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Annual General meeting on Friday, September 30 2016 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
Saifabad, 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

Viswanath Kompella

Chairman Emeritus

M. Santhi 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

The FY 2015 – 16 has been another successful year. Your company has continued to show growth in revenue, profitability and focus on new strategic initiatives.

Your company has robust foundation and continues to invest to grow it further. I'm pleased to announce the highlights of your company's performance during its 27th fiscal year ending March 31, 2016. Your company continues to fare well with YoY improvement on overall business and profits.

Your company has achieved a total consolidated income of Rs. 2183 million during the year 2015-16as against Rs. 1388 million during the same period last year showing a growth of 57.34%.

Your company has been successful in growing business with its existing clients and continues to support aggressive expansion of its client.

Your flagship Software product QFund™ continued its organic growth path and has seen addition of very strong analytics capability. The product is undergoing accelerated feature addition to deliver more value to its customers. Increased configurability in the system has seen a very positive response from the potential customers and also a potential to expand in additional customer segments.

This year, your company undertook & completed setting up a new International Data Centre (IDC) in Santa Clara, CA, USA. This is to cater to the increasing customer volume. The new IDC together with existing IDCs in Atlanta gives presence in 2 weather zones and hence better DR capability to the customers.

Your company continues to acquire several new clients for Enterprise Applications Practice under KSoft (a fully owned subsidiary of Virinchi). KSoft delivered one of its strongest growth ever yielding strong revenue and margins across technology verticals.

The strong investments undertaken over the past three years yielded sustained value with long term customer relationship and innovative product solutions. The offshore team is investing into new products in the areas of mobility and analytics with sophisticated market facing solutions to its clients. In addition, the business development team added and sustained client relationships driving higher revenue per customer.

KSoft continues to invest in Financial Services, Healthcare and Life Sciences verticals and develop innovative solutions for the US market.

Your company, through its' 100% subsidiary, Virinchi Healthcare Private Limited, is in the process of setting up a 600 bed greenfield super specialty hospital, spread over a total area of 350,000 Sq. ft. across four inter-connected buildings in the prime location of Banjara Hills in Hyderabad.

The hospital is being established with a focus on CONNECT specialties, an acronym for Cardiology, Orthopedics, Nephrology, Neurology, Emergency, Cancer and Transplantation. Your company believes in the concept of "Right to Science" and endeavors to make available evidence based latest advancements in medicine and therapy to all deserving patients.

Your company continues its investment towards building the human capital with specific focus on meritocracy. The focus continues to be on building a customer centric work force.

Looking ahead to 2017, your management team is looking forward for your continued trust and support to take a planned growth path. Your company has multiple opportunities viz. QFund™, Enterprise Applications Practice, software service offering to the QFund™ & Enterprise Applications Practice clientele. Your company will continue to be Software Products & Services focused for the developed markets and also add capability by becoming business solution provider in Healthcare verticals through addition of new hospitals in India.

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 27 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 27th Annual General Meeting of the Members of the Company will be held on Friday, the 30th day of September, 2016, 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, 2016, 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, 2016.
2. To appoint a Director in place of Ms. M Santhi Priya who retires by rotation, and being eligible, offers herself 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, 2017 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.”

Special Business:

4. **Re-appointment of Ms. Santhi Priya M. (DIN 03114319), as Whole-time Director of the Company.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to recommendation of the Board Governance, Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Ms. Santhi Priya M, as Whole-time Director of the Company with effect from 22nd July, 2016 to 21st July, 2021, as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment

and / or agreement in such manner as may be agreed to between the Board of Directors and Ms. Santhi Priya M.

RESOLVED FURTHER THAT the remuneration payable to Ms. Santhi Priya M shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time and the Board be and is hereby authorised to revise the gross salary of the appointee by maximum of 50% per annum.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

5. Re-appointment of Mr.K Sri Kalyan. (DIN 03137506),as Whole-time Director of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to recommendation of the Board Governance, Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. K Sri Kalyan, as Whole-time Director of the Company with effect from 12th August , 2016 to 11th August, 2021, as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. K Sri Kalyan.

RESOLVED FURTHER THAT the remuneration payable to Mr. K Sri Kalyan , shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time and the Board be and hereby authorised to revise the gross salary of the appointee by maximum of 50% per annum.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

6. To increase the Authorised Share Capital of the Company from Rs.25 Crores to Rs. 40 Crores.

To Consider and, if thought fit, to pass, with or without modification (s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Section 61, 64 read with Section 13 and section 14 and other applicable provisions, if any of the Companies Act, 2013, the Existing

Authorized Share Capital of the Company be increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty lakhs Only) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores Only) Equity shares of 10/- each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies and other Statutory authorities and to do all other Acts, Deeds, things and matters as may be deemed expedient to give effect to the aforesaid resolution.”

7. Alteration of Memorandum of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 13 and 14 of the Companies Act, 2013, the Capital Clause of the Memorandum of Association of the company be and hereby amended with substitution of the following clause wherever required

MEMORANDUM OF ASSOCIATION

- V. The Authorized Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores Only) Equity shares of 10/- each (Rupees Ten only) each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privilege or conditions as may be determined by or In accordance with the articles of the company for the time being and to vary modify or abrogate such rights, privileges or conditions in such manner as be permitted by the Act or provided by the articles of the Company for the time being.

BY ORDER OF THE BOARD
For **VIRINCHI LIMITED**
(formerly known as Virinchi Technologies Limited)

K. Ravindranath Tagore
Company Secretary
M. No. A18894

Place : Secunderabad.
Date : 31.08.2016

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 SEBI (LODR) Regulations, 2015 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, 2016 to 30th September 2016 (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 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 dividend 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

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- 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) 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.
- j) The Company has appointed Mr. N V S SSuryanarayanaRao, Practicing Company Secretary as Scrutinizer for conducting e-voting process for the 27th Annual General Meeting of the Company in a fair and transparent manner
- k) 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, as amended by the companies (Management & Administration) amendment rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, 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 27th Annual General Meeting (AGM) to be held on 30.09.2016. 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 Tuesday, 27th September, 2016 at 9.00 a.m. and ends on Thursday, 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, 2016, 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
- 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 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"> ● 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. ● 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 RA00000001 (Which is printed on address label) in the PAN field
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 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.

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 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.

- l) 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 under help section or write an email to helpdesk.evoting@cdslindia.com

BY ORDER OF THE BOARD

For **VIRINCHI LIMITED**

(formerly known as Virinchi Technologies Limited)

Place : Secunderabad.

Date : 31.08.2016

K. Ravindranath Tagore

Company Secretary

M.No. A18894

Brief Profile of Directors seeking Appointment/ Reappointment

1. Name	:	K. Sri Kalyan
Age	:	37 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
2. Name	:	M Santhi Priya
Age	:	42 Years
Qualifications	:	CA
Expertise	:	She has 20 years of experience in the areas of Auditing, Corporate Finance and Taxation
Membership of Committee	:	NIL
Shareholding	:	NIL
Other Directorships	:	NIL

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee the Board of Directors of the Company vide resolution passed on 28th May, 2016 approved re-appointment of Ms. Santhi Priya M, Whole Time Director of the company for a period of 5 years with effect from 22nd July, 2016 and subject to section 197 and Schedule V of the Companies Act, 2013 require approval of the shareholders in the next general meeting of the company. Approval of the members is required by way of Ordinary resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Ms. Santhi Priya M and the terms and conditions of the appointment are given below:

- Salary: Rs. 1,75,000/- per month.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Ms. Santhi Priya M. The Board of Directors recommends the resolution in relation to the appointment of Whole-time Director, for the approval of the members of the Company.

Notice has been received from member signifying their intention to propose appointment of Ms. Santhi Priya M as Whole-time Director of the Company. The disclosure under SEBI (LODR) Regulations, 2015 is provided at Annexure to this Notice. Except Ms. Santhi Priya M and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

Item No. 5

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee the Board of Directors of the Company vide resolution passed on 12th August, 2016 approved re-appointment of Mr. K. Sri Kalyan, Whole Time Director of the company for a period of 5 years with effect from 12th August, 2016 and subject to section 197 and Schedule V of the Companies Act, 2013 require approval of the shareholders in the next general meeting of the company. Approval of the members is required by way of Ordinary resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. K. Sri Kalyan and the terms and conditions of the appointment are given below:

- Salary: Rs. 1,25,000/- per month.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. K. Sri Kalyan. The Board of Directors recommends the resolution in relation to the appointment of Whole-time Director, for the approval of the members of the Company.

Notice has been received from member signifying their intention to propose appointment of Mr. K. Sri Kalyan as Whole-time Director of the Company. The disclosure under SEBI (LODR) Regulations, 2015 is provided at Annexure to this Notice. Except Mr. K. Sri Kalyan and their relatives,

none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 5.

Item No. 6 & 7

Presently, the Authorised Share Capital of your Company is Rs.25, 00, 00,000 (Rupees Twenty Five Crores only) comprising of 2, 50, 00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each.

The Company has plans for further expansions/investment in its businesses and exploring other Options of restructuring of the company. Further, the Company also introduced the new ESOP Scheme. 2016 which will require issuing fresh shares to the employees of the company, which requires to increase the Authorised Share Capital of the Company.

As such, the Authorized Capital of the Company is proposed to be increased to Rs. 40 Crores divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 10/-each. For increase in Authorised Share Capital, approval of shareholders is required. The Ordinary Resolution at Item No. 6 and Special Resolution at item No. 7 seek to make corresponding alteration in Memorandum of Association of the Company respectively with regard to the increase in the Authorised Capital. The Board recommends passing of these resolutions in the interest of the Company. None of the Director is in any way interested in these resolutions.

The above resolutions is already approved by the shareholders though postal ballot and declared by the company as passed on 27th May, 2016. However the board wants to ratify /reconsider the resolutions in the forthcoming Annual General Meeting.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting you the 27th Directors' Report on the business and operations of your company, for the financial year ended 31st March, 2016.

Financial Highlights:

(Rs in Lakhs)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Total Income	22046.66	14120.26	10565.94	8070.59
Profit before interest, Depreciation and Tax	3325.04	2456.80	1844.99	1493.33
Interest	302.90	214.44	217.76	127.41
Depreciation	1207.03	1138.00	1021.67	964.51
Provision for Taxation	137.92	331.23	134.99	89.11
Profit after interest, Tax and depreciation	1620.55	828.81	470.57	312.30
Deferred Tax provision	56.64	(53.44)	(52.96)	(49.05)
Balance brought forward	5132.97	4705.44	4427.43	4457.95
Balance Carried to Balance Sheet	6753.52	5132.97	4845.5	4427.43

RESULTS OF OPERATIONS:

Following are the results of operations for the financial year 2015-16

BUSINESS PERFORMANCE

Consolidated Revenues: The total Consolidated income of the Company for the FY 2015-16 is Rs.22046.66 Lacs as against Rs. 14120.26Lacs in FY 2014-15

Standalone Revenues: The total income of the Company for the FY 2015-16 is Rs. 10565.94 lacs as against Rs. 8070.59 Lacs in FY 2014-15

Consolidated Profits: Profit before Tax (PBT) stood at Rs. 1815.11 lacs as against Rs. 1106.60 Lacs for the previous year. Profit after Tax (PAT) stood at Rs. 1620.55 lacs as against Rs.828.81 Lacs for the previous year.

Standalone Profits: Profit before Tax (PBT) stood at Rs. 605.56 lacs as against Rs. 401.41 Lacs for the previous year. Profit after Tax (PAT) stood at Rs. 417.62 lacs as against Rs. 361.35 Lacs for the previous year.

RESERVES AND SURPLUS

During the year the Company has transferred an amount of Rs. 417.62 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 to the 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 :**Appointments :**

In accordance with the provisions of the Companies Act, 2013 the board has re-appointed Mr. K. Sri Kalyan and Ms. Santhi Priya M as Whole Time Directors, subject to approval of shareholders in the Annual General Meeting of the Company.

Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, directorships in other companies as stipulated under SEBI (LODR) Regulations, 2015 are provided in the report on corporate governance.

Cessations:

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

Share Capital :

The paid up Equity Share capital of the company as on 31st March, 2016 was 1798.60 lacs. During the year the company had issued shares as detailed below.

Particulars	As at 31st March, 2016		As at March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs
Share capital				
(a) Authorised Equity Shares of Rs.10/-each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
b) issued Subscribed and fully paid up: Equity Shares of Rs. 10/-each	1,79,86,050	17,98,60,500	1,79,86,050	17,98,60,500
	1,79,86,050	17,98,60,500	1,79,86,050	17,98,60,500

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

Particulars	As at 31st March, 2016		As at March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs
Equity Shares				
Shares outstanding at the beginning of the year	17986050	179860500	17986050	179860500
Add: issued and allotted during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17986050	179860500	17986050	179860500

ii) Terms/Rights and restrictions attached to the Equity Shares:

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

iii) The Details of Shareholder holding more than 5% shares in the company:

Particulars	As at 31st March, 2016		As at March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs
Equity Shares				
Viswanath Kompella	23,24,900	12.93	23,24,900	12.93
Salokhya Infrastructure Private Ltd	11,50,000	6.39	11,50,000	6.39
Agrade Exim Private Ltd	10,00,000	5.56	10,00,000	5.56

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.

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 of 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

DECLARATION BY INDEPENDENT DIRECTORS :

The company has received declarations from all the independent directors of the company confirming that they continue to meet the criteria of independence as prescribed under sub-section (6) of section 149 of the companies act, 2013 and under Regulation 25 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

Ms. M. Santhi Priya, Chief Financial Officer, Mr K. Sri Kalyan, Whole Time Director and Mr. K. Ravindranath Tagore, Company Secretary are the Key Managerial Personnel (KMP) of the company in terms of the provisions of the Act.

Familiarisation Programme for Independent Directors

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

Board Evaluation

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

Material Subsidiary Policy

The company has adopted a policy for determining a material subsidiary, in line with the requirements of the Act and SEBI(LODR) Regulations, 2015. The policy on Material Subsidiary is available on the website of the company (www.virinchi.com)

Sexual Harassment Policy

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

In the year under review the company has not received any complaint under this policy.

Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted formally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Directors takes appropriate steps to present their views to the Chairperson

One such meeting of Independent Directors was held during the year on 1st January, 2016 without the presence of Executive Directors and management personnel. The details of the attendance of the Independent Directors in the meeting are as below.

Name	No. of meetings held during the year 2015-16	
	Held	Attended
Ramam Madu	1	1
Krishna Kanaparthi	1	1
Samad A. Momin	1	1

Governance Policies

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

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

The link for accessing the above policies is [www.virinchi.com / corporateoverview.php](http://www.virinchi.com/corporateoverview.php)

Board Disclosures

i. Risk Management

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

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

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

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

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

ii. Internal Control System

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

Directors' Responsibility Statement ;

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013, with respect to Director's Responsibility Statement, Your Directors hereby confirmed that :

- i) In the preparation of the annual accounts for the year ended 31st March, 2016, 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, 2016 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 under Regulation 34 (3) read with schedule V (E) of the SEBI (LODR) Regulations, 2015, Auditor's certificate on corporate governance is enclosed as Annexure 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.

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:

Mr. N V S SSuryanarayanaRao , Practicing Company Secretary was appointed to conduct Secretarial Audit of the company for the financial year 2015-16, as required under section 204 of the Companies Act, 2013 and rules framed there under. The Secretarial Audit report for financial year 2015-16 forms part of board's report as Annexure

The Board has appointed Mr. V Chandra Sekhar Patnaik, Practicing Company Secretary as Secretarial Auditor of the Company for financial year 2016-17.

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 & SEBI (LODR) Regulations 2015, 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

PERFORMANCE SUBSIDIARIES INFORMATION :

Tyohar foods Private 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 .subsequently the said DRT was pleased to pass the Order dt. 22.01.2016 in favour of the Bank and dismissed the case filed by the Applicants.

The Applicants preferred an Appeal at DRAT Kolkata vide TA 17/2016 dt.13.02.2016 and approached the Hon'ble High Court and the said court while disposing the case on 29.02.2016 granted Status Quo only for 3 months from the date of Order i.e. 29.02.2016 which expired on 29.05.2016.

The appeal at DRAT, Kolkata is posted for hearing on 07-09-2016 in which both the Bank and Virinchi have filed their counters. At present we are in possession of the property and there is no Stay or Status quo orders from any Court against the said property.

Virinchi Health Care Private Ltd

During the year under review, the process of setting up a 600 bed Greenfield Super Specialty hospital spread over a total area of 350,000 Sft across four inter-connected buildings in the prime location of Banjara Hills in Hyderabad started and is in progress . The main building with 350 beds will be operational before end of Fy 2016-17. The phase II will be completed by Fy 2018-19

The hospital has been established with a focus on CONNECT specialties, an acronym for Cardiology, Orthopedics, Nephrology, Neurology, Emergency, Cancer and Transplantation. Your company believes in the concept of "Right to Science" and endeavors to make available evidence based latest advancements in medicine and therapy to all deserving patients.

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

"We have successfully trained and placed 670 students under NSDC program this year. We are planning to establish 1 training center in each district of Telangana, Andhra Pradesh, Karnataka through a franchise model so that rural youth can utilize the most out of this program. We have developed training material for 10 courses, of which 7 courses are approved by NSDC and 3 are awaiting approval. There is a dedicated learning portal for the students who enroll in our training programs (. We have partnered with reputed hospitals to provide placements to the candidates trained under our NSDC program. Our next year plan is to soon expand the program across Pan India, attain more number of placement partners, and train as many aspirants as possible."

KSoft Systems Inc

M/s. KSoft Systems Inc is in the business of software development 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.

The employees have joined in various projects of the company and total head count is around 120 employees in KSoft as on 31st March, 2016

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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 is as follows:

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (Rs. in lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director / to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the company
1.	K. Sri Kalyan Whole Time Director	9.45 Lacs	40.12%	3.37	Profit before Tax increased by 50.86% and Profit After Tax increased by 15.57% in financial Year 2015-16
2.	M. Santi Priya Whole Time Director and CFO	18.00 Lacs	NIL	6.41	
3.	K.Ravindranath Tagore Company Secretary	18.00 Lacs	30.25%	6.41	

During the period under review, no employee of the Company is employed throughout the financial year and in receipt of Rs.60 lakhs or more, or employed for part of the year and in receipt of Rs.5 lakhs or more a month, under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- ii) The median remuneration of employees of the Company during the financial year was Rs. 2.81 lakhs;
- iii) In the financial year, there was increase of 10.12% in the median remuneration of employees;
- iv) There were 365 employees on the rolls of Company as on March 31, 2016
- v) Relationship between average increase in remuneration and company performance: -
The Profit before tax for the financial year ended March 31, 2016 increased by 50.86% whereas the increase in median remuneration was 10.12%
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel was Rs. 45.46 lakhs whereas the Profit before tax was Rs. 605.57 lakhs in 2015-16

- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 at BSE was Rs. 5863.45 lakhs (Rs. 3426.34 lakhs as on March 31, 2015)
- b) Price Earnings ratio of the Company at BSE was 9.48 as at March 31, 2016 and was 13.99 as at March 31, 2015;
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 15% whereas the increase in the managerial remuneration for the current financial year was 40.12%.
- ix) The key parameters for any variable component of remuneration availed by the directors: Not applicable
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Change of Name, Alteration of Object Clause and Adoption of new Articles of Association.

During the year under review, the name of the company changed from Virinchi Technologies Ltd to Virinchi Ltd. The Company has received the Certificate of Incorporation on 12th January, 2016 Pursuant to change of Name of the Company from “Virinchi Technologies Ltd to Virinchi Ltd “Pursuant to Rule 29 of the Companies (Incorporation) Rules, 2014.

The company has carried out alteration to the Object clause of the memorandum of association by adding following objects after main objects III(A)4:

- 5. To establish, maintain, conduct, provide, procure or make available services of every kind including Commercial, Statistical, Medical, Financial, Legal, Healthcare, Accountancy, Management, Educational, Engineering, Data Processing, Communication, Entertainment, Media, Infrastructure, Hospitality and other technological social or other services
- 6. To carry on the business as importer, exporter, buyer, lesser, and sellers of and dealers in all types of electronic components and equipment necessary for attaining the above objects.

The company has adopted new Articles of Association inconformity with the companies Act, 2013

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

Pursuant to the provisions Section 62 of Companies Act, 2013 read with rules made there under and SEBI (Share Based Employee Benefits) Regulations, 2014 and erstwhile SEBI (Employee Stock Option Scheme and Employee stock purchase Scheme), Guidelines, 1999, the details of stock options as on 31st March, 2016 under the Virinchi Employee Stock Options Scheme, 2004 are as under:

Sl. No	Description	Details
1.	Options Granted during 2015-16	2,67,000
2.	Pricing formula	At Face Value
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: 11,67,000
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. i. Risk-free interest rate ii. Expected life iii. Expected Volatility iv. Expected dividends v. The price of the underlying share in market at the time of option grant	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 Crores)

Particulars	FY 2015-16	FY 2014-15
Foreign Exchange Earnings	104.17	78.38
Foreign Exchange Outgo	46.46	77.43

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 Regulation 34(2) (e) SEBI (LODR) Regulation, 2015 of the Listing Agreement with the stock exchanges is presented in a separate section forming part of the Annual report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
4. Neither of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgments

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

For **VIRINCHI LIMITED**
(formerly known as Virinchi Technologies Limited)

PLACE : SECUNDERABAD
DATE : 31.08.2016

M. Santhi Priya
Chairperson & Whole Time Director
DIN : 03114319

Report on Corporate Governance

1. Company's Philosophy:

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

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

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 4 Non- Executive directors which composition is in compliance with the SEBI (LODR) Regulations, 2015.
- 8 Board Meetings were held during the Financial Year 2015-16 and the gap between two Meetings did not exceed four months. The dates on which the said meetings were held are as follows: 29th May, 2015, 13th August 2015, 31st August 2015, 14th November, 2015, 01st January, 2016, 09th January, 2016, 27th January, 2016 and 12th February, 2016 The necessary quorum was present for all meetings.

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. Santhi Priya	Chairperson and Whole Time Director	8	Yes	0	0	0
K. Sri Kalyan	Whole Time Director	8	Yes	0	0	0
K. Krishna	Independent Non-Executive Director	8	Yes	0	0	0
M. Ramam	Independent Non-Executive Director	8	Yes	0	0	0
K.V.Sittampalam	Independent Non-Executive Director	1	Nb	1	1	0
Samad A.Momin	Independent Non-Executive Director	1	No	0	0	0

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 SEBI (LODR) Regulations, 2015 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 Four (4) 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	4
K Sri Kalyan	Member	Executive Director	4
K.Krishna	Member	Independent Non-Executive Director	4

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 Kanaparthu	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 2015-16(in Rs.)		
	Sitting Fees	Salary	Total
M. SantiPriya	—	18,00,000	18,00,000
K. Sri Kalyan	—	9,45,835	9,45,835
M. Ramam	25,000	—	25,000
K. Krishna	25,000	—	25,000

Shares held by Non-Executive Directors as on 31st March, 2016 are as follows:

S.No.	Name of the Director	No. of shares held as on the Date
1.	RamamMadu	250
2.	Samad A Momin	Nil
3.	K.V. Sittampalam	Nil
4.	K. Krishna	3909

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. Aarathi Consultants Private Limited.

