



Consolidation

How Virinchi is returning to the basics
to build each of its businesses

Disclaimer

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

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Virinchi Limited is an exciting multi-business company engaged in leveraging resident competencies in digital technologies.

During the year under review, the Company consolidated its business with the objective to build efficiencies, restructure its operating model, enhance focus and emerge stronger.

This period of consolidation is expected to translate into robust and sustainable growth for the Company across the foreseeable future.

C O R P O R A T E S N A P S H O T

Virinchi Limited.

The Company is an attractive showcase of four businesses - SaaS (US Fintech), IDC & IT Services, Payment & Credit Services (India Fintech) and Healthcare - within one company held together by digital technologies like machine learning and process automation.

The result is a transfer of learnings derived from one business to another, strengthening relevance, competitiveness and brand.

The Company has emerged as a digital technology company with a presence across diverse businesses.

This distinctive positioning is expected to catalyse the Company’s growth across the foreseeable future.

Vision

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

Mission

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

Goals

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

- To build a suite of fintech products to reach the unserved
- To develop deep specialised technology solutions for the healthcare and fintech domains
- To develop delivery capabilities and client footprint for next-generation technology services including SMAC domains, particularly machine learning and data analytics

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

- To secure a robust presence in some medically underserved markets in India
- To deliver personalised medicine through data analytics and combinatorics on a single healthcare mobility platform



Track record

Across the last three decades, Virinchi Limited has established respect for entering new businesses with the knowledge derived from its existing business. In the last few years, the Company has grown into four businesses with potential.

Footprint

The Company's healthcare facilities are located at Banjara Hills, Barkatpura and Hayathnagar in Hyderabad.

The Company has two offshore IT development centres in Hyderabad (Banjara Hills and Hakimpet) while its onshore facility is located at Marlboro, New Jersey, USA.

The Company is headquartered in Hyderabad, India.

Business offerings

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

The Company's flagship product QFund is a globally renowned SaaS solution, supported by strategic alliances and products, to the retail micro lending industry in North America. The Company is respected for its technical, financial and infrastructural solutions. The Company has forayed into the Payment & Credit Services business in India by offering its Fintech platform vCard to partner financial institutions in dispensing credit to underserved segments of society.

Healthcare services: The Company has leveraged its IT and mobility-based expertise to run three multi-specialty hospitals in Hyderabad. The flagship hospital in Banjara Hills (Hyderabad) is equipped with the latest medical technologies and advanced in-house IT / mobility-based systems.

Certifications

The Company's consistent capability has been secured through ISO 9001:2000 and CMMI Level 3 certifications.

Listing

The Company is listed on the Bombay Stock Exchange (BSE: 532372), where its equity shares are actively traded. The market capitalisation of the Company was Rs. 463.23 Crore as on March 31, 2022.

Recognition

Virinchi was felicitated with the following awards:

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

Employees

Virinchi had employed 469 individuals (SaaS, IDC & IT services and Payment & Credit Services) as on March 31, 2022. Nearly 95% employees possessed professional degrees at the close of FY 2021-22. The average age of employees in the IT vertical was 28.

Total employees



469

SaaS, IDC & IT services and Payment & Credit Services



965

Healthcare

Revenue per employee (Rs. Lakh)*

37.93

Average employee age (years)*

28

*For the SaaS, IDC & IT services and Payment & Credit Services business

SaaS (US Fintech) business

SaaS business revenue decreased 9.5% to Rs. 122.61 Crore compared to Rs. 135.44 Crore in the previous year.

IDC & IT Services

IDC & IT services revenue increased 0.9% to Rs. 55.28 Crore compared to Rs. 54.77 Crore in the previous year.

Payment & Credit Services (India Fintech)

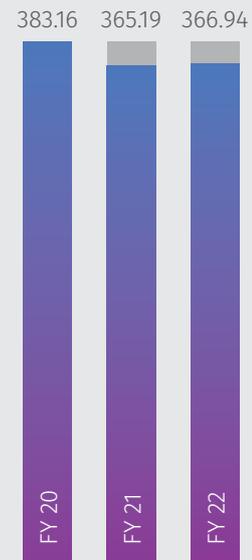
Payment & Credit services completed a full year's operations and generated a revenue of Rs. 2.19 Crore.

Healthcare

YoY revenue increased 11.5% to Rs. 179.39 Crore with an EBIT of Rs. 31.03 Crore

YoY healthcare EBITDA increased 1.2% to Rs. 50.41 Crore with an overall EBITDA margin of 28.1%

How we have performed over the last few years



Revenues (Rs. Crore)

Definition

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

Why is this measured?

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

Virinchi's performance

Revenues increased 0.5% to Rs. 366.94 Crore in FY 2021-22, a gain of Rs. 1.75 Crore. Total operating revenues increased by Rs. 10.00 Crore, Other income decreased by Rs. 8.24 Crore. Other income last year was high due to a write-off of loans by the US government in the US subsidiary as a part of government support to industry to tide over the liquidity crisis precipitated by the Covid pandemic.

Consolidated Highlights, FY 2021-22 Profit & Loss account / Balance Sheet

Consolidated operating revenue increased 2.8% to Rs. 364.01 Crore and total revenue increased 0.5% to Rs. 366.94 Crore

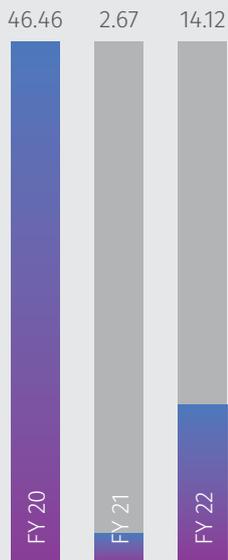
EBITDA decreased 3.8% to Rs. 102.60 Crore

Consolidated PAT increased 428.2% to Rs. 14.12 Crore

EPS increased 146.3% to Rs. 1.78

Consolidated EBITDA margin decreased 126 bps from 29.2%; PAT margin increased 312 bps from 0.73%

Receivables decreased from 79 days of turnover to 76 days



Net Profit (Rs.Crore)

Definition

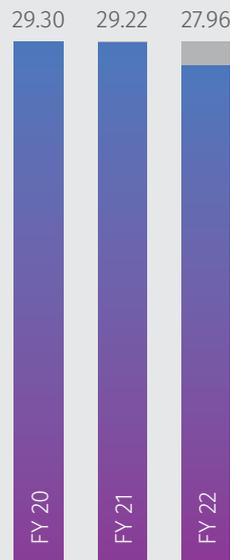
Profit earned during the year after deducting all expenses and provisions.

Why is this measured?

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

Virinchi's performance

The Company reported a 428.2% increase in net profit to Rs. 14.12 Crore in FY 2021-22. The increase in Total Income by Rs. 1.75 Crore and decrease in administrative expenses of Rs. 5.54 Crore were primary reasons for the improvement. Depreciation and amortisation increased by Rs. 0.07 Crore and Finance costs decreased by Rs. 5.87 Crore due to a tapering of the impact of implementation of IND AS116; PBT increased by Rs. 6.55 Crore from Rs. 21.56 in FY 2020-21 to Rs. 28.11 Crore in FY 2021-22. Total taxes were Rs. 13.99 Crore during FY 2021-22 (inclusive of Deferred Taxes of Rs. 7.58 Crore).



EBITDA margin (%)

Definition

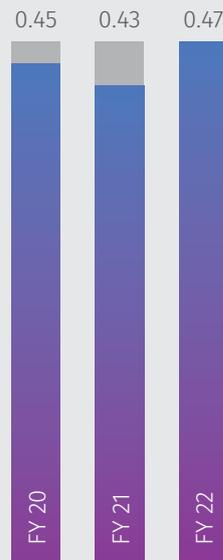
EBITDA margin is a profitability ratio distilled from revenue growth, value-addition and cost management.

Why is this measured?

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

Virinchi's performance

EBITDA margin decreased by 126 bps to 27.9%. The margins decline was on account of an overall increase in expenses during the year.



Debt-equity ratio (x)

Definition

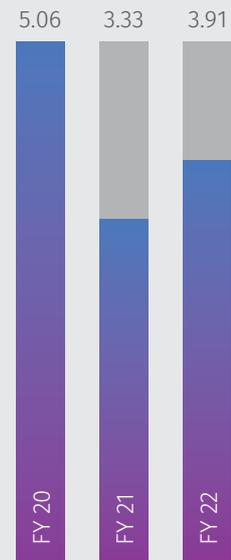
This is calculated by dividing the total debt by the net worth (less revaluation reserves)

Why is this measured?

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

Virinchi's performance

The Company's gearing decreased 4 bps to 0.47 in FY 2021-22 following a marginal increase in debt compared to an increase in net worth.



Interest cover (x)

Definition

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

Why this is measured?

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

Virinchi's performance

The Company's interest cover, strengthened from 3.33 during FY 2020-21 to 3.91 during FY 2021-22 due to a fall in finance cost.

BUSINESS
OVERVIEW

Consolidation and cautious optimism

How Virinchi is returning back to the basics to build each of its businesses

Overview

The year under review proved challenging as it came in the backdrop of an extended pandemic that threw up unexpected challenges for a diversified company like ours.

Despite the unforeseen developments, the Company reported Rs 366.94 Crore in revenues and a cash profit of Rs 62.39 Crore in FY 2021-22. The strength of the business model was reflected in that we reported a cash profit in every quarter of the year under review. Even during the most challenging quarter (fourth) that the Company encountered during the last year, the Company reported more than Rs 14 Crore in cash profit, an index of the Company's competitiveness across market cycles.

The profitable performance of our Company during this challenging year with no Balance Sheet impairment is an index of the strength of our diversified business model. Our Company addressed all bank obligations and the business model – despite external challenges – remained relevant. The fact that the Company's revenue growth encountered sluggishness is also a reflection of the business complement where a stable performance by one business could be complemented by a sluggishness in another in a volatile world. This complemented reinforced the Company's overall resistance to a sharp decline and protected its ability to deliver long-term shareholder value. Given this reality, the performance of the Company during the last financial year was



credible, marked by systemic liquidity and intrinsic profitability.

The fact that the Company remained profitable and could service its interest and debt obligations indicates the underlying commitment of the Company and its businesses to support 'must run' customer environments.

Economy outlook

The year under review was marked by an extension of the pandemic and the financial stimulus in USA, the country where the Company's IT and micro-loan solutions are offered. The fact that liquidity remained high within that economy meant that fewer individuals turned to micro-loans, affecting the Company's capacity to grow this business. This is a reality that we have seldom

encountered, even though we do believe that a tightening of the US economy through higher interest rates and moderated liquidity should strengthen this business from the current year onwards.

The Indian fintech business is still at a nascent stage, addressing the evolving RBI regulatory environment. The business continues to face a large addressable market with a vast unmet need, and it is only a matter of time before this business is invested with the necessary growth capital that graduates it into the next trajectory.

The healthcare infrastructure business embarked on an ambitious project to commission a new 300 bed facility in Vishakhapatnam that is likely to be commissioned during

FY 2023-24. The facility is being taken across a 30-year lease, moderating the Company's cash outgo and reducing the break-even point. The Rs 85 Crore capital expenditure will be funded through debt and accruals without compromising the Company's overall Balance Sheet integrity. The expansion of our healthcare business represents a decisive initiative to grow this profitable segment of our business. The Company possesses an established competence in this space; the use of the existing brand will inspire patient traction and bed capacity utilisation; the transfer of best practices from our Hyderabad flagship facility to this new facility will strengthen the brand during the gestation period, making it possible for the facility to break even faster.

We believe that this expansion will enable our Company to achieve the critical mass of more than 1,000 healthcare beds across two growing cities. This scale will provide our business with national visibility and create a foundation for cash flows available reinvestment, accelerating the growth of this business.

Relevance of each business

At Virinchi, each of our business continued to remain relevant.

