28:**

Confirmations were not obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.

**NOTE 29:.****Related Party Transactions.**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by

the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large.

### Related Party Disclosures

#### a) Key Management Personnel:

S.NO.	NAME	Designation
1	M. SANTI PRIYA	CFO & Whole Time Director
2	K. SRI KALYAN	Whole Time Director
3	K RAVINDRANATH TAGORE	Company Secretary

#### b) Other Related Party:

##### 1. Vivo Bio Tech Ltd

The followings are the related party transactions:

Name of the related Party	Nature of transaction	Current year (Rs)	Previous year (Rs)
M Santi Priya	Remuneration	18,00,000	18,00,000
KSoft Systems Inc.	Consultancy charges	25,73,67,868	180,935,900
Vivo Bio Tech Ltd	Lease Rental Income	30,00,000	30,00,000
K. Sri Kalyan	Remuneration	6,75,000	4,50,000

#### NOTE 30:

Details of contingent liabilities:

Claims against the company not acknowledged as debts include:

1. Demand of Rs. 5,20,290/- raised by Income Tax Dept for the FY 2009-10.

#### NOTE 31:

Previous year's figures have been regrouped wherever necessary.

#### Note 32:

The figures have been rounded off to the nearest rupee.

**FORM NO. AOC - 1**

S NO	Particulars	Name of the subsidiary									
		KSoft- Sytems Inc	Qfund Technologies Private Limited	Tyohar Foods Private Limited	Virinchi Learning Private limited	Virinchi Media& Entertainment Pvt Ltd	Virinchi Infra & Realty Pvt Ltd	virinchi Health Care Pvt Ltd	Asclepius Consulting & Technologies PrivateLimited		
1	Share Capital	6,265,339	100,000	100,000	1,170,000	100,000	100,000	100,000	100,000	100,000	5,882,360
2	Reserves & Surplus	184,123,207	19,916,763	(6,203,658)	1,754,190	Nil	Nil	Nil	Nil	Nil	(10,818,913)
3	Total Assets	282,263,583	133,800,953	24,059,516	61,634,021	15,021,201	105618	60,191,238	13,574,104	60,191,238	13,574,104
4	Total Liabilities	91,875,037	113,784,188	30,163,174	58,709,831	14,921,201	5618	60,091,238	18,510,657	60,091,238	18,510,657
5	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Turnover	460,069,327	114,350,589	2,254,395	900,000	Nil	Nil	Nil	Nil	Nil	19,261,389
7	Profit Before Taxation	64,458,548	11,964,161	(2,951,504)	(2,547,704)	Nil	Nil	Nil	Nil	Nil	(658,075)
8	Provision for Taxation	19,917,691	3,970,051	86,529	Nil	Nil	Nil	Nil	Nil	Nil	(201,792)
9	Profit After Tax	44,540,857	7,994,110	(3,030,033)	(2,547,704)	Nil	Nil	Nil	Nil	Nil	(456,283)

**FORM NO. AOC -2**

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Na
b)	Nature of contracts/arrangements/transaction	Na
c)	Duration of the contracts/arrangements/transaction	Na
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Na
e)	Justification for entering into such contracts or arrangements or transactions'	Na
f)	Date of approval by the Board	Na
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Na

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details	
		a)	Name (s) of the related party & nature of relationship
b)	Nature of contracts/arrangements /transaction	Consultancy fees	Lease rent received
c)	Duration of the contracts /arrangements	As per Consultancy Agreement	As per lease Agreement
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	25,73,67,868	30,00,000
e)	Date of approval by the Board	30/08/2014	30/08/2014
f)	Amount paid as advances, if any	-	-

Date : 31.08.2015

Place : Hyderabad

M. Santi Priya  
CFO & Whole Time Director

M/s. Virinchi Technologies Limited

**CIN : L72200TG1990PLC011104**

Registered office: 10, SRK Colony, West Marredpally, Secunderabad-500 026., Telangana

Phone# 040-27803608/10, E.mail:info@virinchi.com ; www.virinchi.com

**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Virinchi Technologies Limited.

I hereby record my presence at the 26th Annual General Meeting of the shareholders of Virinchi Technologies Limited on Wednesday, 30th September, 2015 At 10.30 AM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026

DP ID*	Reg. Folio No.
Client ID*	No of Shares

\*Applicable if shares are held in electronic form

Name and Address of Member

---

Signature of Shareholder/ Proxy/  
Representative (Please Specify)

**Form No. MGT-11****Proxy form**

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

CIN	:	<b>L72200TG1990PLC011104</b>		
Name of the Company	:	VIRINCHI TECHNOLOGIES LIMITED		
Registered Office:		10, SRK Colony, West Marredpally, Secunderabad-500 026 Telangana		
Name of the Member	:			
Registered Address	:			
Email ID	:			
Folio No/ Client ID	:		DP ID.:	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
2.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
3.	Name:		
	Address		
	Email ID	Signature	
	Or failing him		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting of the company, to be held on the 30th day of September At 10.30 a.m. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026 and at any adjournment thereof in respect of such resolutions as are indicated below:

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1.	Consider and adopt audited financial statements as at 31.03.2015 and profit and loss accounts for the year ended and the reports of the board of Directors and Auditors		
2	Re-appointment of K. SRI KALYAN (DIN – 03137306) Director who retires by rotation		
3.	Ratification of appointment of statutory auditor and fix their remuneration		

Signed this ..... day of ..... 2015.

Affix Revenue Stamp
---------------------------

Signature of shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.