Composition of the Committee:

Name	Designation	Category
M. Ramam	Chairman	Independent Non-Executive Director
K Sri Kalyan	Member	Executive 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: 0 Complaints Received: 12 Complied:- 12 Pending: 0

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

The outstanding complaints as on 31st March, 2016 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
2014-15	30/09/2015 10.30 A.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad, Telangana-500026	NIL
2013-14	30/09/2014 12.30 P.M	Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad, Telangana-500026	<ul style="list-style-type: none"> ● Appointment of Mr. Kunasingam V Sittampalam as Independent Director of the company for period of 5 Years ● Appointment Mr. Krishna K as Independent Director of the company for period of 5 Years ● Appointment of Mr. Samad Momin as Independent Director of the company for period of 5 Years ● Appointment of Mr. RamamaMadu as Independent Director of the company for period of 5 Years ● 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. ● Authorisation to the Board Of Directors of The Company ("The board") to borrow any sums of money from time to time.

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"> 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. 2. Ms. M. Santhi Priya, as Chairperson & 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
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Postal Ballot :

Special Resolution was passed pursuant to Postal ballot Notice dated 14th November, 2015 for the following items.

1. To change the name of the company from Virinchi Technologies Ltd to Virinchi Ltd.
2. To Alter Main Object Clause of the Memorandum of Association of the Company
3. Adoption of new Articles of association of the Company.

Mr. NVSS Suryanarayana Rao, Practicing Company Secretary was appointed as the Scrutinizer for conducting the e-voting in fair transparent manner. The details of Voting pattern in as follows.

Sl. No.	Brief Particulars of Special Resolutions	Total No. of Valid Votes	No. of shares and % of total votes cast in favour		No. of shares and % of total votes cast in against	
			No. of Shares	% of Votes	No. of Shares	% of Votes
1.	Changing the name of the Company from Virinchi Technologies Ltd to Virinchi Ltd	1660792	1660790	99.99	2	0.0001
2.	Alteration of the Main Objects clause of the Memorandum of Association of the Company	1660792	1655690	99.69	5102	0.3100
3.	Adoption of the New Articles of Association of the company as per the Companies Act, 2013	1660792	1655790	99.70	5002	0.3011

The procedure for postal ballot is as per section 110 of the companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014. The Scrutinizer has submitted report to the Chairman Stating that the resolution has been duly passed by the members of the company with requisite majority.

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 Director	1
M. Santhi 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 SEBI (LODR) Regulations, 2015.

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 Minimization
- 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. Means of Communication

Quarterly results :

The Company's quarterly results are published in Financial Express, and Nava Telangana, and are displayed on website www.virinchi.com

News releases, presentations, among others :

Official news releases and official media releases are sent to Stock Exchanges.

Website :

The Company's website www.virinchi.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user - friendly and downloadable form.

Annual Reort :

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

Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Director's Report and forms part of the Annual Report.

Disclosures to Stock Exchanges :

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

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

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

SEBI Complaints Redress System (SCORES) :

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

Dedicated e-mail ID :

investors@virinchi.com

9. General Shareholder information

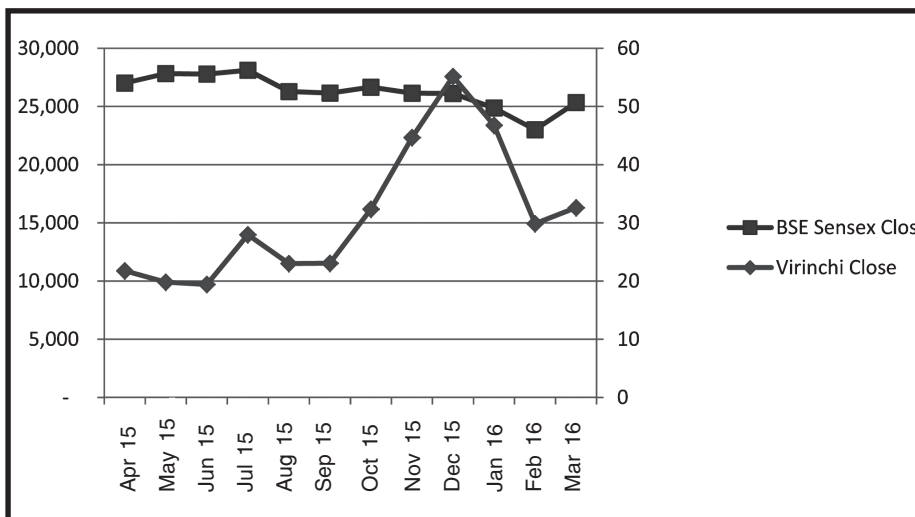
- | | |
|-----------------------------------|---|
| a) AGM: Date, Time and Venue | 30th September, 2016 at 10.30 AM, at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Maredpally, Secunderabad-500026. |
| b) Financial Year | |
| Financial Reporting for : | 1st April to 31st March |
| Quarter ending June 30, 2016 | Before 14th August, 2016 |
| Quarter ending September 30, 2016 | Before 14th November, 2016 |
| Quarter ending December 31, 2016 | Before 14th February, 2017 |
| Quarter ending March 31, 2017 | Before 30th May, 2017 |
| c) Date of Book Closure | 23.09.2016 to 30.09.2016 (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 2016-17 |
| 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 Sharetraders traded
April, 2015	26.50	19.00	2,04,629
May, 2015	22.85	19.05	2,03,080
June, 2015	23.85	18.80	2,64,828
July, 2015	28.80	18.40	4,62,671
August, 2015	29.90	20.05	2,85,550
September, 2015	23.35	20.15	1,26,014
October, 2015	35.30	23.00	7,02,692
November, 2015	45.90	23.60	9,58,767
December, 2015	58.00	37.10	21,33,369
January, 2016	59.90	38.65	14,79,391
February, 2016	50.35	29.45	7,31,450
March, 2016	39.50	30.00	4,51,238

Source : www.bseindia.com



h) Registrar and Share transfer agents Aarhi 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. Aarhi Consultants Pvt. Ltd, Hyderabad

j) Distribution of Shareholding as on 31st March, 2016

Sl. No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5000	5823	73.10	1153824	11538240	6.42
2	5001 - 10000	995	12.49	850719	8507190	4.70
3	10001 - 20000	516	6.48	809383	8093830	4.50
4	20001 - 30000	187	2.35	486196	4861960	2.70
5	30001 - 40000	91	1.14	330303	3303030	1.84
6	40001 - 50000	86	1.08	408305	4083050	2.27
7	50001 - 100000	117	1.46	922358	9223580	5.13
8	100001 & Above	151	1.90	13024962	130249620	72.41
	Total:	7966	100.00	17986050	179860500	100.00

k) Share holding pattern as on 31st March 2016

Category	No. of Shares held	% of Shareholding
A. PROMOTER'S HOLDING:		
1. Promoters* - Indian Promoters - Foreign Promoters	3838812 1068458	21.34 5.94
2. Persons acting in Concert #	Nil	Nil
B. NON-PROMOTERS HOLDING		
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. FIIs	Nil	Nil
C. OTHERS		
1. Private Corporate Bodies	2813766	15.64
2. Indian Public	8846648	49.19
3. N RIs / OCBs	753744	4.19
4. Employee Trusts	1,825	0.01
5. Clearing Members	154412	0.86
D. Non Promoter-Non Public Shareholder		
	508385	2.83
TOTAL	1,79,86,050	100.00

l) EQUITY SHARES IN SUSPENSE ACCOUNT

As per Clause 5A of the Listing Agreement, the Company reports that No Equity Shares are lying in the suspense account as on 31st March, 2016.

m) Dematerialisation of Shares and liquidity:

The Company's shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). An on 31st March 2016 a total of 1544393 Equity Shares were dematerialized representing 84.20% of the total paid up equity share capital of the Company.

Dematerialisation of Shares and Liquidity as on 31st March 2016

	No. of Shares	% of Total
NSDL	12167716	67.65
CDSL	297677	16.55
Physical	2841657	15.80
Total	17986050	100.00

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

o) Address for Correspondence:Virinchi Limited (Formerly Known as Virinchi Technologies Limited), 10, SRK Colony, West Maredpally, Secunderbad — 500 026

p) 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. At present other non Mandatory requirements have not been adopted by the Company.

By order of the Board
For **VIRINCHI LIMITED**
(formerly known as Virinchi Technologies Limited)

PLACE : SECUNDERABAD
DATE : 31.08.2016

M. Santhi Priya
Chairperson & Whole Time Director
DIN : 03114319

ANNEXURE TO THE DIRECTORS' REPORT

Pursuant to Regulation 34(2) (c) of SEBI (LODR) Regulations, 2015, a report on Management Discussion and Analysis Report is given below:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Overview:

Virinchi Limited, founded in 1990, is an IT Products & Services company based out of Hyderabad, India. The company has a headcount of over 365 resources working out of three Offshore Development Centers ODCs that are located in Hyderabad, and measure up to 100000 Sq. Ft of ready to plug-in workspace. The company has its IT clientele spread across globally in North America, Europe, Middle East, and Asia Pacific. Virinchi is a BSE listed organization, led by first generation IIT and IIM entrepreneurs, is one of the early web-based IT products and solutions space in India, offering a wide array of products and solutions for both B2B and B2C portals using off-the-shelf platforms as well as custom designed systems.

QFund, a 100% subsidiary of Virinchi Limited, is the Number One IT Vendor for deferred presentment industry in North America. QFund provides short-term loan related solutions like Payday Loan, Title Loan, Installment Loan, and Check Cashing for loan companies operating from North America and UK. The product is currently being used across more than 6000 stores.

Virinchi's strong processes are ISO 9001:2000, CMMi Level 3 and Cleanroom development certifications. Virinchi is one of the few companies in the world to have implemented the Cleanroom development processes certified by the Carnegie Mellon's Software Engineering Institution.

In addition to its core expertise in the IT services space, Virinchi, in its twenty Seven year old journey has successfully diversified in varied domains chasing milestone to milestone. Today, the Virinchi group comprises ten operating companies in nine business sectors: Information and Communication Technology (ICT), IT consulting, education, financial services, biotechnology, healthcare, hospitality, media, and construction.

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical Cost Convention on an 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)

Industry structure and developments

Adoption of the latest technological changes is one of the major elements that drivers for long-term growth. The radical innovation trends such as the mobile internet, Internet of Things (IoT), cloud computing, big data and others are likely to revolutionize production processes and enhance living standards, particularly in developing countries.

The technology industry is always in flux. Frequent new products and category innovation define and redefine the sector's constantly shifting landscape. But lately we have seen even greater volatility than usual, and it has begun to affect the makeup of hardware and software companies themselves. The industry is being reshaped in numerous ways. Disruption is evident in software and service 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 service provider, based in India, has 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 2015-2016 (“NASSCOM Report”), despite volatility in the global business environment, the Indian IT-BPM industry maintained momentum remaining on track to meet the growth guidance. The industry portfolio broadened during the year with digital solutions becoming mainstream and industry, increasing its market share of digital contracts.

The Indian Government too made some significant announcements during the year – Make in India, Smart Cities, Digital India, Skill India and more recently Start-up India. NASSCOM worked in close partnership with the government for many of these initiatives. It published a detailed report on the technology architecture for Smart Cities and is closely working with the government on e-governance programs under Digital India.

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. Driving 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 Healthcare, Skill Development, Biotechnology, and ICT. 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.

However, 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. We have perfect understanding

of the amount of the risks and extent of the risks involved while delivering the project to the client and is expertise in tackling them effectively. We are also trying to explore and find other opportunities that might prove to be beneficial in increasing our revenues and gain market share. The threat continues to be competition among companies within India and from emerging low cost destinations.

Segment wise or product wise performance:

FY 2015-16

Standalone	Software Product	Software Services	IT Enabled	Infrastrucutre and Real Estate Services	Other Unallocable Income - Unallocable Expenditure	Total
Standalone Segment Revenue	8,554.25	1,309.56	571.54	30.00	-	10,465.35
Standalone Segment Result	498.67	144.05	80.02	-	(117.17)	605.57
Consolidated Segment Revenue	8,610.82	11,815.97	571.54	30.00	-	21,028.33
Consolidated Segment Result	555.45	1,299.76	80.02	-	(120.11)	1,815.11

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 backbone of our internal control mechanism. The Company has adequate internal control systems and procedures in all operational areas and at all levels of equipment procurement, finance and administration marketing and personnel departments. The Company also has an 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 2015-16 is Rs.22046.66 Lakhs as against Rs.14120.26 Lakhs in FY 2014-15

Standalone Revenues: The total income of the Company for the FY 2015-16 is Rs.10565.94 lakhs as against Rs. 8070.59 Lakhs in FY 2014-15

Consolidated Profits: Profit before Tax (PBT) stood at Rs.1815.10 lakhs as against Rs.1106.60 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs.1620.55 lakhs as against Rs.828.81 Lakhs for the previous year.