Our healthcare business addresses a growing need for specialised medical intervention, a need to access the best medical care, a positive offshoot of the widening insurance footprint across India, a growing traction for data-based and futuristic healthcare. The healthcare services business reported Rs 179.39 Crore in revenues during the financial year compared to Rs 160.85 Crore in the previous year. Our showpiece facility at Hyderabad reported an average occupancy of 31% during the course of the year which compared with 30% during the previous year.

Our payment & credit services business in India continues to be relevant, backed by a growing smart phone intermediation, need for real-time solutions and widening fin-tech solutions. We strengthened our business following the creation of Virinchi Capital Private Limited in FY 2020-21, a wholly-owned subsidiary that mobilised USD 2 Million to be invested in taking our mobile-driven credit card business ahead.

Our information technology business, which includes the SaaS business and International Data Centers & IT Services business in the US, rides a sweeping digitalisation, marked by growing data volumes, robotic process automation and micro-lending. Our IT business reported Rs 177.89 Crore in revenues during the last financial year compared with Rs 190.20 Crore in FY 2020-21; the contribution of this business to the overall revenues was 48.48% in FY 2021-22 compared with 52.08% in the previous year.

Outlook

Our complement of businesses continues to be relevant and we expect to recover our momentum across the foreseeable future.

We believe that the worst is over as far as the pandemic is concerned. As economies normalise, we see a reinvestment by medium to small players and expect attractive implications for our SaaS and IDC & IT Services businesses.

Our payment and credit services business awaits a wider market acceptance, riding smartphone penetration and online commerce.

The broadbased nature of our businesses will empower us to grow faster from this point onwards in the world's fastest growing major economy.

M V Srinivasa Rao,
Whole Time Director &
Chief Financial Officer

Our four businesses

These may appear different from each other but leverage the same digital technologies to enhance their competence and competitiveness



SaaS Business (US Fintech - QFund)

2002: Entered this business

Rationale: Addressed information technology opportunities in the US alternative finance industry (addressing micro loans) by servicing the credit needs of US sub-prime customers



IDC & IT services (KSoft)

2006: Entered this business

Rationale: Addressed the IT solutions outsourcing opportunities



Payment & Credit Services (India Fintech - vCard)

2019: The Company launched the Payment & Credit Services business in India by offering its Fintech platform vCard to partner financial institutions in dispensing credit to underserved segments of society.

Rationale: Addressing the credit needs of low-income individuals in India



Healthcare

2016: Launched a 350-bed facility in Hyderabad (now 550 beds) and now building a facility in Vizag (300 beds) in 2022

Rationale: Responded to the need for cutting-edge technology-driven healthcare services in India

How we have invested and built an attractive Multi-Business Company

First mover

Invested in data science for clinical outcomes

100% subsidiary

Virinchi Combinatorics & System Biology maps 95% un-addressed dimensions

Annuity revenues

Annuity surpluses from one business deployed in building other businesses

Asset-light

Healthcare out of a leased Hyderabad facility for 30 years

Widening the market

Entry into the credit card business for low income customers

Liquidity

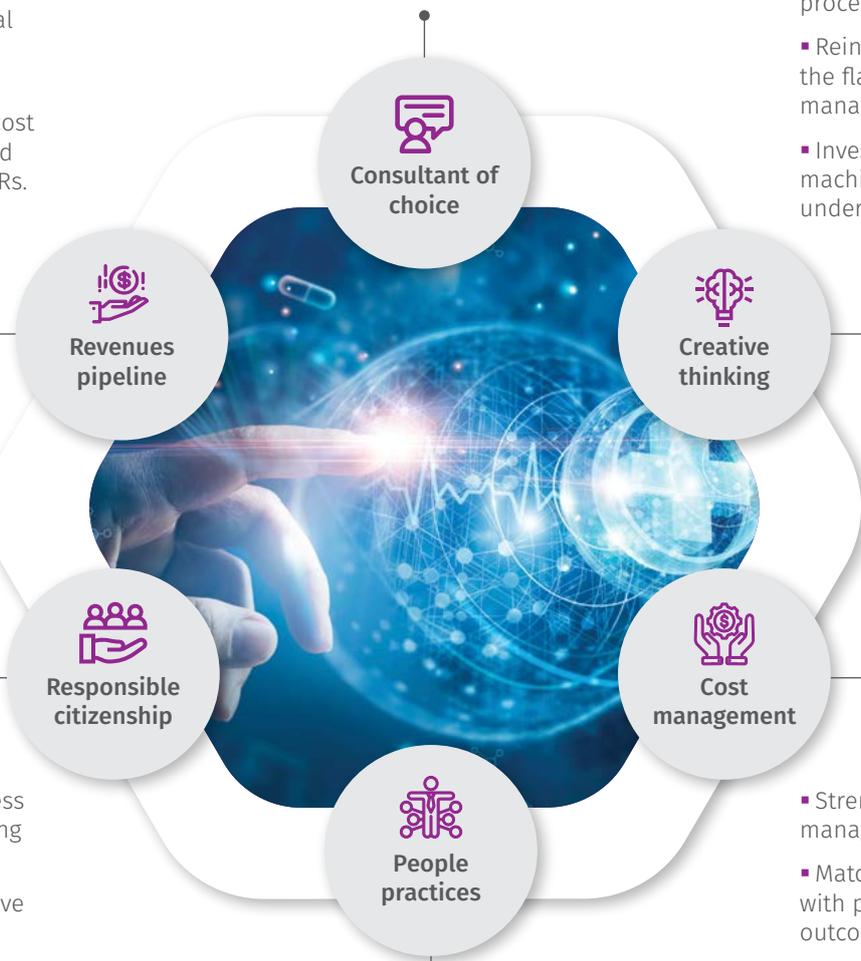
Business built around high cash profit visibility

How we are taking our businesses ahead through 6 priorities

- Strengthened projects pipeline
- Multi businesses create a more stable company
- Commissioned a brownfield hospital (leased) in just 14 months
- Commissioning cost Rs. 45 Lakh per bed (industry average Rs. 60 Lakh per bed).

- Helped enhance value for customers
- Enhanced products quality
- Deepened client engagements
- Worked with large QFund customers

- Invested in a new way of doing things
- Deployed cutting-edge technologies, especially robotic process automation
- Reinforced QFund, the flagship lending management system
- Invested in machine learning underwriting tools



Revenues pipeline

Consultant of choice

Creative thinking

Responsible citizenship

Cost management

People practices

- Engaged in business enhancing well-being and prosperity
- Engaged in sensitive CSR initiatives
- Addressed healthcare, education, sanitation and hygiene verticals
- Invested Rs. 45.40 Lakh in CSR (FY 2021-22)

- Recruited or retained subject matter experts
- Facilitated personal and professional development
- Implemented superior talent appraisal
- Protected people retention

- Strengthened cost management
- Matched budgets with periodic outcomes
- Created a scalable foundation to reduce costs
- Invested in superior equipment, integration and stronger trade terms

Our business and how we intend to grow them

SaaS (US Fintech) and IDC & IT Services

VISION
TO PROVIDE GLOBAL SOLUTIONS

Aspire for market leadership in the lending management solution niche of the retail micro-credit industry (to deliver ~5% of all short-term lending in USA)

Process over 15 Million short-term loans, including payday loans, to subprime customers

Build on the proprietary machine learning credit underwriting tools

Grow the enterprise applications and SMAC digital businesses

Healthcare

VISION
TO SERVE A BILLION PATIENTS IN A DECADE

Manage existing 600-bed facilities across three Hyderabad locations

Embarked on building a Vizag healthcare facility (350 beds)

Grow to 5,000 beds in ten years

Consolidate position as a leading HIS/EMR solution with 100+ installs

Provide a healthcare ecosystem mobility solution

Integrate technology and healthcare knowledge in third-party hospitals

Create a scalable asset-light healthcare delivery platform

Payment & Credit Services (Fintech in India)

VISION
TO ENHANCE INDIA'S FINANCIAL INCLUSION

To widen the market by reaching out to low income customers

Deepen financial inclusion through responsible credit

Combine data science to build a mass-based business

Collaborate with specialised partners (leading banks and NBFCs)



BUSINESS VERTICAL

Our SaaS (US Fintech) and IDC & IT services business

177.89Revenues (Rs. Crore),
FY 2021-22**(6.5)**Revenue growth (%),
FY 2021-22**48.9**Share of overall revenues
(%), FY 2021-22**68.9**SaaS revenue as share of
divisional revenues (%),
FY 2021-22**31.1**IDC & IT Services revenue
as share of divisional
revenues (%), FY 2021-22**44.6**Division's EBIT as % of
overall company's EBIT,
FY 2021-22

OPERATIONAL REVIEW

Our SaaS business (US Fintech: QFund)



Revenues

122.61

Rs. Crore, FY 2021-22

Revenue growth, %

-9.5

Revenues as % of IT revenues

68.9

SAAS PRODUCT VARIANTS

- QFund TM provides a complete solution for managing:
- Payday loan
- Loan against salary
- Instalment loan
- Title / Auto equity loan
- Buy Now, Pay Later (BNPL)
- Line of credit (secured / unsecured)

Overview

The SaaS business of Virinchi is structured around its loan management system QFund. QFund is a US market leader in addressing the subprime market. QFundTM focuses on the creation of products directed at the retail micro finance industry in USA. Its proven B2B SaaS model is aligned strategies to launch QFund in other countries including India and for small businesses.

The SaaS business has consolidated while serving lenders in the US subprime market based on its two-decade experience. The product has grown organically and in partnership with customers, enjoys attractive margins and is likely to generate sustained SaaS-based revenue growth.

The sector (microfinance or sub-prime loans) plays a critical role in national economic growth; it provides loans to unemployed or low-income individuals or groups with no access to alternative financial services.

This industry space in the US is returning to pre-pandemic levels following a 40% decline during the pandemic. QFund has an omni-channel capability, runs large installs with 1,000+ branches, enjoys exhaustive coverage of loan products (personal loan, title loan, line of credit) in the consumer lending space and is a completely home-grown product. Its leadership position in the US subprime market and proven performance for more than two decades places it in a comfortable position. At the same time, QFund is attractively placed for a launch in a new geography like India to cater to an increasing fintech appetite.

The rise and rise of India SaaS

India is the third largest SaaS ecosystem after US and China. The confluence of the pandemic-induced large digital adoption in the rise of ambitious, dynamic Indian intrapreneurs assures promising growth for the Indian SaaS industry. Funding activity in the first two quarters of 2022 surpassed the funding activity in 2021, which was a breakout year with over USD 4.3 Billion in funding for SaaS start-ups.

The Indian SaaS market is expected to account for almost 7-10% of the global SaaS market, from 2-4% at present. Estimates suggest that India's SaaS market could reach USD 20-25 Billion by 2025 from USD 4-7 Billion in 2020.

India boasts around 20 SaaS unicorns. There are 2000-plus SaaS companies in India against 1000 until 2018. SaaS revenues in India are witnessing an annual growth of 20% with a rising uptake in software-as-a-service solutions from Indian SMBs and enterprises across sectors, as well as vigorous growth from global markets. Indian SaaS solution providers differentiate themselves through product leadership and innovative strategies, such as remote sales and zero cost marketing.

The Company has engaged in large investments with a focus on IT security. The Company invested in cloud-based security monitoring infrastructure with a global leader in this space.

The Company is investing in continuous product growth in the area of User Centric Design (UCD), configurability and addition of new platform components like underwriting framework.

Performance, FY 2021-22

- IT business revenues grew -6.5% to Rs. 177.89 Crore
- SaaS business revenues grew -9.5% to Rs. 122.61 Crore; IDC & IT services business revenues grew 0.9% to Rs. 55.28 Crore
- Nearly 95% of SaaS business revenues was derived from clients of 8 years or more association
- The Company could maintain quarterly revenues and liquidity, supporting the growth needs of the business and debt service capability.

Outlook

The SaaS vertical intends to grow revenues from existing customers, new customers in the US subprime market and enter new geographies like India.