Standalone Profits: Profit before Tax (PBT) stood at Rs.605.56 lakhs as against Rs.401.41 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs.417.62 as against Rs. 361.35 Lakhs for the previous year.

Material Developments in Human Resources

As of March 31, 2016, Virinchi comprises over 365 employees. In any industry, 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, providing them growth and career enhancement opportunities. We endeavor to develop best in class global leadership. 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 focuses 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.

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

I M. Santhi 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 : Secunderabad

Date : 31-08-2016

M. Santhi Priya

Chairperson & Whole Time Director

DIN : 03114319

Compliance Certificate on Corporate Governance

To
The Members,
VIRINCHI 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 Limited, (“the company”) for the year ended 31st March, 2016 as stipulated in SEBI (LODR) Regulations, 2015 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 SEBI (LODR) Regulations, 2015.

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

P. MURALI MOHANARAO
PARTNER
Membership No. 023412

Place : Hyderabad
Date : 31-08-2016

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

We, M. Santhi Priya, Chairperson & Whole Time Director, K Sri Kalyan, Whole Time Director of Virinchi 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 untrue 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
DIN : 03137506

PLACE : HYDERABAD
DATE :31-08-216

M. Santhi Priya
Chairperson & Whole Time Director
DIN : 03114319

Annexure to Boards Report
SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2016
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Virinchi Limited

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year ended on March 31, 2016 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- vi. Other laws applicable specifically to the Company namely:
 - a. Information Technology Act, 2000 and the rules made thereunder
 - b. Software Technology Parks of India rules and regulations
 - c. Copyright Act, 1957
 - d. The Patents Act, 1970
 - e. The Trade Marks Act, 1999

I have also examined compliance with the applicable clauses following:

The Secretarial Standards issued by the Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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
31/08/2016

N.V.S.S. Suryanarayana Rao
Practicing Company Secretary
COP No.: 2886

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Virinchi Limited
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
31/08/2016

N.V.S.S. Suryanarayana Rao
Practicing Company Secretary
COP No.: 2886

Annexure to Boards Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016

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

I. REGISTRATION & OTHER DETAILS:

i)	CIN	L72200TG1990PLC011104
ii)	Registration Date	13/03/1990
iii)	Name of the Company	Virinchi Limited(formerly known as Virinchi Technologies Limited)
iv)	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered Office & contact details	10 , SRK Colony,West Marredpally, Secunderabad, Telangana-500026
vi)	Whether listed company	Yes
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Aarhi 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)

S. 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

SN	Name and address of the Company	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)
9	Tensor Fields Consultancy Services Private Limited Address: Plot No.10, SRK Colony, West Marredpally, Secunderabad, Telangana-500026 CIN:U74900TG2015PTC101115	Subsidiary	100%	Sec.2(87)(ii)
10	Virinchi Combinatorics and Systems Biology Private Limited **Address: Plot No.10, SRK Colony, West Marredpally, Secunderabad, Telangana-500026 CIN:U74999TG2016PTC110019	Subsidiary	100%	Sec.2(87)(ii)

**VIRINCHI COMBINATORICS AND SYSTEMS BIOLOGY PRIVATE LIMITED was incorporated under the provisions of the Companies Act, 2013 on 31st May, 2016 as 100% subsidiary of Virinchi Limited.

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1927470	850000	2777470	15.44	2757070	0	2757070	15.33	-0.11
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.	1056742	0	1056042	5.88	10456742		1056042	5.88	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	22984212	850700	3834212	21.31	3813112	0	3813112	21.20	-0.11
(2) Foreign									
NRI Individuals	974461	0	974461	5.42	998974	0	998974	5.56	0.14
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
Sub Total (A) (2)	1068945	0	1068945	5.94	1093458	0	1093458	6.09	0.14
TOTAL(A)= A(1)+A(2)	4053157	850700	4903157	27.25	4907270	0	4907270	27.28	0.03
B. Public Shareholding									
1. Institutions									
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	-0.04
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
Sub-total (B)(1):-	7824	0	7824	0.04	7824	0	0	0	-0.04
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	659423	2150000	2809423	15.62	663766	2150000	2813766	15.64	0.02
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4544375	89532	4633907	25.76	4581775	89032	4670807	25.97	0.21
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4251971	12500	4264471	23.71	4163341	12500	4175841	23.22	-0.49
c) Others (specify)									
c) i) Non Resident Indians	140427	88300	228727	1.27	165444	88300	253744	1.41	0
c) ii) Overseas Corporate	0	500000	500000	2.78	0	500000	500000	2.78	0
c)iii) Foreign Nationals	0	0	0	0	0	0	0	0	0
c)iv) Clearing Members	128331	0	128331	0.71	154412	0	154412	0.86	0.15
c)v) Trusts	0	0	0	0	0	0	0	0	0
c) vi) 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
Sub-total (B)(2):-	9724527	2842157	12566684	69.86	9728738	2841657	12570395	69.89	0.03
Total Public Shareholding (B)=(B)(1)+(B)(2)	9732351	2842157	12574508	69.91	9728738	2841657	12570395	69.89	0.03
C. Non Promoter - Non Public									
1. Shares held by Custodian for GDRs & ADRs -	0	0	0	0	0	0	0	0	0
2. Employee Benefit Trust under SEBI (SBEB) Reg. 2014	508385	0	508385	2.83	508385	0	508385	2.83	0
Total Non Promoter - Non Public	508385	0	508385	2.83	508385	0	508385	2.83	0
Grand Total (A+B+C)	1429389	3692857	17986050	100	15144393	2841657	17986050	100	0.06

B. Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares shareholding encumbered to total shares	% change in shareholding during the year
1	VISWANATH KOMPELLA	2568300	14.28	0	2568300	14.28	0	0
2	KOMPELLA MADHAVI LATHA	4600	0.02	0	4600	0.02	0	0
3	PRAVEEN KUMAR KONDAI	675000	3.75	0	675000	3.75	0	0
4	P K I SOLUTIONS PVT LTD	405605	2.26	0	405605	2.26	0	0
5	SHREE SHREERESORTS 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	0	200487	1.11	0	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	34220	0.19	0	34220	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

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	54,11,542	30.09		
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease(e.g. allotment /transfer / bonus/ sweat equity etc.): At the beginning of the year	(5,08,385)	(2.23)	NA	
	At the end of the year	49,03,157	27.86		

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

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
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	500000	2.78
4	SANGEETHA S	356390	1.98	356390	1.98
5	MAGIC SHARE TRADERS LIMITED	260000	1.45	260000	1.45
6	BRAHAM PRAKASH KHURANA	250250	1.39	242637	1.34
7	VRAJLAL VALJI KAPADIA	220000	1.22	230000	1.27
8	MANU GOPALDAS CHHABRIA	220567	1.23	172367	0.96
9	APARNA JAIN	311000	1.73	370000	2.06
10	BRIJMOHAN KETAN KUMAR MANADHANIYA (HUF)	160000	0.89	160000	0.89

(E) 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	SantiPriya 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.	Krishna K Independent Director				
	At the beginning of the year	3,909	—	3,909	—
	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	3,909	—	3,909	—
5.	RamamMadhu 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

V) INDEBTEDNESS : Indebtedness of the Company including interest outstanding / accrued but not due for payment .

	Secured Loans	Unsecured Loans excluding deposits	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	162193206	-	-	162193206
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due				
Total (i+ii+iii)	162193206	-	-	162193206
Change in Indebtedness during the financial				
* Addition	894713154	-	-	894713154
* Reduction	847790701	-	-	847790701
Net Change	209115658	-	-	209115658
Indebtedness at the end of the financial year				
i) Principal Amount	209115658	-	-	209115658
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	209115658	-	-	209115658

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/ WTD/Manager		Total Amount
	Name	M Santi Priya CFO & Whole Time Director	K Sri Kalyan Whole Time Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	9,45,835	27,45,835
	(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
	Total (A)	18,00,000	9,45,835	27,45,835
	Ceiling as per the Act	Rs.69.63 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.)

S. No	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
1	Independent Directors	Kunasingam V Sittampalam	Krishna Kanaparthu	Ramam Madu	Samad A Mohan	
	Fee for attending board and committee meetings	-	25,000	25,000	-	50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	25,000	25,000	-	50,000
2	Other Non-Executive Directors					
	Fee for attending board and committee meetings					
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	25,000	25,000	-	50,000
	Total Managerial Remuneration	-	25,000	25,000	-	50,000
	Overall Ceiling as per the Act	Rs.69.63 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)

SN.	Particulars of Remuneration	Key Managerial Personnel	Total Amount (In Rs.)
	Name	K. Ravindranath Tagore Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	18,00,000
	(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	Nil	Nil
	- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (C)	18,00,000	18,00,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

FORM AOC - I
PART - A
STATEMENT SHOWING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES
AS PER THE COMPANIES ACT, 2013

S. No.	Name of the subsidiary	Ksoft Systems 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 Private Limited	Tensor Fields Consulting Services Pvt Ltd
1	Share capital	4,591,087	100,000	100,000	1,170,000	100,000	100,000	30,000,000	5,882,360	100,000
2	Reserves & Surplus	318,310,466	23,719,046	(8,570,122)	(1,086,373)	(21,190)	(11,236)	298,977,100	(15,811,885)	(5,750)
3	Total Assets	471,280,965	107,371,085	22,933,062	65,352,227	14,409,668	94,382	1,098,555,752	10,661,213	10,000
4	Total Liabilities	148,379,412	83,552,038	31,403,184	65,248,600	14,330,858	5,618	769,578,652	7,750,040	-
5	Investments	-	-	-	-	-	-	-	-	-
6	Turnover	1,050,640,759	80,334,823	1,593,900	1,654,000	Nil	Nil	Nil	5,628,567	Nil
7	PBT	126,700,017	4,615,020	(2,290,366)	(2,820,563)	(15,572)	(5,618)	(22,900)	(5,221,373)	(5,750)
8	Pro for Tax	38,010,005	812,736	76,098	-	-	-	-	-	-
9	PAT	88,690,012	3,802,284	(2,366,464)	(2,820,563)	(15,572)	(5,618)	(22,900)	(5,221,373)	(5,750)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-
11	% of shareholding	100%	100%	100%	100%	100%	100%	100%	51%	100%

PART - B :**JOINT VENTURE :**

There are no joint ventures to report.

ANNEXURE TO DIRECTORS' REPORT
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		
1	Name (s) of the related party & nature of relationship	K Sri kalyan	M Santhi Priya	Vivo Bio Tech Ltd.
2	Nature of contracts/arrangements/ transaction	Managerial Remuneration	Managerial Remuneration	Lease rent Received
3	Duration of the contracts/arrangements /transaction	As per Employment agreement	As per Employment Agreement	As per the lease agreement
4	Salient terms of the contracts or arrangements or transaction including the value, if any	18,00,000	9,45,835	30,00,000
5	Date of approval by the Board	01/07/2016	01/07/2016	30/08/2014
6	Amount paid as advances, if any	—	—	—

Place : Secunderabad
Date : 31.08.2016

M. Santhi Priya
CFO & Whole Time Director
DIN : 03111319

Standalone Financials

INDEPENDENT AUDITOR'S REPORT

To the Members of Virinchi Limited (Formerly known as Virinchi Technologies Ltd) Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Virinchi Limited (Formerly known as Virinchi Technologies Ltd)** ("the Company"), which comprises the Balance Sheet as at March 31, 2016, 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 and presentation of these standalone financial statement 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 standalone 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 standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, 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 standalone 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**' and
 - g) 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 2016 on its financial position in its standalone 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 is no amount which is required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2016.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No : 007257S
P. Murali Mohana Rao
Partner
M.No. 023412

Place : Hyderabad

Date : 28/05/2016

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Virinchi Limited (Formerly known as Virinchi Technologies Ltd) on the standalone financial statements for the year ended 31st March 2016, 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. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company does not have any inventory and as such the physical verification and maintenance of proper records of the same does not arise.
- iii. The company has granted loans to 8 bodies corporate covered in the register maintained under section 189 of the companies Act 2013 ('the Act').
 - a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not prejudicial to the interest of the company.
 - b) In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrower have been regular in the payment of principal and interest as stipulated.
 - c) There are no over due amount in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the companies Act 2013 in respect of loan and investment made and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The Cost records as specified under section 148(1) of the Companies Act 2013 is not prescribed to the company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company 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 2016 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 Provident fund, Employees state insurance, income tax, service tax, custom duty and other material statutory dues, which have not been deposited on account of any disputes.

- viii. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks or governments or dues to debenture holder as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related parties transactions have been disclosed in the financial statements as required under Accounting Standard – 18 and related parties disclosure specified under section 133 of the Act, read with Rule 7 of the companies (accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

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

P. Murali Mohana Rao
Partner
M.No. 023412

Place : Hyderabad

Date : 28/05/2016

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of **Virinchi Limited (Formerly known as Virinchi Technologies Ltd)** ('the company') as on 31st march 2016 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P. Murali Mohana Rao
Partner
M.No. 023412

Place : Hyderabad

Date : 28/05/2016

M/s. VIRINCHI LIMITED
STANDALONE BALANCE SHEET

PARTICULARS	Note	As At 31/03/2016 ₹	As At 31/03/2015 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	179,860,500	179,610,102
(b) Reserves and Surplus	2	747,334,853	705,573,217
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	75,410,912	14,837,224
(b) Deferred tax liabilities (Net)	4	34,733,549	29,438,033
(c) Long term provisions	5	5,439,648	6,579,575
(3) Current Liabilities			
(a) Short-term borrowings	6	190,636,839	147,355,983
(b) Trade payables	7	183,009,109	17,899,336
(c) Short-term provisions	8	44,758,596	21,186,126
Total		<u>1,461,184,007</u>	<u>1,122,479,594</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	530,074,347	466,273,436
(ii) Intangible assets	9	155,319,051	140,532,902
(iii) Capital work-in-progress		-	15,988,465
(b) Non-current investments	10	349,155,087	19,755,087
(c) Long term loans and advances	11	4,039,787	3,224,002
(2) Current assets			
(a) Short Term Advances	12	139,448,143	192,545,492
(b) Trade receivables	13	159,811,125	150,246,046
(c) Cash and cash equivalents	14	99,017,164	122,480,685
(d) Other current assets	15	24,319,302	11,433,480
Total		<u>1,461,184,007</u>	<u>1,122,479,594</u>

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

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

As per Our Report of Even Date

For P. Murali & Co.

Chartered Accountants

Firm Registration No. 007257S

For and on behalf of the Board

For Virinchi Limited

P.Murali Mohana Rao

Partner

Membership No. 023412

M Santhi Priya

CFO & Whole Time Director

DIN : 03114319

K Sri Kalyan

Whole Time Director

DIN : 03137506

Place : Secunderabad

Date : 28.05.2016

K. Ravindranath Tagore

Company Secretary

M.No. A18894

M/s. VIRINCHI LIMITED
Standalone Statement of Profit and Loss

PARTICULARS	Note	Year Ended 31/03/2016 ₹	Year Ended 31/03/2015 ₹
1. Revenue from operations	16	1,043,534,961	790,872,878
2. Other Income	17	13,058,719	16,186,385
3. Total Revenue (1 +2)		1,056,593,679	807,059,263
4. Expenses:			
a) Employee benefit expense	18	266,013,970	160,543,924
b) Other operating expenses	19	24,178,629	17,418,113
c) Administrative Expenses	20	484,814,279	437,312,001
d) Financial costs	21	21,775,751	12,741,360
e) Depreciation and amortization expense	9	102,167,038	96,450,594
f) Other expenses	22	97,087,308	42,452,230
Total Expenses		996,036,975	766,918,222
5. Profit before tax (3- 4)		60,556,704	40,141,041
6. Tax expense:			
(a) Current tax		13,499,550	8,911,215
(b) Deferred tax Liability/(Asset)		5,295,516	(4,905,215)
7. Profit for the period		41,761,638	36,135,041
8. Earning per equity share:			
(1) Basic		2.32	2.01
(2) Diluted		2.32	2.01

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

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

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

For and on behalf of the Board
For Virinchi Limited

P.Murali Mohana Rao
Partner
Membership No. 023412

M Santhi Priya
CFO & Whole Time Director
DIN : 03114319

K Sri Kalyan
Whole Time Director
DIN : 03137506

Place : Secunderabad
Date : 28.05.2016

K. Ravindranath Tagore
Company Secretary
M.No. A18894

M/s. VIRINCHI LIMITED
Standalone Cash Flow Statement

Particulars	Current Year ₹	Previous Year ₹
A. Cash Flow from Operating Activities:		
Net Profit before tax	605.57	401.41
Adjustments for:		
Depreciation	1,021.67	964.51
Interest expenses	217.76	127.41
Operating Profit before Working Capital Changes	1,844.99	1,493.33
Working Capital Changes		
Trade and other receivables	298.31	(651.52)
Trade payables	2,308.23	754.34
Cash Generated from Operations	4,451.53	1,596.14
Interest paid	217.76	127.41
Taxation for the year	135.00	89.11
Net Cash from Operating Activities	4,098.78	1,379.62
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(1,647.66)	(951.58)
Investment	(3,294.00)	(2.00)
Net Cash used in Investing Activities	(4,941.66)	(953.58)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	2.50	-
Net Proceeds from Long Term Borrowings	605.74	(257.82)
Net Cash used in Financing Activities	608.24	(257.82)
Net increase in cash and cash equivalents	(234.64)	168.21
Cash and Cash equivalents as at 01.04.2015	1,224.81	1,056.60
Cash and Cash equivalents as at 31.03.2016	990.17	1,224.81

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

For and on behalf of the Board
For Virinchi Limited

P.Murali Mohana Rao
Partner
Membership No. 023412

M Santhi Priya **K Sri Kalyan**
CFO & Whole Time Director Whole Time Director
DIN : 03114319 DIN : 03137506

Place : Secunderabad
Date : 28.05.2016

K. Ravindranath Tagore
Company Secretary
M.No. A18894

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 - noncurrent 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 before 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.
- 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.

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 recognition from application access and usage fee based on number of stores used by the clients during the month.
- (iii) Revenue from Software development services includes revenue from time and material and fixed price contracts recognized as related services are performed.
- (iv) 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.

- a) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- b) Non-monetary foreign currency items are carried at cost.
- c) 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 the financial statements for the year ended 31 March 2016

NOTE : 1 : SHARE CAPITAL

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
SHARE CAPITAL		
AUTHORISED:		
25,000,000 Equity Share of Rs.10/- each	250,000,000	250,000,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL:		
(a) Subscribed & Fully Paid up: 17973528 equity shares of Rs. 10/- each	179,735,280	179,582,280
(b) Subscribed & not fully paid up 12522 equity shares of Rs. 10/- each	27,822	27,822
(c) Calls in arrears	97,398	—
Total Equity Share capital	179,860,500	179,610,102

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
Equity Shares of Rs. 10 each, Fully paid up		
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	17,986,050	17,986,050

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 31/3/2016 ₹	As at 31/3/2015 ₹
RESERVES AND SURPLUS		
a) Securities Premium	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	442,742,953	445,794,657
Add: Transfer from Profit & Loss Account	41,761,638	36,131,041
Less: Excess Depreciation transferred	-	39,186,745
Closing Balance	484,504,590	442,742,953
Total Reserves and Surplus	747,334,853	705,573,217

NOTE NO. 3 : LONG TERM BORROWINGS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Long Term borrowings		
a) Term Loans:		
From banks:		
Secured		
Vehicle Loans (Hypothecation of vehicles)	6,750,403	4,766,645
Term Loans (Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Promoter of the Company)	11,728,418	10,070,579
b) Other Loans and Advances		
Un-Secured from related parties	56,932,091	—
Total long term borrowings	75,410,912	14,837,224

NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Opening Deferred tax Liability	29,438,033	34,343,248
Add:		
Deferred Tax Asset for the year (Due to SLM and WDV Difference)	5,873,369	(4,493,407)
Deferred Tax Liability for the year (Due to Others)	(577,853)	(411,808)
Gross Deferred tax Liability	34,733,549	29,438,033
Opening Deferred tax Asset		
Provision for Gratuity and Compensated Absences and doubtful debts	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	34,733,549	29,438,033

NOTE NO. 5 : LONG TERM PROVISIONS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Provisions for employee benefits		
- Provision for Gratuity	5,439,648	6,579,575
Total Long Term Provisions	5,439,648	6,579,575

NOTE NO. 6 : SHORT TERM BORROWINGS.

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Short Term Borrowings		
a) Loans repayable on demand:		
From banks		
Secured	168,342,622	124,709,367
(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 payable during the year	22,294,216	22,646,616
Total short term borrowings	190,636,839	147,355,983

NOTE NO. 7 : TRADE PAYABLES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Trade Payables	183,009,109	17,899,336
Total Trade Payables	183,009,109	17,899,336

NOTE NO. 8 : SHORT TERM PROVISIONS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Provisions for employee benefits		
PF Payable	1,110,381	740,684
Salaries Payable	33,382,895	9,116,121
b) Others		
Statutory Liabilities		
Income Tax Payable	6,306,263	8,911,215
TDS	1,828,927	720,624
Service Tax	-	541,573
ESI	140,339	118,285
Provision for Expenses		
Rent	153,218	144,308
Audit Fee	156,750	153,540
Professional Tax	48,900	39,550
Electricity Charges	764,760	645,143
Telephone Charges	114,758	55,083
Interest Payable	751,405	-
Total Short Term Provisions	44,758,596	21,186,126

NOTE NO. 10 : NON- CURRENT INVESTMENTS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
1) Investment in Subsidiaries		
a) Equity Shares		
100% holding in Ksoft Systems Inc	4,591,087	4,591,087
100% Holding in Qfund Technologies Pvt. Ltd.	100,000	100,000
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	329,000,000	100,000
51% Asclepius Consulting - Investment	3,000,000	3,000,000
100% Holding in Tensor Fields Consultancy Services Pvt Ltd	100,000	-
	347,891,087	18,891,087
2) Trade Investments		
a) Investment in Equity Instrument Quoted (400 Shares of Canara Bank)	14,000	14,000
b) Investment in Mutual funds Canara Robeco Mutual Funds	1,250,000	850,000
Total Non Current Investments	349,155,087	19,755,087

NOTE NO. 11 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Security Deposit		
Secured	975,045	975,045
Unsecured	3,064,742	2,248,957
Total Long Term Loans & Advances	4,039,787	3,224,002

NOTE NO. 12 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Loans and Advances to Related Parties		
Unsecured		
K Soft Systems Inc	4,572,911	(3,883,253)
Qfund Technologies Pvt Ltd	23,977,445	55,134,679
Virinchi Employees Welfare Trust	12,650,000	12,650,000
Virinchi Learning Pvt Ltd	32,415,701	25,875,993
Asclepius Consulting & Technologies Pvt Ltd	5,504,753	5,017,398
Tyohar Foods Pvt Ltd	28,837,453	(6,685,182)
Virinchi Media & Entertainment Pvt Ltd	14,325,133	14,825,133
Virinchi Healthcare Pvt Ltd	15,512,902	69,366,404
b) Other loans And advances		
Unsecured - Capital Assets Incl Interest receivable	1,651,845	20,244,319
Total Short Term Loans and Advances	139,448,143	192,545,492