The existing US customers are seeing increased activity and some are engaged in inorganic expansion. The QFund business model is based on the business size of its customers, helping them grow. The US market is beginning to show increased confidence and intent to invest in new software platforms.

Moreover, the Company is planning multiple dimensions to meet the evolving scenario in the US market subprime industry. There is a consistent investment in the product to increase usability through UCD efforts, while adding configurability and features including an underwriting engine. These capabilities could help reduce efforts in setting up and supporting solutions for any customer. A single software code can be used in multiple settings through improved configurability and usability. This could enable a rapid turnaround by the QFund team and enhance self-serve customer opportunities.

<div style="background-color: #800080; color: white; padding: 5px; text-align: center;">Product</div> <ul style="list-style-type: none"> ▪ High configurability ▪ Omni-channel, mobile applications ▪ Single installs of 1000+ branches ▪ Exhaustive third-party integration ▪ Completely 'home grown' product 	<div style="background-color: #800080; color: white; padding: 5px; text-align: center;">People</div> <ul style="list-style-type: none"> ▪ Development team with rich domain expertise ▪ Cross-functional team ▪ Individual team members with more than a decade of experience in products and industry
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OUR BUSINESS STRENGTHS

Technology – system & software

- Service-oriented architecture and RESTful API
- Hosted solution with load balancer, high availability and complete redundancy; Oracle RAC
- Data centres in multiple weather zones
- DDoS 'proof'
- Multiple environment (QA, UA and PROD)

Project management and delivery

- Solution-based approach; rapid releases
- 24x7 support and proactive monitoring
- Offshore and on shore delivery/support
- Proven experience in data migration

Quality

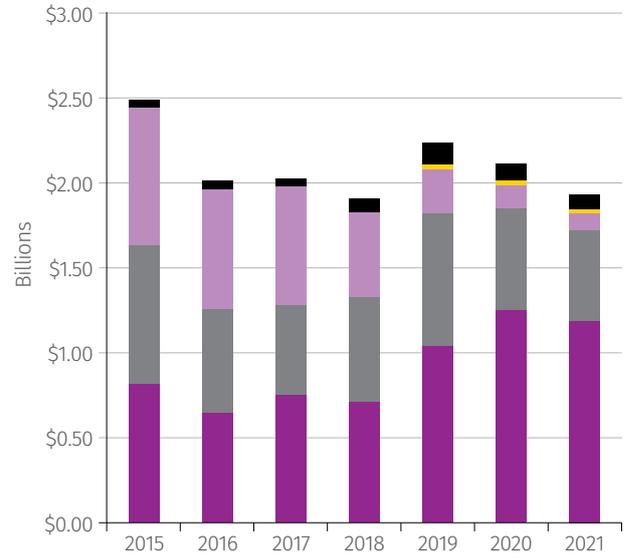
- Code quality and unit tests
- Functional testing (manual & automated)
- Automated build and release
- Frequent performance testing
- Monitoring in production
- ASV scanning, penetration testing

18	20,000+	350+
NBFCs in United States that used QFund TM, FY21-22	Points of sale locations, 45 States in USA	Virinchi employees addressed the QFundTM business

SaaS performance yearwise in loans (Million)



Yearwise loans (USD Billion)



■ Check Cashing
 ■ Line of Credit
 ■ Title Loan
 ■ Instalment Loan
 ■ Payday Loan

*Total number of loans sanctioned from 2015 to 2021 - 29 Million

*Total loan amount sanctioned from 2015 to 2021 - USD 14.70 Billion



OPERATIONAL REVIEW

**Our business:
IDC & IT
services**



Revenues	Revenue growth	Revenues as % of IT revenues
Rs. 55.28 Crore, FY 2021-22	0.9%	31.1

Overview

A third of the USD 5 Trillion global advanced software and information technology (IT) market is in the United States, making it the world's largest technology market. The industry accounts for USD 1.9 Trillion of value-added US GDP (more than 10% of the national economy) that provides employment to more than 12.1 Million people in the United States.

Virinchi provides a large range of consulting and technology services through its US-based 100% subsidiary KSoft Systems Inc.. The Company's IT services (Enterprise applications and SMAC) leverages competencies like social, mobility, analytics, cloud, package product services and application services. The Company's clients (from the technology, telecom and banking sectors) account for more than 80% revenues.

Track record

- Boutique web hosting services with data centers in California and Atlanta
- SOC-2-certified data centers for application hosting
- Turnkey project management for US clients across industries with multiple engagements in healthcare and financial technology
- Delivery capabilities in business analytics, artificial intelligence and enterprise mobility
- SOC-2-certified data centers for application hosting
- A 75-person US team with a 150-person offshore team operating across two development centers in Hyderabad

Our data center robustness

- Hyperscale data center, built to scale on demand to power mission-critical applications
- Industry best uptime service level agreement of 99.995% and industry-lowest design of Power Usage Effectiveness
- Choice of Hypervisor platforms on dedicated servers, safe in the knowledge
- Multi-level redundancy for power, network, servers and storage
- Multi-level data backups
- 24x7 monitoring and automated alerts
- Implementation across more than 25 US States

Strategy

Offshore leaning: The Company's mobility and application development capabilities are sourced out of India, making it an offshore business

Domain expertise: The Company possesses a competence in advanced technologies like ChatBots, Machine Learning, Big Data Analytics and Enterprise Mobility, as a result of which the overall solution is less vulnerable to pricing pressures

Stability: The Company's business is marked by stability in projects, customers, revenues and margins

Focus on services: The Company strengthened annuity revenues through enduring client engagements

Attractive mix: The Company provides technology-driven service offerings that take the business of its customers ahead

Strengths

The business possesses capabilities in services like ERP, Mobility, Cloud Services, Digital Marketing and Custom App Development to address onsite, offshore and hybrid projects.

Performance, FY 2021-22

Revenues from this business increased 0.9%, while contribution to the corporate EBIT increased from 5.8% to 19.8%. The Company's revenues from new engagements accounted for 90% share.

Outlook

Going forward, the Company enjoys an optimistic outlook as the spend by US corporates on IDC & IT Services is almost back to pre-Covid levels.





Our Payment & Credit Services (India fintech: vCard) business

Overview

At Virinchi, our India fintech comprises the launch of vCard, India's first mobile-based credit application that offers financial products in partnership with leading banks and NBFCs.

The vCard business - India's first UPI-based credit card, a downloadable credit card - leverages the Company's deep understanding of machine learning and mass fintech products. What makes this business compelling is that the credit card space in India is largely the domain of big commercial banks. An indigenous card like vCard represents a high point for the Make in India movement.

vCard plugs all related challenges that have been responsible for less than 5% penetration of credit cards in India. The conventional credit card segment in India is expensive in origination, expensive to service, ultra-expensive low-ticket collection, supply constraints and a high entry cost. The merchant challenges comprise the following: 2% toll-fee

with no tangible consumer benefits; expensive point-of-sale set-up with a high maintenance cost; focus on upsell to customers with zero consumer engagement; compliance with BharatQR and equivalents with nil traction. Besides, the credit card has encountered under-penetration, low point of sale acceptance, commoditised offerings, weak customer service and low innovation.

vCard, on the other hand, could emerge as a USD 1 Billion revenue business in five years based on the following realities: a UPI-based ~USD 300 mobile-first credit line to India's 600 Million population in addition to USD 3,000 mobile-first credit card to the 30 Million salaried class with the objective to create a USD 1 Billion profitable revenue enterprise in five years. Even as over 100 Million smartphones are sold each year and the fintech lending sector addresses USD 6 Billion and UPI USD 2 Billion, India enjoys a large under penetrated market (a mere 3.5 Crore credit card owners as against 90 Crore debit card owners) and an underserved market (70-year-old

Virinchi leveraged technology to reduce the cost of origination of cards to one of the lowest entry points for a credit card anywhere in the world.

commoditised plastic credit card engagement as against a mobile-first personalisation). Besides, the market has been restricted by expensive origination and intermediation (the cold-caller gets ~Rs. 4,000+ per credit card sold).

Benefits

The app - a category creator in the 'intelligent replacement of existing plastic credit cards' - leverages sophisticated and proven Machine Learning, resulting in the following capabilities:

- To underwrite customers without a credit bureau history
- To provide chat-based instant and zero contact customer support
- To personalise customer service and match individuals with merchant offers, payment options and default risks through continuous cohort management

The uniqueness of this differentiated app-based vCard offering comprises the following:

- UPI acceptance with up to 30 days of interest-free period
- UPI acceptance network for merchant and peer-to-peer payments (PhonePe/ Google Pay/ Whatsapp/ PayTM/ BHIM etc.)
- A 15-25% APR credit line, which can be used as a credit line to transfer cash to one's own account and convert to EMIs at Personal Loan rates (unsecured overdraft facility), digital origination, multiple lenders, which reduces drop-offs, reduces origination costs, allows credit limits as small as Rs. 5,000 and makes it possible to 'check eligibility' on Facebook / Whatsapp / No Touch Origination
- Sophisticated mobile engagement, AI-based merchant matching for

local and relevant rewards, with an IIT team working on zero-touch customer support, relevant gratification (instead of reward points or spam offers)

- Can be originated centrally for SMEs/ corporates through a unique QR source
- All UPI + card payments can be tagged as personal/ corporate spend, mandating a copy of the invoice/ bill copy
- Integrated expense report and approval/ reimbursement workflow can be implemented depending on partner workflow; vCard piloted the business and is actively covering around 1,000 installs per month through its credit card banking partner RBL Bank (soon to onboard an NBFC partner).

BIG NUMBERS	20,000+ vCards issued	216+ Rs. Crore, total card spend	178+ Rs. Crore, UPI spend
	9.09 %, month-on-month growth in transaction value	20+ Rs. Crore loans disbursed through the credit line	1.2+ Million, installs

ADVANTAGES OF VIRINCHI'S UPI MOBILE-BASED CREDIT CARD

<p>On-boarding Completely digitised application process.</p>	<p>eMandate setup Hassle-free recurring payments</p>	<p>Payment options Spend entire credit limit through Scan QR code or UPI id</p>	<p>EMI facility Option to convert spends into easy EMIs (3,6,9 and 12 months)</p>
<p>Repayment options 5% of Total amount due as minimum amount due</p>	<p>Grace period Real-time display of 5 days</p>	<p>Loan book and statements Real-time display of transactions on mobile app and monthly statement generation and dispatch to email accounts</p>	

What the card has achieved

Wide acceptance

- UPI mobile credit card rides on a 150 Million UPI acceptance network

Lender cost structure

- Origination cost reduced by 100x
- Chat-bot based support as against call center costs
- Lowest cost, no-touch small collections
- Targeted financial education can reduce small ticket collection risks

Customer engagement

- Hyper-personalised gratification (as against reward points)
- Chat-based instant support
- Subscription-based concierge services

Merchant and P2P acceptance

- No-friction payments for multiple new use cases
- Customer discovery services to merchants
- Zero merchant acquisition cost

Product functionality

- Omni-channel zero MDR payments
- Instant credit card plus line origination
- AI-led personalised gratification
- MI-based default prediction and control
- Whatsapp-based contextual support
- Merchant and subscription services

Technological know-how

- Tensor Credibility Index™ will create cohorts, gratify customers, predict defaults and build rewards currency
- Proven and stable ML framework



Our strengths

Compliant: 'Acceptance network-independent' credit platform using UPI rails for transaction closure; PCI DSS-certified (Payment Card Industry Data Security Standards) by independent auditors

Technology: Credit decisioning based on Machine Learning-based multi-parametric model

Solution: End-to-end digitised loan life cycle across origination, onboarding, disbursements, collections, servicing and regulatory compliance & reporting.

Variants: Two product variants – co-branded credit card with banks and credit line from NBFCs.

Experience: Virinchi enjoys a strong fintech IT products experience business. The Company has processed accounts of more than 25 Million customers in USA across more than 200 parameters.