NOTE NO. 13 : TRADE RECEIVABLES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Other Receivables Unsecured, Considered Good	159,811,125	150,246,046
Total Trade Receivables	159,811,125	150,246,046

NOTE NO. 14 : CASH AND BANK BALANCES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Balances with banks : Current Accounts	3,218,746	41,238,352
b) Cash on hand	201,311	334,657
Sub Total	3,420,057	41,573,009
Other Bank Balances On Deposit Accounts 12 Months from date of deposit	95,597,106	80,907,676
Total Cash and Cash Equivalents	99,017,164	122,480,685

NOTE NO.15 : OTHER CURRENT ASSETS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Salary and Travel Advances	13,309,190	3,417,151
Deferred Financial Charges	2,521,628	575,675
Advance Tax	7,269,596	7,440,654
Service Tax	1,218,888	-
Total Other Current Assets	24,319,302	11,433,480

NOTE NO. 16 : REVENUE FROM OPERATIONS

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
Revenue from operations		
(a) Revenue from Services	986,381,387	763,136,577
(b) Other Operating Revenues	57,153,574	27,736,301
Total Revenue from Operations	1,043,534,961	790,872,878

NOTE NO. 17 : OTHER INCOME

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Interest income	10,054,519	13,184,585
(b) Other non-operating income	3,004,200	3,001,800
Total Other Income	13,058,719	16,186,385

NOTE NO. 18 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Salaries & Wages	248,080,916	145,031,978
(b) Contribution to Provident & Other Funds	9,571,069	6,528,126
(c) Staff Welfare Expenses	8,361,985	8,983,820
Total Employee Benefit Expenses	266,013,970	160,543,924

NOTE NO. 19 : OTHER OPERATING EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Power & Fuel	8,729,786	8,329,616
(b) Rent	6,453,694	3,205,972
(c) Repairs & Maintenance	136,865	632,958
(d) Insurance	3,628,472	2,106,872
(e) Rates & Taxes	5,051,480	2,951,683
(f) Payment to Auditors:		
(i) As Auditor	178,332	191,012
Total Other Operating Expenses	24,178,629	17,418,113

NOTE NO. 20 : ADMINSTRATIVE EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Telephone, Postage and Others	3,828,201	2,588,802
(b) Business Promotion Expenses	99,656,831	128,840,524
(c) Conveyance	953,671	512,721
(d) Office Maintenance	51,689,702	17,495,712
(e) Printing & Stationery Expenses	1,706,496	1,881,695
(f) Managerial Remuneration	2,745,835	2,475,000
(g) Consultancy Charges and Subcontracting Expenses	324,233,543	283,517,547
Total Administrative Expenses	484,814,279	437,312,001

NOTE NO. 21 : FINANCE COST

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Interest Expenses :		
- Interest on Cash Credit	13,066,921	10,420,740
- Interest on Car Loan	965,888	571,854
(b) Applicable net gain/loss on foreign currency translations	7,742,942	1,748,766
Total Finance Cost	21,775,751	12,741,360

NOTE NO. 22 : OTHER EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
Travelling and Visa Expenses	64,129,921	28,959,101
Vehicle Maintenance	7,712,050	7,593,416
Internet Charges	1,827,466	1,944,084
Other Administrative Expenses	23,417,871	3,955,630
Total Other expenses	97,087,308	42,452,231

**Note Number : 9
FIXED ASSETS AND DEPRECIATION**

Sl.	Particulars	Gross Block				Rate of Depreciation	Depreciation / Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015
		As on 01.04.2015	Additions during the year	Sale / deletions during the year	As on 31.03.2016		Dep. As on 01.04.2015	Dep. For the 2015-2016	Total Depreciation		
I.	TANGIBLE ASSETS										
1	LAND	54,725,874	-	-	54,725,874	000%	-	-	-	54,725,874	54,725,874
2	BUILDING	250,025,358	44,709,234	-	294,734,592	334%	31,020,091	8,336,174	39,356,265	255,378,327	219,005,267
3	PLANT & MACHINERY	19,234,556	-	-	19,234,556	475%	5,565,621	1,417,182	6,983,803	12,250,753	13,667,935
4	ELECTRICAL EQUIPMENT	35,208,136	440,305	-	35,648,441	475%	11,153,408	4,342,724	15,496,132	20,152,309	24,054,728
6	OFFICE EQUIPMENT	29,209,986	907,177	-	30,117,162	475%	19,710,669	3,113,087	22,823,756	7,293,407	9,499,316
7	COMPUTERS	101,312,505	70,203,595	-	171,516,100	1621%	46,906,338	27,913,640	74,819,978	96,696,122	54,406,166
8	FURNITURE	137,774,035	3,887,256	-	141,661,291	633%	56,947,481	13,435,914	70,383,395	71,277,896	80,826,554
9	VEHICLES	27,852,110	6,181,780	1,175,566	32,808,294	950%	17,764,515	2,744,118	20,508,633	12,299,661	10,087,595
	Sub Total (a)	655,342,559	126,279,347	1,175,596	780,446,310	-	189,069,123	61,302,840	250,371,963	530,074,347	466,273,436
II.	INTANGIBLE ASSETS										
	Software	74,749,756	28,650,347	-	103,400,104	1621%	51,000,942	6,744,644	57,745,586	45,654,517	23,748,814
	Product Development	315,449,439	27,000,000	-	342,449,439	1000%	198,665,351	34,119,554	232,784,905	109,664,534	116,784,088
	Sub Total (b)	390,199,195	55,650,347	-	445,849,543	-	249,666,293	40,864,198	290,530,491	155,319,051	140,532,902
III.	CAPITAL WORK IN PROGRESS										
	CAPITAL WORK IN PROGRESS	15,988,465	21,179,630	37,168,095	-	-	-	-	-	-	15,988,465
	Sub Total (c)	15,988,465	21,179,630	37,168,095	-	-	-	-	-	-	15,988,465
	GRAND TOTAL (a+b+c)	1,061,530,219	203,109,325	38,343,691	1,226,295,853	-	438,735,416	102,167,038	540,902,454	685,393,399	622,794,803

NOTE NO. 22 : OTHER EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
a) Travelling and Visa Expenses	64,129,921	28,959,101
b) Vehicle Maintenance	7,712,050	7,593,416
c) Internet Expenses	1,827,466	1,944,084
d) Other Administrative Expenses	23,417,871	3,955,630
Total Other Expenses	97,087,308	42,452,231

NOTE NO. 23

Particulars	Current Year ₹	Previous Year ₹
Directors Remuneration	2,745,835/-	24,75,000/-

NOTE NO. 24

Particulars	Current Year ₹	Previous Year ₹
Auditors Remuneration (Inclusive of service tax)	178,332/-	1,91,012/-

NOTE 25

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 26: 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
8	Tensor Fields Consultancy Services 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 27: 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	2015-16	2014-2015
Profit available for the equity share holders	41,761,638	3,61,35,041
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	2.33	2.01
Diluted	2.33	2.01

NOTE 28:

Foreign Currency Outflow during the year of Rs46.46 Crores spent during the year.

NOTE 29:

Operational revenue received in foreign currency during the year is Rs.104.17Crores.

NOTE 30:

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

NOTE 31:

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

NOTE 32:

During the year company entered into a forward contract for USD 300000 per month. Company blocked the Dollar average rate of Rs. 68.75. Unexpired portion of forward contract is USD 3 Millions from the end of Financial Year.

NOTE 33:**Deferred Tax Asset/ Liability:**

Particulars	As at 31.3.2016	As at 31.3.2015
Deferred Tax Liability		
a) Opening Balance	29,438,033	3,43,43,248
ADD: Deferred tax liability	5295516	(4905215)
Total	34,733,549	2,94,38,033

NOTE 34:**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. Tensor Fields Consultancy Services Pvt Ltd
9. Asclepius Consulting & Technologies Pvt Ltd

b) Key Management Personnel:

S.NO.	NAME	Designation
1	SANTHI PRIYA M	CFO & Whole Time Director
2	SRI KALYAN K	Whole Time Director
3	RAVINDRANATH TAGORE K	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 Santhi Priya	Remuneration	18,00,000	18,00,000
Sri Kalyan K	Remuneration	9,45,835	6,75,000
K Soft Systems Inc	Consultancy charges	266,909,980	25,73,67,868
Vivo Bio Tech Ltd	Lease Rental Income	30,00,000	30,00,000

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

For and on behalf of the Board

For Virinchi Limited

M Santhi Priya

CFO & Whole Time Director

DIN : 03114319

K Sri Kalyan

Whole Time Director

DIN : 03137506

Place : Secunderabad

Date : 28.05.2016

K. Ravindranath Tagore

Company Secretary

M.No. A18894

Consolidated Financials

INDEPENDENT AUDITOR'S REPORT

To the Members of Virinchi Limited

(Formerly known as Virinchi Technologies Ltd)

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Virinchi Limited (Formerly known as Virinchi Technologies Ltd)** ("the Holding Company"), and its subsidiaries," (collectively referred to as the "company or "the Group") comprising the Consolidated Balance Sheet as at March 31, 2016, 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 ("the consolidated financial statements"))

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated 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 Board of Directors of the Company is responsible for 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, which has been used for the purpose of preparation of the 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. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in audit report.

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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us 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 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 the Company, as at 31st March 2016, and 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 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 relating to the preparation of aforesaid consolidated financial statements 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) in our opinion, the aforesaid standalone 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 the holding company as on March 31st 2016 , and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in ‘ **Annexure A** ’; and
 - g) 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 disclose the impact, if any, of pending litigations as at 31st march, 2016 on the consolidated financial positions of the group, its associated and jointly controlled entities.
 - ii. The group company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no amounts that are required to be transferred, to the Investor Education and Protection Fund by the holding and subsidiary company during the year ended 31st March 2016.

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

P. Murali Mohana Rao
Partner
Membership No. 023412

Place: Hyderabad
Date: 28th May, 2016

Annexure A to the Independent Auditor’s Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 (‘The Act’)

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March 2016, We have audited the internal financial controls over financial reporting of **Virinchi Limited (Formerly known as Virinchi Technologies Ltd)** (‘the holding company’) and its subsidiary which are incorporated in India as of 31st march 2016

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company’s internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the holding company and its subsidiary company, which are companies incorporated in India, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

Place: Hyderabad
Date: 28th May, 2016

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S
P. Murali Mohana Rao
Partner
Membership No. 023412

VIRINCHI LIMITED
CONSOLIDATED BALANCE SHEET

PARTICULARS	Note	As At 31/03/2016 ₹	As At 31/03/2015 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	179,860,500	179,610,102
(b) Reserves and Surplus	2	1,056,585,379	889,093,059
(c) Minority Interest			
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	884,032,175	153,798,828
(b) Deferred tax liabilities (Net)	4	38,611,134	32,947,157
(c) Long term provisions	5	5,856,786	6,959,628
(3) Current Liabilities			
(a) Short-term borrowings	6	219,467,947	156,901,046
(b) Trade payables	7	124,387,606	30,396,369
(c) Short-term provisions	8	135,871,532	51,439,200
Total		2,644,673,060	1,501,145,389
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,187,462,385	552,115,908
(ii) Intangible assets	9	240,810,533	202,371,172
(iii) Capital work-in-progress		174,920,417	35,012,717
(b) Non-current investments	10	5,723,550	1,864,000
(c) Long term loans and advances	11	45,546,358	49,061,453
(2) Current assets			
(a) Short Term Advances	12	140,807,743	204,307,987
(b) Inventory		-	40,000
(c) Trade receivables	13	540,813,852	191,076,383
(d) Cash and cash equivalents	14	271,603,612	248,162,779
(e) Other current assets	15	36,984,611	17,132,990
Total		2,644,673,060	1,501,145,389