Eco-system: Virinchi's eco-system comprises regulatory agencies and partners (technology, customer service, customer collection and customer acquisition) resulting in an integrated operational structure. This has translated into paperless instant credit limit activation, UPI-based low MDR merchant payment and artificial intelligence-driven origination, service and collection.

Revenues: Virinchi is attractively placed to generate cash-accretive

revenues from customer origination, per use and renewal.

Inclusive: Virinchi leveraged technology to reduce the cost of origination of cards to one of the lowest entry points for a credit card anywhere in the world.

System: Virinchi expects to secure the card through a strong eco-system (CIBIL, Aadhar and online banking etc.) supported by effective counter-fraud GPS-driven safeguards.

Economy: Virinchi will capitalise on the UPI backbone to move money at close to zero cost.

Outlook

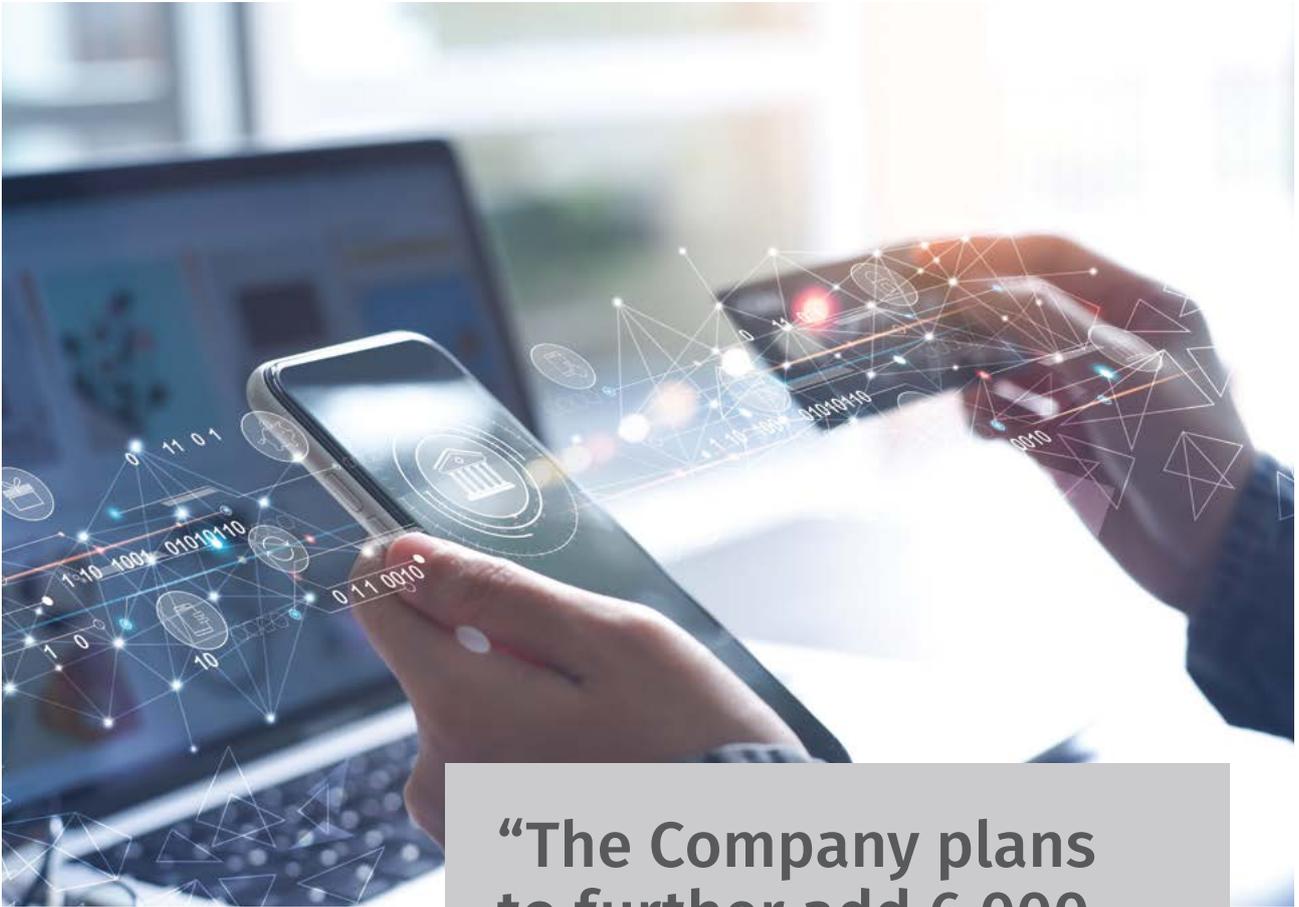
The Company is actively marketing to companies under TCP (Trusted Corporate Program) and BCG (Big Corporate Group)

The Company expects to use the vCard platform flexibility to roll out new products and increase the market base to extend the offering to professional and self-employed individuals; it will offer loans to buy used cars and bikes; it will provide educational loans and loans to SMEs

Build partnerships, expand the credit card co-branding with other banks

Launch a credit line with investments from NBFCs and small finance banks

CEO'S BUSINESS REVIEW



“The Company plans to further add 6,000 customers by March, 2023.”

A conversation with V. Satyanarayana, CEO, vCard and Vice Chairman & Whole Time Director, Virinchi Limited



Progress of vCard

We encountered traction in FY 2021-22. With respect to the co-branded RBL credit card, we faced challenges due to the Mastercard suspension, which led to a data service interruption for five months. These challenges forced the Company to switch to Visa, a noteworthy change that happened during the year under review. The Company's credit line programme, which was non-existent in the previous year, was launched in October 2021. We encountered customer growth within a short time.

The Company developed a unique method to ensure that customers were offered this credit line product. Following experimentation and research, we ensured a 20: 50:20 ratio in the good, better and best category score, resulting in a unique segmented customer profile.

Funding for vCard

QC Holdings Inc. invested in Virinchi Capital Private Limited, which helps us lend to NBFCs who in turn lend to the Company. We received Rs 15 Crore investment in 2021-22.

THE VIRINCHI ECO-SYSTEM



Credit card and credit line

We run a marketing campaign. A person downloads the vCard mobile application and goes through the process of formatting the data. The data is initially channelised for a cobranded credit card through RBL. The user gets a credit card with a limit of Rs 5 Lakh/Rs 2 Lakh/1 Lakh. The user gets a plastic card with a specific sub-limit of Rs 20,000 that can be used through a UPI-based mobile payment application. If a person is found eligible, a credit line product is sanctioned, where the person is digitally approved and the credit limit is enabled in his or her mobile application. This helps the person use the same mobile application to scan and transfer funds to his or her bank account.

Our business advantages

India comprises only 70 Million credit card holders compared to 940 Million debit card holders (January 2022). The reason for this mismatch: credit cards are expensive; banks that provide credit cards have large cost structures, which they need to cover, which, in turn, makes it expensive to provide a credit card to people below a certain income threshold. Interestingly, this large base accounts for a majority of Indians who conduct transactions using cash, debit card or UPI - the Company's target market. We intend to provide this large consumer base with their first credit card without the related inconvenience. A plastic credit card application takes around 15-30 days for approval whereas our customers will get their vCard in a single sitting for which they will need to bring their

PAN and Aadhar card, agree to our terms. The use of PAN cards at the time of registration will help us map an employee's spending behaviour and credit history, making it possible to identify probable defaulters and delinquents at an early stage.

Opportune moment

India has created a critical mass of about 50 Crore people with bureau history. vCard will be positioned at par with credit cards like Mastercard or Visa in terms of authorisation, security and other functional and non-functional features. Our product is at the centre of the fintech revolution where we will compete with credit cards like Mastercard and Visa on the one hand, while offering an alternative to popular UPI apps like Gpay and PhonePe. Our credit line will also be in competition with new-age loan products

Card advantages

A unique proposition of vCard is that the credit card can be used to make UPI-based payments. In the co-branded RBL programme, the user gets the sub-limit of the amount in the bank account every month. The user does not necessarily use the credit card each time; he or she can use the vCard mobile application to scan and make the payment. The user can make UPI-based credit card payments using this particular mobile application. The Company's credit line product also enables the customer to make payments using UPI.

Other advantages of the vCard comprise convenient payment and monthly statements. The ability to

convert into EMIs under the co-branded programme and credit line programme is a customer advantage. We provide interest-free supplements ranging from a purchase of Rs 1,000-Rs 5,000 for the credit line programme. The possibilities are enormous - a 24x7 operating system that helps transfer funds with one's cell phone.

Reasons of optimism for vCard

vCard has a rich potential. The transactional base of using UPI as a preferred payment mode is growing. An estimated 180 Million eligible for a credit card in India do not have one, the Company's target segment. All payments can be done by using UPI. If we compare it to a loan product, where a person goes and takes a personal loan at the beginning of the month till the end of the month. If we compare it with credit line linked to the UPI-based payment, the customer is only paying interest based on the consumption of the amount paid.

Customers are pleased as they get the full amount using vCard, which could not be possible as an amount of commission would have been channelised to Visa and Mastercard. vCard is expected to be successful as there is an ample market appetite for organised lending on which the Reserve Bank of India is focusing. The Company's product comprises advantages of mobile-based application that satisfies ease of use and a reasonable interest rate. The Company's value has been validated as peers stopped giving interest-free offers.

vCard statistics

Under the credit line programme, the Company issued around 6,000 cards under various approval stages. The Company gave more than 14,000 cards under the RBL co-branded credit card programme. As on March 31, 2022, the Company gave around 22,000 vCards to customers. In terms of transaction volume, the total spend on the co-branded card was almost Rs 150 Crore, Rs 30 Crore was the UPI expenditure and Rs 40 Crore comprised person-to-person transfers with the RBL credit card. The Company had a loan book outstanding of almost around Rs 4-5 Crore on the credit line side and as in August 2022, there was a loan book outstanding of Rs 10 Crore.

Achievements, FY 2021-22

- Launched and stabilised operations in the credit line segment
- Built up space of around 6,000+ customers in the credit line segment within a short time
- Relunched the co-branded credit card with Visa in December 2022
- Provided seamless processing and customer quality experience

Measuring customer experience

We measure customer experience for vCard through the speed with which

how a person can be on-boarded. The other metric used to measure customer experience is how much he or she is engaged with and how happy the customer is using the vCard.

Projecting the growth

The Company is projecting to grow to 1,000 credit line customers per month from 2023, which could need Rs 2 Crore on average, warranting around Rs 24 Crore of additional annual funding. The Company is expecting to source additional funds through foreign collaborators. The Company also expects to raise requisite funds from NBFCs and banks. The Company plans to add 6,000 customers by March 2023.

Outlook

The outlook of vCard is to enable the customer to pay all utility bills and integration with utility bills. The Company plans to issue a prepaid instrument within RBI guidelines. It plans to arrange for a kind of pre-paid card that can be loaded using the credit line. It seeks possibilities of providing loans to other segments not currently catering to self-employed and small tradesmen. Going forward, it seeks to focus on corporates and employees of stable corporate houses.



Qualitative drivers of our vCard business

Small merchants accept digital payment modes with GST

eSignature accepted by RBI

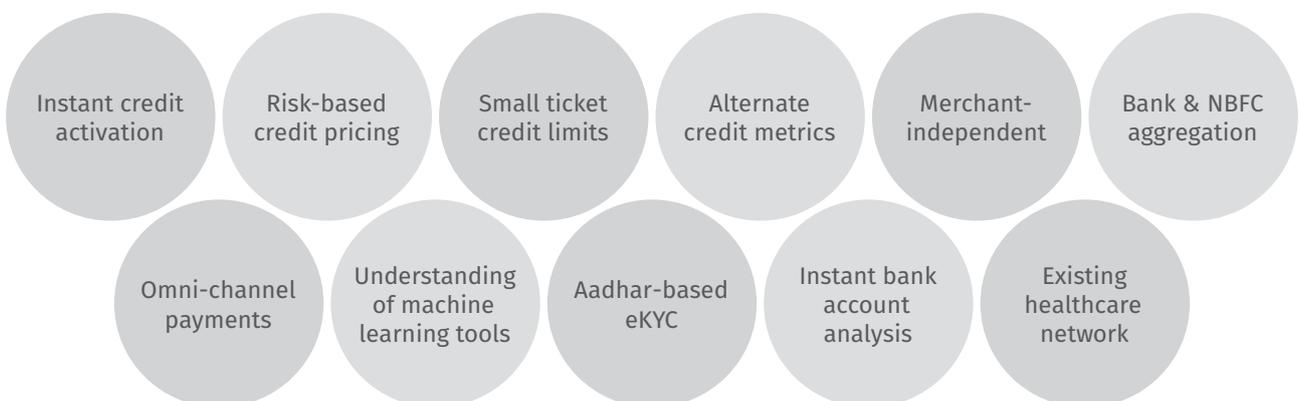
Digilocker for all government documents

Aadhar-linked KYC and bank accounts

Digital bank statement analysis

Stronger credit bureau reporting

WHAT MAKES VCARD SPECIAL



THE STRENGTHENING ECO-SYSTEM FOR OUR vCARDS BUSINESS

169

Million, number of smartphones sold in India, 2021

(Source: counterpointresearch.com)

887

Million, projected smartphone users in India by 2030

(Source: telecom.economicstimes.indiatimes.com)

1.31

Billion, number of Aadhar card holders since launched

(Source: Hindustan Times)

0.94

Billion, number of bank accounts with KYC clearance

73.6

Million, credit cards users

(Source: financialexpress.com)

450

Million, PayTM accounts in 2021

38.74

Billion, UPI-BHIM transactions in 2021

(Source:yourstory.com)

940

Million, Number of debit cards

(Source: Statista)

17,000

Number of vCards sold until March 31, 2022



OPERATIONAL REVIEW

Our Healthcare business

179.39

Revenues (Rs. Crore),
FY 2021-22

11.5

Revenue growth (%),
FY 2021-22

49.3

Revenue as a share of
overall revenue (%),
FY 2021-22

50.7

Share of Company's
EBITDA (%), FY 2021-22





Overview

Virinchi entered the business of healthcare in Hyderabad in 2015. The timing was opportune: there was an extensive under-investment in the country (3 beds per 1,000 of the population as against a requirement of 12 beds for every 1,000 people).

Virinchi Hospitals

The Company launched a modern flagship healthcare facility in Hyderabad (Banjara Hills) comprising 350 beds in November 2016 (upgraded to 450 beds). This facility compares with the best of South Asia: 11 operating theatres, 130 ICU beds, 3T Functional MRI, 128 Slice, Dual Energy Spectral CT and a ceiling-mounted Cath Lab. The NABH and NABL-accredited facility comprises 250 super-specialists and a single integrated HIS/ EMR. The flagship hospital achieved a cash breakeven in FY 2018-19 within 30 months of commissioning.

Virinchi is committed to achieve its overarching commitment to serve a billion patients by 2030 through a complement of mobility-backed business processes, replicate and scale superior patient experiences, build 'the widest healthcare mobility

ecosystem', provide free Cloud-based clinic management, lab management and hospital information system, investment-light physical hospital infrastructure, quality transaction data and electronic medical records, machine learning-based predictive tools to build a data-backed healthcare analytics vertical and engage with Government departments to offer free Mobility Network Services.

Most healthcare facilities are designed around a brick-centric approach; Virinchi's model reconciles virtual healthcare solutions complemented by the physical structure, resulting in lower costs, superior clinical outcomes, larger patient data pool and knowledge sharing.

At Virinchi created a quasi-university model knowledge approach complemented by a commercial healthcare proposition; its commitment to Right to Science in therapy advances diagnosis and therapy offers stem cell-based therapies, organ regeneration, adoptive immune therapies, nanotechnology for disease detection, drug delivery and cell/ tissue corrections, among others.

Virinchi has selected to focus on a balance of people and machine learning. The Company remunerates doctors around a fixed fee model. Virinchi collaborates with more than 300 reputed institutions (US, UK, China and Israel, among others) to implement the Right to Science programme. The Company comprises a base of more than 500,000 patients.

The Company strengthened its healthcare outcomes through evidence-based medication: comprehensive patient data management with objective-based data capture, sophisticated machine learning algorithms with proven medical NLP algorithms, proprietary lexicons and unstructured data management and the institution of an in-house analytics group to monitor data quality.

The following upsides emerged: Patient cohort identification and monitoring; phenotypes for targeted medication; PHM with community/ government agencies; quality data for clinical research and integrated analytics delivery in a sophisticated mobility environment.



Strengths

Mobile video consultation

Virinchi provides video consultations with doctors vis smartphones.

Building world class healthcare eco-system

The flagship continued to attract prominent doctors across different therapeutic areas, incentivised by the availability of cutting-edge technologies and professional freedom.

Event history logging

With the help of wearable medical devices and remotely accessed bed side units, vital clinical features are monitored in real-time to provide timely feedback

Medical event book keeping

Virinchi's mobile app enables each patient to access a complete medical history of every test and hospitalisation record on cloud and mobile for the individual and his family for their entire lifetime, which can be forwarded to any doctor for a second medical opinion

Healthcare as a welcome experience

Virinchi is a paperless 'mobile-only' hospital with all front office, nursing and ward processes executed on electronic tablets.

Achievements, FY 2021-22

- The business generated revenues of Rs. 179.39 Crore (Rs. 160.85 Crore in the previous year). Revenues from this business accounted for 49.3 of the Company's revenues (44.1% in the previous year).
- Virinchi Hospitals (under the brand name of Cell Correct Diagnostics) obtained NABL accreditation and empanelment with ICMR to carry out RNA-based virus screening, which included RT-PCR testing for COVID-19 in May 2020. Virinchi Hospitals invested in personal protecting equipment, consumables and testing kits to assist patients in the post-lockdown phase.
- For three consecutive weeks (April and May 2022), the business consistently had 90-95 critical care patients on the ventilator and catered to all with a success rate of 87%.
- The hospital had 35 ventilators in April 2021; within 10 days, this increased to 100 ventilators (60 added) for our patients.
- The hospital was in the forefront in diagnosing and treating COVID-19 patients with treatment protocols revised weekly based on the latest evidence published in peer-reviewed journals, WHO guidelines and National and State Guidelines.
- As per standardised mortality ratio (measurement of deviation of actual mortality with the predicted mortality rate), the predicted mortality of patients was 32% but the observed mortality was 17%, an achievement
- The hospital added a new technology like Thromboelastogram (TEG) that tracks the dynamics or sequence of clot development, optimising the treatment for critically ill patients.
- The hospital added another extra-corporeal membrane oxygenation (ECMO) machine (increasing to a total of two); it added high frequency oxygen devices and upgraded dialysis machines
- The hospital was the only one in Hyderabad to start a healthcare package for the economically weaker sections in August 2021. Statistically, 18-20% patients availed this package (65-70% discounted).
- The hospital launched a card for providing free treatment to 1,000+ ambulance drivers and their families in Telangana.
- The pediatric intensive care centre was launched in 2021; the youngest patient saved was one-and-a-half-years old with diabetes.

Outlook

Virinchi Hospitals signed an MOU for taking over a building in Visakhapatnam that will house its next hospital from FY 2023-24.

The Company tied up with a purpose-driven technology-led oncology platform called Karkinos Healthcare, a Tata-backed group, for cancer care. The cancer care centre will comprise a radiation facility and the partnership is expected to be operational by the second quarter of 2023.

Virinchi Hospitals invested in robotics surgery to address complex surgeries on the brain, spinal cord, kidneys and joints, to be operational from 2023. The Company is focused on liver transplants and expects to commence by December 2022.

Dr. Srinivas Samavedam

Medical Director & Whole Time Director

Virinchi Health Care Private Limited

vHealth app for patients

- Prescriptions, lab reports in the Document Locker
- Seamless payments
- Makes it possible to book appointment
- Video consultation (emergency)
- Auto dispensing at pharmacy
- Medicine reminders
- App-based second opinion from any doctor

vHealth+ mobile app for doctors

- Access patients report
- Get day schedule details
- Monitor ICU data
- Suggest changes on a nurse dashboard
- Video consultancy from anywhere, helpful in emergencies

Internal stakeholders

- Separate dashboards for nurses, pharmacy, lab managers and accounts team
- CEO dashboard
- IT-backed operation processes (admission, surgery, discharge, insurance, nurse allocation)
- Paperless operations and management
- State-of-the-art diagnostics

Channel partner app

- Integration of channel partners
- Fee for Service Doctors to admit patients
- Generate more leads



'Virinchi stands for knowledge informed decisions and competent interventions'

The Company is driven by 3 C's - credentials, competence and certifications

The Company's healthcare profile

Departments	Capabilities	Professionals employed	Experience profile	Qualifications/knowledge capabilities
35	Each surgical and medical can handle complex cases	120 full-time and 150 FFS (fee for service)	Department heads – average experience of 16-22 years	Drawn from premier institutions (AIIMS, PGIMER Chandigarh, CMC Vellore, NIMS Hyderabad etc.)
			Other consultants with an experience of 10-15 years	Most department heads and consultants possessing post-graduate degrees (USA, UK and Australia)
			Junior doctors with an experience of 3-5 years	Doctors with an exposure to protocol-driven medicine; experienced in Indian healthcare delivery pressures



Virinchi Hospitals: Building an innovation-driven healthcare showpiece



Business model innovation

Focused on enhancing capital efficiency

- Enjoying economies of scale across the delivery chain
- Generating IT-driven cost management
- Engaged full-time salaried senior medical professionals
- Engaged in population data partnership with Aadhar
- NSDC for high patient provider ratio



Healthcare technology innovation

Enhanced use of cutting-edge innovation

- Personalised preventive healthcare
- Public health evidence-based treatment
- Clinical collaboration tools
- Targeted therapy
- 'Functional' mobile-medicine virtual visits
- Inter-disciplinary therapies



Marketing innovation

Own/partner hospital and outreach centers

- Mobility app and patient portal
- Accountable care organisation
- Analytics and focused patient CRM
- Mobility-based doctor referral network
- Leadership in content marketing



Healthcare delivery innovation

Mobility-supported medical devices

- Colour changing dressing
- Robotic interventions
- Ingestible sensors
- Image guided minimal invasive surgery
- Rapid diagnostics kits



Medical science innovation

Gene therapy

- Clinical trial drug availability
- Stem cell growth
- Regenerative medicine
- Xenograft/GEMM models for in-vivo study
- Genomics-based preventive care



Process Innovation

Technology-integrated ecosystem

- IT-enabled checklists
- Digital targeted medical literacy
- Patient-centric IT-enabled processes
- Cross-chain patient identity
- Payment integration



State-of-art diagnostics with global leading technologies

Best-in-class in-house HIS system, proven over 100 hospitals

Robust EMR and HIS resulting in a seamless paperless IT system

Investment in cutting-edge infrastructure

3 Tesla Functional MRI

128 Slice Dual Energy Spectral CT

Ceiling mounted Cath Lab with IVUS and FFR packages



Our advanced healthcare infrastructure

Class 100,000 Clean Room ICU

- 100% digital critical care with integrated mobility and bed-side device interface
- 100% infection isolation across all medical ICU beds with a separate step-down ICU
- All critical care beds on a single floor to limit man-material-methods exchange

Integrated OT-CSSD-Transplant Complex

- Among the largest operating theatres in the industry
- Laminar flow with the highest luminosity OT lights and specialised OT tables
- Specialised OT equipment dedicated to each OT
- Sterile corridor distinctly separate from dirty corridors

How Virinchi Hospitals has made a difference in the lives of its patients

Conversations with various doctors at Virinchi Hospitals



We had made a Covid commitment and policy that anybody who does not require oxygen we will not admit and that we will admit only the really ill patients - probably the biggest survival success result across all hospitals in Hyderabad."