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

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

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

Chartered Accountants
Firm Registration No. 007257S

For and on behalf of the Board
For Virinchi Limited

P.Murali Mohana Rao
Partner
Membership No. 023412

M Santhi Priya **K Sri Kalyan**
CFO & Whole Time Director Whole Time Director
DIN : 03114319 DIN : 03137506

Place : Secunderabad
Date : 28.05.2016

K. Ravindranath Tagore
Company Secretary
M.No. A18894

VIRINCHI LIMITED
Consolidated Statement of Profit and Loss

PARTICULARS	Note	Year Ended 31/03/2016 ₹	Year Ended 31/03/2015 ₹
1. Revenue from operations	16	2,183,387,009	1,387,708,578
2. Other Income	17	21,278,971	24,317,381
3. Total Revenue (1 +2)		<u>2,204,665,980</u>	<u>1,412,025,959</u>
4. Expenses:			
Purchases		1,161,725	1,575,201
Increase / decrease in stock		40,000	10,000
a) Employee benefit expense	18	927,105,735	491,532,942
b) Other operating expenses	19	114,756,855	68,527,422
c) Administrative Expenses	20	721,599,647	561,981,436
d) Financial costs	21	30,290,309	21,444,205
e) Depreciation and amortization expense	9	120,702,941	113,799,634
f) Other expenses	22	107,497,848	42,719,126
Total Expenses		<u>2,023,155,060</u>	<u>1,301,589,966</u>
5. Profit before exceptional items and tax (3- 4)		181,510,921	110,435,993
6. Minority Interest		—	223,579
7. Profit before tax (5- 6)		181,510,921	110,659,572
8. Tax expense:			
(a) Current tax		13,791,522	33,122,533
(b) Deferred tax Liability/(Asset)		5,663,976	(5,344,054)
9. Profit for the period		162,055,423	82,881,093
10. Earning per equity share:			
(1) Basic		9.02	4.61
(2) Diluted		9.02	4.61

NOTES TO FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

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

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

For and on behalf of the Board
For Virinchi Limited

P.Murali Mohana Rao
Partner
Membership No. 023412

M Santhi Priya **K Sri Kalyan**
CFO & Whole Time Director Whole Time Director
DIN : 03114319 DIN : 03137506

Place : Secunderabad
Date : 28.05.2016

K. Ravindranath Tagore
Company Secretary
M.No. A18894

VIRINCHI LIMITED
Consolidated Cash Flow Statement

Particulars	Current Year ₹	Previous Year ₹
A. Cash Flow from Operating Activities:		
Net Profit before tax	1,815.11	1,104.36
Adjustments for:		
Depreciation	1,207.03	1,138.00
Interest expenses	302.90	214.44
Operating Profit before Working Capital Changes	<u>3,325.04</u>	<u>2,456.80</u>
Working Capital Changes		
Trade and other receivables	(3,025.34)	(1,510.80)
Trade payables	2,485.70	753..20
Cash Generated from Operations	<u>2,785.40</u>	<u>1,699.20</u>
Interest paid	302.90	214.44
Taxation for the year	194.55	331.23
Net Cash from Operating Activities	<u>2,287.94</u>	<u>1,153.53</u>
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(9,319.78)	(264.16)
Investment	(38.60)	(12.00)
Net Cash used in Investing Activities	<u>(9,358.37)</u>	<u>(276.16)</u>
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	2.50	-
Net Proceeds from Long Term Borrowings	7,302.33	230.32
Net Cash used in Financing Activities	<u>7,304.84</u>	<u>230.32</u>
Net increase in cash and cash equivalents	234.41	1,107.69
Cash and Cash equivalents as at 01.04.2015	2,481.63	1,373.95
Cash and Cash equivalents as at 31.03.2016	<u>2,716.04</u>	<u>2,481.63</u>

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

For and on behalf of the Board
For Virinchi Limited

P.Murali Mohana Rao
Partner
Membership No. 023412

M Santhi Priya **K Sri Kalyan**
CFO & Whole Time Director Whole Time Director
DIN : 03114319 DIN : 03137506

Place : Secunderabad
Date : 28.05.2016

K. Ravindranath Tagore
Company Secretary
M.No. A18894

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e year ended 31st March.

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.

2. Principles Of Consolidation:

The financial statement of parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and the unrealised profits.

The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. The financial statements are prepared in accordance with the principles and procedures of required for preparation and presentation of Consolidated Financial Statements as laid down under the Accounting standard – 21 'Consolidated Financial Statements'.

The subsidiaries companies considered in the consolidated financial statements are:

S No.	Name of the Subsidiary	% of holding
1	Qfund Technologies Pvt. Ltd.	100%
2	KSoft Systems Inc	100%
3	Virinchi Media & Entertainment Pvt. Ltd	100%
4	Virinchi Learning Pvt. Ltd.	100%
5	Tyohar Foods Pvt Ltd	100%
6	Virinchi Infra & Realty Pvt Ltd	100%
7	Virinchi Health Care Pvt Ltd	100%
8	Asclepius Consulting & Technologies Pvt Ltd	51%
9	Tensor Fields Consulting Services Pvt. Ltd.	100%

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.

3. 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 before 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.

4. 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.

5. 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.

6. 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 recognition from application access and usage fee based on number of stores used by the clients during the month.
- (iii) Revenue from Software development services includes revenue from time and material and fixed price contracts recognized as related services are performed.
- (iv) 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.

7. Foreign Exchange Transactions:

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

- a) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- b) Non-monetary foreign currency items are carried at cost.
- c) 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.

8. 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.

9. 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.

10. Related Party Disclosures :

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

11. 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.

12. 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.

13. 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 the consolidated financial statements for the year ended 31st March 2016

NOTE : 1 : SHARE CAPITAL

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
SHARE CAPITAL		
AUTHORISED:		
25,000,000 Equity Share of Rs.10/- each	250,000,000	250,000,000
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL:		
(a) Subscribed & Fully Paid up: 17973528 equity shares of Rs. 10/- each	179,735,280	179,582,280
(b) Subscribed & not fully paid up 12522 equity shares of Rs. 10/- each	27,822	27,822
(c) Calls in arrears	97,398	—
Total Equity Share capital	179,860,500	179,610,102

NOTE NO. 2 : RESERVES AND SURPLUS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
RESERVES AND SURPLUS		
a) Securities Premium	253,718,978	253,718,978
b) Share options outstanding account	9,111,286	9,111,286
c) Surpluls :		
Opening Balance - Profit and Loss Account	513,297,072	470,543,559
Add: Transfer from Profit & Loss Account	162,055,423	82,881,093
Less: Excess Depreciation transferred	-	40,127,580
	675,352,622	513,297,072
d) Capital Reserve on account of consolidation	118,402,622	112,965,724
Total Reserves and Surplus	1,056,585,379	889,093,059

NOTE NO. 3 : LONG TERM BORROWINGS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Long Term borrowings		
a) Term Loans:		
From banks:		
Secured		
Vehicle Loans (Hypothecation of vehicles)	36,494,522	7,506,218
Term Loans (Hypothecation of Machinery such as Computers, Furniture and Fixtures, Office Equipment and Airconditioners and personal guarantee of the Promoter of the Company)	744,908,948	132,564,898
b) Other Loans and Advances		
Un-Secured	102,628,705	13,727,212
Total long term borrowings	884,032,175	153,798,828

NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Opening Deferred tax Liability	32,947,157	37,945,849
Add:		
Deferred Tax Asset for the year (Due to SLM and WDV Difference)	6,241,829	(4,586,883)
Deferred Tax Liability for the year (Due to Others)	(577,853)	(411,808)
Gross Deferred tax Liability	38,611,134	32,947,157
Opening Deferred tax Asset		
Provision for Gratuity and Compensated Absences and doubtful debts		
Gross Deferred tax Asset	-	-
Deferred Tax Liability/ (Asset) - Net	38,611,134	32,947,157

NOTE NO. 5 : LONG TERM PROVISIONS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Provisions for employee benefits - Provision for Gratuity	5,856,786	6,959,628
Total Long Term Provisions	5,856,786	6,959,628

NOTE NO. 6 : SHORT TERM BORROWINGS.

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Short term borrowings		
a) Loans repayable on demand:		
From banks		
Secured	197,173,731	134,254,430
(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 payable during the year	22,294,216	22,646,616
Total short term borrowings	219,467,947	156,901,046

NOTE NO. 7 : TRADE PAYABLES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Trade Payables	124,387,606	30,396,369
Total Trade Payables	124,387,606	30,396,369

NOTE NO. 8 : SHORT TERM PROVISIONS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Provisions for employee benefits		
PF Payable	1,220,145	832,318
Salaries Payable	106,156,961	11,458,808
b) Others		
Statutory Liabilities		
Income Tax Payable	6,598,235	33,122,533
TDS	4,735,796	3,439,154
Service Tax	105,193	541,573
ESI	140,339	118,285
VAT	—	9,500
Provision for Expenses		
Rent	840,475	144,308
Audit Fee	264,833	236,192
Professional Tax	48,900	42,150
Electricity Charges	764,760	645,143
Telephone Charges	114,758	93,778
Interest Payable	1,231,586	485,458
Consultancy Charges	13,649,551	270,000
Total Short Term Provisions	135,871,532	51,439,200

NOTE NO. 10 : NON- CURRENT INVESTMENTS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Trade Investments		
a) Investment in Equity Instrument Quoted (400 Shares of Canara Bank)	14,000	14,000
b) Investment in Mutual funds Canara Robeco Mutual Funds	2,350,000	1,850,000
c) Other Investments	3,359,550	—
Total Non Current Investments	5,723,550	1,864,000

NOTE NO. 11 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Security Deposit		
Secured	1,262,416	975,045
Unsecured	44,283,942	48,086,408
Total Long Term Loans & Advances	45,546,358	49,061,453

NOTE NO. 12 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Loans and Advances to Related Parties Unsecured Virinchi Employees Welfare Trust	12,650,000	12,650,000
b) Other loans And advances Unsecured - Capital Assets Incl Interest receivable	128,157,742	191,657,987
Total Short Term Loans and Advances	140,807,743	204,307,987

NOTE NO. 13 : TRADE RECEIVABLES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Other Receivables Unsecured, Considered Good	540,813,852	191,076,383
Total Trade Receivables	540,813,852	191,076,383

NOTE NO. 14 : CASH AND BANK BALANCES

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
a) Balances with banks : Current Accounts	37,410,572	52,624,209
b) Cash on hand	851,688	1,263,944
Sub Total	38,262,260	53,888,151
Other Bank Balances On Deposit Accounts 12 Months from date of deposit	233,341,352	194,274,626
Total Cash and Cash Equivalents	271,603,612	248,162,779

NOTE NO.15 : OTHER CURRENT ASSETS

Particulars	As at 31/3/2016 ₹	As at 31/3/2015 ₹
Salary and Travel Advances	13,320,190	5,833,098
Deferred Financial Charges	12,445,915	-
TDS & Advance Tax	9,159,249	10,181,541
Service Tax	2,059,256	1,118,352
Total Other Current Assets	36,984,611	17,132,990

NOTE NO. 16 : REVENUE FROM OPERATIONS

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
Revenue from operations		
(a) Revenue from Services	2,123,283,935	1,357,142,882
(b) Other Operating Revenues	60,103,074	30,565,696
Total Revenue from Operations	2,183,387,009	1,387,708,578

NOTE NO. 17 : OTHER INCOME

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Interest income	16,882,052	20,053,990
(b) Other non-operating income	3,004,200	3,546,515
(c) Net gain / loss on foreign currency translation	595,635	716,876
(d) IT Excess provision	797,085	—
Total Other Income	21,278,971	24,317,381

NOTE NO. 18 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Salaries & Wages	905,542,900	468,451,273
(b) Contribution to Provident & Other Funds	9,947,227	6,966,165
(c) Staff Welfare Expenses	11,615,608	16,115,504
Total Employee Benefit Expenses	927,105,735	491,532,943