We made beds available to those engaged in duty on the streets like the traffic police, healthcare workers, doctors and people working in other hospitals. If they needed a bed, we made sure that beds were available, period."



Following the second Covid wave, we had a family of three that was severely burnt (60%) after a gas cylinder burst. They did not get a bed in another hospital. They were brought to Virinchi Hospitals; we treated them for 39 days and were able to send them home recovered and walking. Six months later, all three came to our ICU to distribute sweets all across the hospital, including our housekeeping staff, and we could not recognise them!"



Looking at the severity of the peak of the second wave, we made every single bed available for Covid patients. We stopped all other work for one month and a half."



We made all personal protection equipment available to everyone and ensured a compliance with all isolation regulations until someone was proven to be negative."



Virinchi focused on being transparent. The healthcare app made it possible to check historical reports at any point of time with one click only. At the same time, one can get their reports on the app within 30 minutes after the doctor reviews the test report."



The motive of Virinchi Hospitals is to 'make a difference' and treat a billion patients by the end of this decade. We are recognised for our commitment to provide world-class healthcare and excellent patient service."



Virinchi stands for patient privacy and data security. Our unique business model has improved decision-making as the updates of our patients can be overseen in real time through our robust technologies."



Be it black fungus or Omicron, Virinchi Pharmacies made sure that all medicines were readily available for our patients."



We applied for our liver transplant license and hope to have our first transplant addressed in September 2022."

Management Discussion and Analysis

Global economic overview

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging

and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The global economy is projected to grow at a modest 2.6% in 2022.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Indian economic overview

The Indian economy reported an attractive recovery in 2021-22, its GDP rebounding from a de-growth of 7.3% in 2020-21 to a growth of 8.7% in 2021-22. By the close of 2021-22, India

was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 Billion the second

most populous in the world and its rural under-consumed population arguably the largest in the world.

Y-o-Y growth of the Indian economy

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

(Source: IMF, World Bank, UNCTAD)

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the far end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6% in the last quarter of FY 2020-21, the Indian economy grew 20.1% in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

There were positive features of the Indian economy during the year under review.

Foreign direct investments (FDI) in India increased 1.95% to USD 83.57 Billion in FY 2021-22 from USD 81.72 Billion in FY 2020-21, a validation of global investing confidence in

India's growth story. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in Union Budget 2021-22.

In 2021, India was the largest recipient of global remittances. The country received USD 87 Billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of USD 642.45 Billion as on September 3, 2021, crossing USD 600 Billion in forex reserves for the first time.

India's currency weakened 3.59% from Rs. 73.28 to Rs. 75.91 to a US dollar through FY 2021-22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving

Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at Rs. 1.42 Lakh Crore, which is 15% higher than the corresponding period in 2021.

India's per capita income was estimated to have increased 16.28% from Rs. 1.29 Lakh in FY 2020-21 to Rs. 1.50 Lakh in FY 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record Rs 27.07 Lakh Crore in FY 2021-22 compared with a budget estimate of Rs 22.17 Lakh Crore. While

direct taxes increased 49%, indirect tax collections increased 30%. The tax-to-GDP ratio jumped from 10.3% in FY 2020-21 to 11.7% in FY 2021-22, the highest since 1999.

Retail inflation in March at 6.95% was above the RBI's tolerance level of 6% but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above

the upper limit of the RBI's tolerance band for the third straight month.

The Budget 2022-23 sought to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The capital expenditure target of the Indian government expanded by 35.4% from Rs. 5.54 Lakh Crore to Rs. 7.50

Lakh Crore. The effective capital expenditure for FY 2022-23 is seen at Rs. 10.7 Lakh Crore.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

Outlook

The Indian economy is projected to grow by a little more than 7% in FY 2022-23, buoyed by tailwinds of consistent agricultural performance,

flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine

leading to a revival in economic activity.

Global IT industry overview

The global information technology (IT) industry spending is expected to grow from USD 8,384.32 Billion in 2021 to USD 9,325.69 Billion by the end of 2022, growing at a CAGR of 11.2%. The growth in the market is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working and the closure of commercial activities that resulted in operational challenges. Further, it is expected to reach USD 13,818.98 Billion in 2026, at a CAGR of 10.3% during the forecasted period.

The tech market of Asia Pacific region is forecasted to grow by 6.2% by the end of 2022 to reach USD 675 Billion. The government bodies as well as

the corporate bodies across the globe account for a substantial share of technology spending. Countries like Philippines and Vietnam are anticipated to lead the market of tech goods and services, reaching 9.1% and 9.0% respectively. Moreover, India's tech market is catalysed by the evolution of digitalisation and innovation, which have pushed India's share in the global sourcing market to 59%.

The COVID-19 pandemic created a considerable impact on the technology sector, affecting the supply of raw materials, disrupting the electronics value chain and causing an inflationary risk on products. However, this disruption has led to remote working, due to which there has been increased

demand of companies with remote-working technologies. As a result, security software is expected to experience a high-order benefit from a growing remote workforce. There has been an increase in IT spending on security software, as organisations compete to secure endpoints, such as cloud-based tools, log management and VPNs. Hardware companies are also examining utmost demand from enterprises, for laptops and mobility devices to help employees to work from home. Hence, IT spending forecasts indicate continued demand for cloud infrastructure services and potential increases in spending on specialised software.

(Source: globenewswire.com, Gartner, Nasscom, Economic Times)

Global IT spending (in USD Billion)

Regional growth (%)	2021 Spending	2021 Growth (%)	2022 Spending	2022 Growth (%)	2023 (E) Spending	2023 (E) Growth (%)
Data Centre Systems	191,001	6.4	212,218	11.1	221,590	4.4
software	735,869	14.7	806,800	9.6	902,182	11.8
Device	808,580	16.0	767,872	(5.0)	790,888	3.0
IT Services	1,207,966	12.8	1,283,192	6.2	1,389,169	8.3
Communications services	1,458,527	3.8	1,464,551	0.4	1,505,733	2.8
Overall IT	4,401,944	10.2	4,534,632	3.0	4,809,561	6.1

(Source: Gartner)

Note: E represents Estimate

Virinchi's service offering

The Company is a global leader in providing IT solutions to the retail micro lending in the USA. Over the years, the Company has delivered strategic end-to-end solutions in the areas of Business Analytics, Artificial Intelligence and Enterprise Mobility.

The Company manages turnkey projects for various US clients across industries in the field of healthcare and financial technology. Moreover, the Company has expanded in the field of IT backed healthcare delivery in the recent years. Virinchi

Hospitals distinguishes itself through an exclusive and ultra-modern flexibility-backed patient care, ensuring a seamless patient-doctor experience.

Indian healthcare industry overview

The Indian healthcare sector was anticipated to report a three-fold rise, increasing at a CAGR of 22% between 2016 and 2022 to reach USD 372 Billion in 2022 from USD 110 Billion in 2016. This growth is catalysed by rise in income levels, significant health awareness of lifestyle diseases and improved access to insurance. The hospital industry of India has a market share of 80% in the total healthcare market and is expected to reach USD 132 Billion by FY2023 from USD 61.8 Billion in FY 2016-17, growing at a CAGR of 16-17%. As of 2021, the Indian healthcare sector is one of India's largest employers as it employs a total of 4.7 Million people. In terms of quality and accessibility of healthcare, India ranks 66th among 195 countries, which indicates headroom for enhancing healthcare services penetration in India and development of the healthcare industry.

In the Economic Survey of 2022, India's public expenditure on

healthcare stood at 2.1% of GDP in 2021-22 against 1.8% in 2020-21 and 1.3% in FY 2019-20. A growing middle-class, coupled with rising awareness of new diseases, are boosting the demand for health insurance coverage. With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to expand in the coming years.

With the growth of Indian population by 181.5 Million people (approximately 17.7%) from 2011 to 2022, government health expenditure also grew by ~1.35% during the same decade. The Government aims to raise its healthcare spending to 2.5% of GDP from the current level of 1.1% of the GDP by 2025 under the National Health Policy 2017. Also India's healthcare sector is influenced by private hospitals as, about 70% of the rural population and 80% of the urban residents rely on private hospitals.

The Indian healthcare industry is considered one of the best in

the world in terms of technology, infrastructure, nurses and specialist doctors. Its competitive advantage lies in its large pool of well-trained medical professionals. As of January 2022, the number of medical colleges in India stood at 595. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Moreover, the e-health market size is estimated to reach USD 10.6 Billion by 2025, broadbasing the healthcare industry even further. Additionally, medical tourism market is expected to reach USD 13.42 Billion by 2026 from USD 2.89 Billion in 2020, catalysing the growth of hospitals and labs in India. The cost of surgery in India is about one-tenth of that in the US or Western Europe. Hence, India is a cost competitive country compared to peers in Asia and Western countries.

(Source: KPMG, fda.gov, pharmaceuticals.gov.in, Ibef.org, businesswire.com, Invest India, ETimes)

Union Budget 2022-23

The key initiatives taken by the Government of India to promote Indian healthcare industry are as follows:

- A sum of Rs. 86,200.65 Crore (USD 11.28 Billion) was allotted to the Ministry of Health and Family Welfare (MoHFW).
- Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allotted Rs. 10,000 Crore (USD 1.31 Billion)

- Human Resources for Health and Medical Education was allocated Rs. 7,500 Crore (USD 982.91 Million).

- National Health Mission was allocated Rs. 37,000 Crore (USD 4.84 Billion).

- Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allocated Rs. 6,412 Crore (USD 840.32 Million).

- The Government of India approved continuation of 'National Health Mission' with a budget of Rs. 37,000 Crore (USD 4.85 Billion).

- The government allocated Rs. 5,156 Crore (USD 675.72 Million) to the newly announced PM-ABHIM to enhance India's health infrastructure and improve the country's primary, secondary and tertiary care services.

(Source: ibef.org)

Growth drivers of the Indian healthcare sector

Growing population: India's population has grown from 555.2 Million in 1970 to 1.39 Billion in 2021, a 146% increase. Further, it is expected to reach 1.5 Billion by 2030.

Increasing disposable incomes: At current prices, India's per capita income rose 18.3% to Rs. 1.5 Lakh in FY 2021-22 from Rs. 1.27 Lakh in FY 2020-21.

Urbanisation: As of 2021, more than one-third (35.4%) of India's population is living in cities. By the year 2031, 75% of India's national income is expected to come from cities.

Growing elderly population: There are nearly 138 Million elderly people in India in 2021 (67 Million males and 71 Million females) and is further expected to increase by around 56 Million elderly persons in 2031. From 8.6% in 2011, it has increased to 10.1%

in 2021 and is likely to increase to 13.1% in 2031.

Medical tourism: India's medical tourism market is expected to reach USD 13.42 Billion by 2026 from USD 2.89 Billion in 2020 on account of lower treatment and travel costs. Almost 2 Million patients visit India each year from these regions, generating USD 4 Billion in annual forex each year.

Robotic Process Automation (RPA): Over 80% of medium sized and large businesses have put digital transformation as a strategic goal, and adoption rates of robotic process automation is forecast to grow by 57% in India in 2023. This automation is also expected to improve the efficiency of the healthcare workforce, reduce costs and enhancing customer services. India's medical technology sector

was estimated at USD 11.86 Billion in 2022 and is expected to reach USD 50 Billion by 2025.

Increasing medical colleges: As of January 2022, India has the largest number of medical colleges in the world, both of modern medicine and AYUSH. Close to 90,000 MBBS graduates in these 595 medical colleges of Modern Medicine (Allopathy) and 53,000 graduates in another 733 AYUSH medical colleges are produced every year.

Healthcare insurance: India's health insurance market was estimated at USD 122.11 in 2022 and is expected to reach USD 198.45 Billion by 2027 (growing at a CAGR of 10.2%), catalysing the growth of healthcare industry.