NOTE NO. 19 : OTHER OPERATING EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Power & Fuel	11,223,266	16,037,529
(b) Rent	30,503,712	22,018,383
(c) Repairs & Maintenance	793,470	1,235,480
(d) Insurance	14,254,377	13,296,553
(e) Rates & Taxes	57,712,740	15,649,903
(f) Payment to Auditors:		
(i) As Auditor	269,290	289,574
Total Other Operating Expenses	114,756,855	68,527,422

NOTE NO. 20 : ADMINISTRATIVE EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Telephone, Postage and Others	9,759,683	6,667,479
(b) Business Promotion Expenses	110,336,092	152,710,786
(c) Conveyance	14,689,396	15,692,615
(d) Office Maintenance	61,608,682	33,063,464
(e) Printing & Stationery Expenses	1,706,496	1,926,907
(f) Managerial Remuneration	2,745,835	2,475,000
(g) Consultancy Charges and Subcontracting Expenses	520,753,462	349,217,656
(h) Bad Debts	—	227,529
Total Administrative Expenses	721,599,647	561,981,436

NOTE NO. 21 : FINANCE COST

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
(a) Interest Expenses :		
- Interest on Cash Credit	21,581,479	14,701,436
- Interest on Car Loan	965,888	571,854
- Bank Charges	-	114,374
- Interest on TL		4,307,775
(b) Applicable net gain/loss on foreign currency translations	7,742,942	1,748,766
Total Finance Cost	30,290,309	21,444,205

NOTE NO. 22 : OTHER EXPENSES

Particulars	Year Ended 31/3/2016 ₹	Year Ended 31/3/2015 ₹
a) Travelling and Visa Expenses	64,129,921	28,996,387
b) Vehicle Maintenance	8,250,263	7,593,416
c) Internet Charges	1,827,466	1,944,084
d) Other Administrative Expenses	33,290,197	4,185,239
Total Other expenses	107,497,848	42,719,126

NOTE 23

	Current year (Rs.)	Previous Year (Rs.)
Directors Remuneration	27,45,835/-	24,75,000/-

NOTE 24

Auditors Remuneration (Incl. Service Tax for Statutory and Tax Matters)	2,69,290/-	2,89,574/-
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NOTE 25

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 26: 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 27: 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	2015-2016	2014-2015
Profit available for the equity share holders	16,20,55,423	8,28,81,093
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	9.02	4.61
Diluted	9.02	4.61

NOTE 28:

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

NOTE 29:

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

NOTE 30:

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	SANTHI PRIYA M	CFO & Whole Time Director
2	SRI KALYAN K	Whole Time Director
3	RAVINDRANATH TAGORE K	Company Secretary

b) Other Related Party:

- 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)
Santhi Priya M	Remuneration	18,00,000	18,00,000
Sri Kalyan K	Remuneration	9,45,835	6,75,000
K Soft Systems Inc	Consultancy charges	266,909,980	25,73,67,868
Vivo Bio Tech Ltd	Lease Rental Income	30,00,000	30,00,000

NOTE 31:

Previous year's figures have been regrouped wherever necessary.

NOTE 32:

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 : Secunderabad
Date : 28.05.2016

For and on behalf of the Board
For Virinchi Limited

M Santhi Priya **K Sri Kalyan**
CFO & Whole Time Director Whole Time Director
DIN : 03114319 DIN : 03137506

K. Ravindranath Tagore
Company Secretary
M.No. A18894

Note Number : 9
FIXED ASSETS AND DEPRECIATION

Sl.	Particulars	Gross Block			Rate of Depreciation	Depreciation/Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015
		As on 01.04.2015	Additions during the year	Sale/deletions during the year		As on 31.03.2016	Dep. As on 01.04.2015	Dep. For the 2015-2016		
I.	TANGIBLE ASSETS									
1	LAND	54,725,874	-	-	54,725,874	-	-	00%	54,725,874	54,725,874
2	BUILDING	305,662,219	323,744,245	-	629,406,464	42,700,332	10,191,239	33%	576,418,883	282,865,887
3	PLANT&MACHINERY	24,542,048	1,535,500	-	26,077,548	6,212,036	1,696,735	33%	18,168,777	18,330,012
4	ELECTRICAL EQUIPMENT	35,375,581	45,677,884	-	81,233,465	12,046,865	4,364,473	33%	64,863,127	24,140,509
6	OFFICEEQUIPMENT	31,930,013	3,881,666	-	35,811,709	20,155,284	3,591,707	33%	12,124,738	10,663,956
7	COMPUTERS	142,194,142	85,162,111	-	227,356,252	67,163,090	35,150,331	33%	125,092,832	75,059,342
8	FURNITURE	146,514,879	80,280,338	-	226,795,217	58,747,298	14,212,230	33%	163,815,709	87,816,047
9	VEHICLES	36,366,955	26,193,940	1,175,536	61,375,000	18,094,209	4,727,523	33%	38,553,288	18,212,280
10	MEDICALEQUIPMENT	143,759,167	143,759,167	-	143,759,167	-	-	-	143,759,167	143,759,167
	Sub Total (a)	777,205,711	710,414,601	1,175,596	1,486,444,716	225,108,094	73,874,238		1,187,462,385	552,115,908
II.	INTANGIBLE ASSETS									
	Software	84,143,597	51,346,590	-	135,490,187	54,687,953	8,923,217	8%	71,879,017	29,455,643
	ProductDevelopment	382,008,301	3,391,897	-	415,727,177	209,892,772	37,932,898	1%	168,991,516	172,915,529
	Sub Total (b)	466,951,898	85,265,466	-	552,217,364	264,580,725	46,826,106		240,810,533	202,371,172
III.	CAPITAL WORK IN PROGRESS	28,585,727	183,502,785	37,168,035	174,920,417	-	-		174,920,417	35,012,717
	Sub Total (c)	28,585,727	183,502,785	37,168,095	174,920,417	-	-		174,920,417	35,012,717
	GRAND TOTAL (a+b+c)	1,272,743,336	979,182,852	38,343,691	2,038,662,081	489,688,819	120,700,344		1,603,193,335	789,499,797

VIRINCHI LIMITED

10 SRK Colony, West Marredpally, Secunderabad.
CIN: L72200TG1990PLC011104

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]

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

Name of the member (s): Registered address:		Email Id: Folio No./ Client Id No.: DP Id No.:	
1. Name: Address: E-Mail Id: Signature: or failing him	2. Name: Address: E-Mail Id: Signature: or failing him	3. Name: Address: E-Mail Id: Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general meeting of the company, to be held on Friday the 30th day of September, 2016 at 10.30 A.M. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500026. resolutions as are indicated below.

S. No.	Resolutions
1.	Consider and adopt audited financial statements as at 31.03.2016 and statement of profit and loss accounts for the year ended and the reports of the board of Directors and Auditors.
2.	To appoint a Director in place of Ms. M Santi Priya who retires by rotation, and being eligible, offers herself for re-appointment.
3.	To ratify the appointment of P. Murali & Co., Chartered Accountants as statutory auditors of the Company for the Financial Year 2016-2017.
4.	Re-appointment of Ms. M Santhi Priya (DIN 03114319), as Whole-time Director of the Company.
5.	Re-appointment of Mr. K. Sri Kalyan (DIN 03137506), as Whole-time Director of the Company.
6.	To increase the authorized share capital of the Company from Rs. 25 Crores to Rs. 40 Crores.
7.	Alteration of Memorandum of Association of the Company.

Signed this..... day of..... 2016.

Signature of shareholder:

Signature of Proxy holder(s):

Affix
Re. 1/-
revenue
stamp

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.

VIRINCHI LIMITED

10 SRK Colony, West Marredpally, Secunderabad.
CIN: L72200TG1990PLC011104

ATTENDANCE SLIP

SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Regd Folio No:

No. of Shares held

SHAREHOLDER'S NAME: Mr /Mrs/Miss.....
(In Block Capitals)

IN CASE OF PROXY

NAME OF THE PROXY : Mr/ Mrs/Miss.....

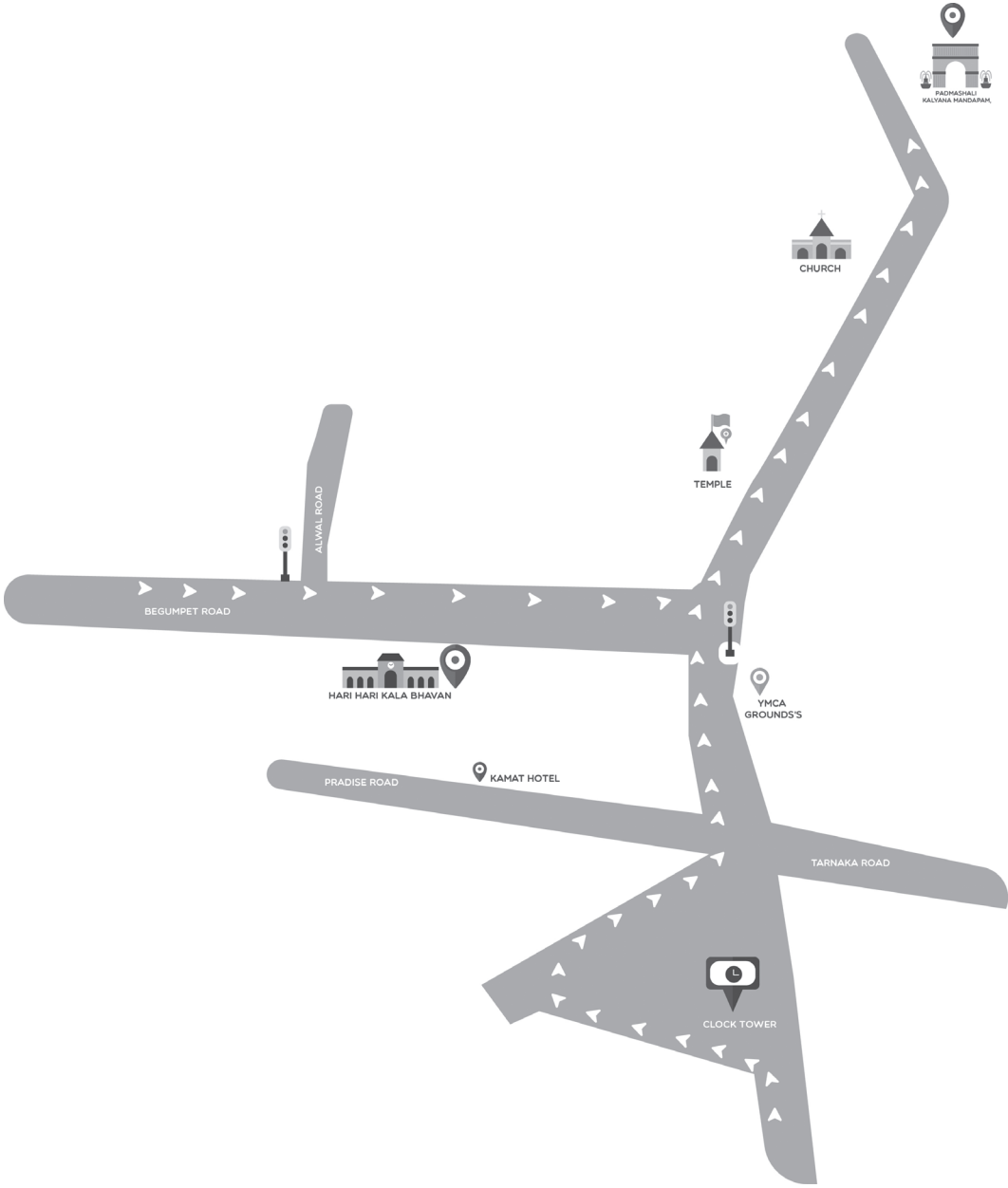
I Certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 27th Annual General Meeting of the Company to be held **on Friday, the 30th September, 2016 at 10.30 A.M. at the "Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500026.**

Member's / Proxy's Signature

- Notes: 1. Please bring this Attendance Slip when you are attending the Meeting.
2. Please do not bring with you any person who is not a member of the Company

Route Map to the Venue of 27th AGM



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