(Source: InvestIndia, Imarc group, Times of India, Vikaspedia, expresshealthcare.in, thequint.com, globenewswire.com)

The Company's overview

Established in 1990, Virinchi Limited is headquartered in Hyderabad (India). Over the years, the Company has established itself as a global fintech, technology services and

healthcare company. With high expertise in analytics & mobility and healthcare delivery business, the Company comprises three operating hospitals with a pan-India healthcare

mobility solution. Moreover, the Company has expanded its presence across North America, Europe, Middle East and Asia Pacific.

Opportunities

- Active support for the health care sector by the Indian government
- Blockchain-as-a-Service used for decentralised and scalable IT infrastructure

- More IT companies choosing to move workload to private and public clouds.
- Shift to ESG-driven clean technologies

- Organisations adopting stringent cyber security
- Technology residing at the heart of every business (healthcare to retail)

Threats

- Growing cyber attacks
- Increasing IT industry attrition

- Shortage of semi-conductor chips
- Technological obsolescence

Risk management

Customer risk

Inefficient services may result in discontented customers

Mitigation: The Company prioritises on creating a customer-centric business environment. The Company serviced more than 20 Million customers in fintech in the US and more than 40 customers in the IT Services space in FY 2021-22. To add, the Company has been the market leader in the fintech space for the retail micro-credit industry

Competition risk

Emergence of new competitors could affect the profitability

Mitigation: Over the years, the Company has introduced world class technologies and developed facilities, enabling them to provide quality services to its patients at an affordable cost

Compliance risk

Inability to comply with regulatory norms could result in penalties being levied

Mitigation: Virinchi invests in people engagement initiative, enhancing ownership and empowerment within the organisation. Moreover, the Company keeps itself updated with the latest regulatory and compliance norms, whenever proposed

Employee risk

Incompetence to maintain a robust working environment could reduce people retention

Mitigation: The Company's employee strength stood at 1680 on March 31, 2022 while talent retention stood 90% for FY 2021-22

Financing risk

Incapability to mobilise funding at competitive costs could hinder margins

Mitigation: The Company had a net worth of Rs. 370.56 Crore and total debt of Rs. 174.81 Crore as on March 31, 2022. The Company's gearing stood at 0.47 during FY 2021-22

Geographic risk

There can be an adverse impact on the financial health of the Company for depending on a specific geography

Mitigation: The Company services clients across North America. The Company generated 48.9% of its revenues from exports in FY 2021-22

Financial overview

Analysis of the Profit & Loss statement

Revenues

Revenues from operations reported a 2.8% increase from Rs. 35,401 Lakh in FY 2020-21 to Rs. 36,401 Lakh in FY 2021-22. Other income of the Company accounted for a 0.8% share of the Company's revenues, reflecting the Company's dependence on core operations.

Expenses

Total expenses of the Company increased by 2.3% from Rs. 25,848 Lakh in FY 2020-21 to Rs. 26,434 Lakh in FY 2021-22. Administrative expenses, accounting for a 35.7% share of the Company's revenues, increased by 4.4% from Rs. 12,548 Lakh in FY 2020-21 to Rs. 13,102 Lakh in FY 2021-22, owing to an increase in the operational scale of the Company.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased by 1.7% from Rs. 53,628 Lakh as on March 31, 2021 to Rs. 54,537 Lakh as on March 31, 2022 owing to a Rs. 523 Lakh decrease in

net worth and Rs. 1,432 Lakh increase in total debt. Return on capital employed, a measurement of returns derived from every rupee invested in the business, decreased by 119 basis points from 11.24% in FY 2020-21 to 10.05% in FY 2021-22.

Networth and details of any change in Return on Networth as compared to the immediately preceeding financial year

The net worth of the Company decreased by 1.4% from Rs. 37,579 Lakh as on March 31, 2021 to Rs. 37,056 Lakh as on March 31, 2022, owing to a decrease in reserves and surplus.

Long-term debt of the Company increased by 12.3% to Rs. 11,092 Lakh as on March 31, 2022 owing to ECLGS loans drawn during the year. Long-term debt-equity ratio of the Company stood at 0.30 in FY 2021-22 compared to 0.26 in FY 2020-21. Finance costs of the Company decreased by 18.3% from Rs. 3,209 Lakh in FY 2020-21 to Rs. 2,621 Lakh in FY 2021-22. The Company's interest cover stood at a comfortable 3.91x in FY 2021-22 (3.33x in FY 2020-21).

Applications of funds

Fixed assets (Net) of the Company decreased by 3.1% from Rs. 50,548 Lakh as on March 31, 2021 to Rs. 48,959 Lakh as on March 31, 2022. Depreciation & amortisation increased by 0.14% from Rs. 4,821 Lakh in FY 2020-21 to Rs. 4,827 Lakh in FY 2021-22.

Investments

Non current investments, Loans & advances and Other non-current assets increased by 117% from Rs. 877 Lakh in FY 2020-21 to Rs. 1,901 Lakh in FY 2021-22.

Working capital management

Current assets of the Company increased by 13% from Rs. 17,221 Lakh as on March 31, 2021 to Rs. 19,467 Lakh as on March 31, 2022 owing to the growing scale of business of the Company. The Current and Quick Ratios of the Company stood at 1.95 and 1.80, respectively in 2021-22, compared to 1.74 and 1.61, respectively in 2020-21. Inventories including raw materials, work-in-progress and finished goods among others increased by 15.5% from Rs. 1,236 Lakh as on March 31, 2021 to Rs. 1,427 Lakh as on March 31, 2022

owing to an increase in healthcare operations. Tight liquidity due to Covid-19 resulted in a decrease of 1.6% in trade receivables from Rs. 7,700 Lakh as on March 31, 2021 to Rs. 7,577 Lakh as on March 31, 2022.

All receivables were secured and considered good. The Company's debtors' turnover cycle increased to 75.98 days of turnover equivalent in 2021-22 compared to 79.39 days in 2020-21. Cash and bank balances

of the Company increased by 92.4% from Rs. 1,902 Lakh as on March 31, 2021 to Rs. 3,660 Lakh as on March 31, 2022.

Key ratios and numbers

Particulars	2021-22	2020-21
EBIDTA/Turnover (%)	27.9	29.2
EBIDTA/Net interest ratio	3.91	3.33
Debt-equity ratio(x)	0.47	0.43
Return on equity (%)	3.78	0.74
Book value per share (Rs.)	46.72*	101.58
Earnings per share (Rs.)	1.78	0.72
Debtors' turnover (days)	75.98	79.39
Interest coverage ratio (x)	3.91	3.33
Current ratio (x)	1.95	1.74
Operating profit margin (%)	14.81	16.02
Net profit margin (%)	3.85	0.73

*There was a 1:1 bonus issue during the year

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational

structure of the Company and the Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the

Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board appointed Statutory Auditors.

Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges

employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages

individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas.

Cautionary statement

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

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

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

Notice of Annual General Meeting

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of the Company will be held on Wednesday, the 28th day of September, 2022, at 12.30 PM IST through Video Conferencing / Other Audio Visual Means ("VC/OAVM") to transact the following business

ORDINARY BUSINESS:

Item# 1 To receive, consider and adopt:

- the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

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

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

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

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

Item # 3 To appoint M/s. P. Murali & Co, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

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

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment

thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. P.Murali & Co, Chartered Accountants, having registration No.007257S be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, who shall hold office from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

Special Business:

Item# 4. Re-classification of status from promoter category to public category:

To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 ("Act") read with the Rules framed there under ("Act"), the approval of the Members be and is hereby accorded for re-classification of following shareholders of Promoter Group for reclassification of their status from "Promoter and Promoter Group" category to "Public" category of the Company.

S. No	Name of Shareholder	No. of Equity Shares Held	% of Shareholding
1	Amelium Corporation SDN BHD	Nil	Nil
2	Triple Victory SDN BHD	Nil	Nil
3	Abhilash Kondai	324000	0.39
4	Ashwin Preetham Kondai	2000	0.002

RESOLVED FURTHER THAT the above applicants have confirmed that all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions as mentioned below as per Regulation 31A of SEBI (LODR) Regulations, 2015 post reclassification from "Promoter & Promoter Group" to "Public".

RESOLVED FURTHER THAT that the promoters seeking re-classification along with the persons related to the promoters seeking reclassification and person acting in concert will not:

- i. have any special rights through formal or informal agreements.
- ii. hold more than 10% of the paid-up capital of the Company.
- iii. act as a Key Managerial person for a period of more than three years from the date of Shareholders approval.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchanges and other concerned authorities.

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned Applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI Listing Regulations and will ensure necessary compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.”

Date: 29/08/2022
Place: Hyderabad

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

K. Ravindranath Tagore
Company Secretary

Virinchi Limited

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

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular No. 2/2022 dated 5th May, 2022, 02/2021 dated 13th January, 2021 read with General circulars No’s 20/2020 dated 5th May, 2020, 17/2020 dated 13th April, 2020, 14/2020 dated 8th April, 2020 and also SEBI Circular dated 13th May, 2022, 12th May, 2020 and January 15, 2021 (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2022. Members seeking to inspect such documents can send an email to investors@virinchi.com.
4. The relevant details as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, of directors proposed for appointment and seeking re-appointment is annexed hereto.
5. The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 22nd September, 2022 to 28th September 2022 (both days inclusive).
6. Members holding shares in physical form may write to the Company/Company’s R&T agents for any change in their address and bank mandates. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants.
7. Members are requested to send all communication relating to shares to the Company’s R&T Agents (Physical and Electronic) at the following address: M/s. Aarathi Consultants Private Limited, Unit: Virinchi Limited, 1-2-285, Domalguda, Hyderabad-500 029. Email- info@aarthiconsultants.com.
8. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company’s Unpaid Dividend Account, be transferred to the IEPF. The company has transferred the unpaid dividend for the year 2004-05,2005-06, 2006-07,2009-10, 2010-11, 2011-12 to IEPF.
9. The Certificate from the Secretarial Auditor of the Company under SEBI(Share Based Employee Benefit) Regulations, 2014 as amended, will be available for inspection by the shareholders and is also available on the website of the Company at www.virinchi.com.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN and other details to the Company’s R&T Agents in accordance with SEBI Circular SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20 April 2018.
11. Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the R&T Agent of the Company for assistance in this regard.
12. Pursuant to section 72 of the Act, shareholders are entitled to make a nomination in respect of shares held by them. Shareholders desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH-13, to the R&T Agent of the company. Further, shareholders desirous of cancelling/ varying nomination pursuant to the rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the R&T Agent of the Company.
13. In accordance with the MCA’s “Green Initiative in Corporate Governance” allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the Electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail.
14. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (“the Listing Regulations”), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (“e-voting”) facility provided by the Central Depository Services India Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. G. Vinay Babu, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

15. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
16. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
17. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 33rd AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
18. The Scrutinizer will submit his report to the Chairman of the Company (‘the Chairman’) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the stock exchanges, CDSL, and RTA and will also be displayed on the Company’s website, www.virinchi.com
19. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

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

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules,

2014 (as amended) by the Companies (Management and Administration) Amendment Rules, 2015 and Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 under Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and May 05, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with M/s. Aarthi Consultants Private Limited and Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 2/2022, Dated 5th May, 2022, 17/2020 dated April 13, 2020, the Notice calling the 33rd AGM has been uploaded on the website of the Company at www.virinchi.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

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

- (i) The e-voting period commences on Saturday, September 24, 2022 (9:00 a.m. IST) and ends on Tuesday, September 27, 2022 (5:00 p.m. IST). During this period, members holding share either in physical or dematerialized form, as on cut-off date, i.e. as on September 21, 2022 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 21, 2022.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

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

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

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

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/

ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@virinchi.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@virinchi.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Note for Non – Individual Shareholders and Custodians-Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature

of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@virinchi.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@aarthiconsultants.com.
- **For Demat shareholders-** Please update your email id & mobile no. with your respective Depository Participant (DP)
- **For Individual Demat shareholders –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Date: 29/08/2022
Place: Hyderabad

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

K. Ravindranath Tagore
Company Secretary
M.No.: A18894

Virinchi Limited

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

EXPLANATORY STATEMENT

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

Item No. 3:

To appoint M/s. P. Murali & Co, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.

M/s. P. Murali & Co, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company for the first term of five consecutive years, who shall hold office from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

M/s. P. Murali & Co have given their consent for their appointment as Statutory Auditors of the Company and has issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the rules made thereunder. **M/s. P. Murali & Co** have confirmed that they are eligible for the proposed appointment under the Companies Act, 2013 read with rules made thereunder. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint **M/s. P. Murali & Co** Chartered Accountants, having registration No.007257S, as the Statutory Auditors of the Company for the first term of five consecutive years, who shall hold office from the conclusion of this 33rd AGM till the conclusion of the 38th AGM of the Company.

The Board of Directors has approved a remuneration of Rs. 2.36 Lakhs for conducting the audit for the financial year 2021- 22 to M/s. P C N & Associates, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals.

The remuneration proposed to be paid to the Statutory Auditors during their First term would be in line with the existing auditors remuneration and shall be commensurate with the services to be rendered by them during the said tenure.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

M/s. P. Murali & Co (FRN:007257S), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 1996. The firm has various branches in various cities in India. The Audit Firm has valid Peer Review certificate. It is primarily engaged in providing

audit and assurance services to its clients.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item No. 4:

The Company was in receipt of requests from (i) M/s. Amelium Corporation SDN BHD (ii) M/s. Triple Victory SDN BHD (iii) Mr. Abhilash Kondai and (iv) Mr. Ashwin Preetham Kondai, Part of Promoters of the Company, for reclassification from Promoter category to Public category under Regulation 31A (2) & (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015").

Pursuant to procedure under Regulation 31(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and due to reasons as declared by the respective promoters / relatives of promoters seeking reclassification are now no more associated with Virinchi Limited. It may be noted that they are neither involved in the management of Virinchi Limited nor hold controlling stake in Virinchi Limited.

The above referred shareholders do not directly or indirectly, exercise control, over the affairs of the Company. They do not hold more than ten percent of the total voting rights in the Company. They also do not have any special rights through formal or informal arrangements with the Company or Promoters or any person in the Promoter Group. They will not represent on the Board of Directors of the Company either themselves or on behalf or through a nominee director and also will not act as Key Managerial Person in the Company for a period of 3 years from the date of such re-classification.

The Shareholders are further informed, that the Company:-

- i. is compliant with the requirement of minimum public shareholding as required under regulation 38 of the Listing Regulations, 2015;
- ii. equity shares were not suspended by the stock exchanges from trading;
- iii. does not have any outstanding dues to the Board, the Stock Exchanges or to the Depositories;

Further, the promoter seeking re-classification and persons related to the promoter seeking reclassification, shall not cast vote, to approve such reclassification.

Post approval from the Shareholders, the Company will file necessary application with the BSE Limited for the re-classification from “Promoter and Promoter Group” category to “Public” category.

The Board of Directors of the Company (“Board”) considered, analyzed and deliberated over such request and they have approved the aforesaid request in their Board Meeting, which was held on 29th August, 2022, subject to the approval of shareholders of the Company & any other Statutory Authority, in this regard, which inter-alia include BSE Limited. Accordingly, the approval of shareholders of the Company is being sought on same.

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

None of the Directors, Key Managerial Personnel, has any concern or interest, financial or otherwise, in the resolution.

Date: 29/08/2022
Place: Hyderabad

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

K. Ravindranath Tagore
Company Secretary
M.No.: A18894

Virinchi Limited

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Annexure

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

Details of Directors proposed to appoint / re-appoint:

Name of the Director	V. Satyanarayana
Director Identification No	09070986
Date of Birth	15-01-1966
Age(Years)	56
Qualification	ACA
Brief Resume	Mr. Satyanarayana Vedula is a qualified Chartered Accountant, a Certified Global Business Leader (U21 and Harvard Business School Publishing) and a Six Sigma Black Belt. Prior to joining Virinchi, he was employed in various executive leadership roles with Tech Mahindra (for over 23 years) in Sales, Relationship Management/Business Development, Global Delivery, Global Presales & Large deal management, Contract negotiations, Consulting, Design of Service offerings /productising and Program Management and in driving Automation and Innovation. He has extensive client interaction experience having worked in Australia, USA and Middle East for several years. His cross functional expertise spans most verticals with focus on BFSI, Health and Life Sciences. He has championed the set-up of multiple technology COEs and contributed to enhancing growth in existing accounts and acquiring marquee new logos across all market segments by leading cross functional technical teams in Digital and New Age AD/AMS and Cloud technologies. His last role was in the Health & Life Sciences vertical where he was a global growth enabler spanning all sub-verticals of Payor, Health care Provider, Pharma and Medical Devices Prior to Tech Mahindra, he had worked in leadership roles at a Motorola JV, an Industrial major group in Hyderabad and with A F Ferguson (now Deloitte) where he has contributed in Accounts, Finance, Treasury, Taxation, MIS, Planning and Budgeting and Audit/Assurance.
Nature of expertise in specific functional areas;	Sales, Relationship Management/Business Development, Global Delivery, Global Presales & Large deal management, Contract negotiations, Consulting including Accounts, Finance, Treasury, Taxation, MIS, Planning and Budgeting and Audit/Assurance.
Disclosure of relationships between directors inter-se;	There is no relationship with other directors inter-se
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	No Directorships in listed Companies
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable
shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	Not Applicable

Date: 29/08/2022
Place: Hyderabad

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

K. Ravindranath Tagore
Company Secretary
M.No.: A18894

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Registered Office:
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Board's Report

Dear members

Your Directors have pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'Virinchi'), along with the audited financial statements, for the financial year ended March 31, 2022. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

1. Financial Summary or Highlights

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

Particulars	(Amount in Lakhs)			
	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Total Income	36693.92	36518.64	13249.75	13797.63
Profit before finance Cost, Depreciation & Amortization, Taxation & Exceptional Item	10260.16	10670.33	3637.38	4027.68
Less: Finance Cost	2621.45	3208.68	542.51	735.84
Depreciation and Amortization Expenses	4827.40	4820.72	1791.23	1848.62
Profit before Tax & Exceptional items	2811.31	2640.93	1303.64	1443.22
Less: Exceptional items	0.00	484.62	0.00	137.40
Profit Before Tax	2811.31	2156.31	1303.64	1305.83
Less: Tax Expenses	1399.43	1889.02	66.93	446.57
Profit before minority interest	1411.88	267.29	-	-
Less: Minority Interest	(18.66)	(7.34)	-	-
Profit After Tax	1430.54	259.95	1236.71	859.26

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

Your directors are pleased to report that in spite of severe impact on Country's economy and almost all the industries with de-growth to a great extent, your Company has been able to with stand the impact and registered performance at the same level of FY'21.

Consolidated Revenues: The total consolidated income of the Company for the FY 2021-22 is Rs. 36693.92lakhs as against Rs. 36518.64 Lakhs in FY 2020-21.

Standalone Revenues: The total income of the Company for the FY 2021-22 is Rs.13249.75 Lakhs as against Rs. 13797.63 Lakhs in FY 2020-21.

Consolidated profits:

Profit before Tax (PBT) stood at Rs.2811.31 Lakhs as against Rs. 2156.31 Lakhs for the previous year.

Profit after Tax (PAT) stood at Rs.1430.54 Lakhs as against Rs. 259.95 Lakhs for the previous year.

Standalone profits:

Profit before Tax (PBT) stood at Rs. 1303.64 Lakhs as against Rs. 1305.83 Lakhs for the previous year. Profit after Tax (PAT) stood at Rs. 1236.71 Lakhs as against Rs. 859.26 Lakhs for the previous year.

The SaaS business has consolidated itself while serving the lenders operating in the US sub prime market. It's loan management system QFund has been operating in the industry for more than 2 decades now. The product has grown organically and in partnership with its customers.

The company was also able to support the urgent needs of its clients to innovate new products or enabling existing products in delivering services in the 'pandemic environment'. These ranged from very critical ability to enhanced automation of disbursement & payment to a completely new multi-party lending business model for a large Ohio, USA based client.

The industry space in the US is gradually getting back to pre-pandemic levels. The industry had seen a decline of more than 40% during the pandemic but with customer activity showing recovery and lender's loan books getting back to pre-pandemic level means that the industry should be operating at its regular activities. This should also see more intent to invest in growth including the digitization part from existing and potential customers.

The SaaS vertical helps aligning strategies to launch QFund in additional geography including India. The business will also look at launching QFund for small business. The vCard business in India has seen a good growth momentum during the year.

With availability of COVID vaccine, the economy has opened up and the industry has turned around in 2021 – 22.

The healthcare vertical has seen an overall growth for the year with periods of peak revenues during the second wave of Covid in Q1FY2021-22 to flattening revenues in the subsequent quarters. The outlook is positive for the industry with medical tourism going back to pre-pandemic levels with the central government allowing international patient travel.

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the dates of this report.

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

Amounts Transferred to Reserves

The Board of the company has decided to carry Rs. 1236.71 Lakhs to its Reserves.

DIVIDEND

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

PERFORMANCE SUBSIDIARIES INFORMATION

Tyohar Foods Private Limited

The Company had planned to take up a project under Tyohar Foods Private Limited and had purchased a 50,000 Sq. feet of building in 4047 Square meters of Land located at Survey No 15, Suraram Village, Qutbullapur Mandal, R.R.Dist by participating in an open auction conducted by Canara Bank on 16th August 2012 and the said property was registered vide Certificate of Sale Doc. No.11361/2012 dt.25th Sep, 2009 and were put in possession of the said premises.

All the legal cases are closed on the property and the company is in the process to make suitable business plans.

Virinchi Healthcare Private Limited

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

partnerships with globally reputed institutions in the US, UK, China, Israel etc., to deliver a unique 'Right to Science' program to make global medical innovations available to Indian patients to treat previously incurable conditions.

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

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

The healthcare revenues and EBIT were high in Q1 of FY22 due to Covid-19 related increase in capacity utilization. The Covid-19 pandemic has impacted the healthcare industry in general and our healthcare services business due to travel restrictions on both domestic and international patients till Q3FY22.

The increase in revenues in Q1FY22 due to Covid was offset by the fall in capacity utilization during the remaining three quarters of FY22 and the overall performance of VHPL during the year under review FY 2021-22 saw a slight growth, with a total turnover of Rs. 179.83 crores and EBIT of Rs. 31.09 crores vis-à-vis Rs 161.25 crores of revenue and EBIT of Rs. 19.86 crores in FY 2020-21.

Virinchi Learning Private Limited

We have successfully trained and placed 200 students under NSDC program this year. We are planning to partner NSDC on few more training programs to increase the training potential so that rural youth can make the most out of this program. We have developed training material for 10 courses, of which 7 courses are approved by NSDC and 3 are awaiting approval. There is a dedicated learning portal for the students who enroll in our training programs. We have partnered with reputed hospitals to provide placements to the candidates trained under our NSDC program. Our next year plan is to soon expand the program across Andhra Pradesh and Telangana, attain more number of placement partners, and train as many aspirants as possible.

KSoft Systems Inc

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

For the year under review the total income is Rs. 71.35 crores as against Rs. 78.04 Crores in 2020-21 and the PBT is Rs. 10.64 crores as against Rs.11.38 Crores in 2020-21.

Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited (BSE). During the financial year under review, 12,66,667 equity shares were allotted to the promoters under the Chapter V of the SEBI (ICDR) Regulations, 2018 and admitted for trading on BSE and 14,00,000 shares allotted to the employees of the company under various esop plans. The company issued bonus shares during the year at 1:1 ratio and 3,96,60,234 shares are issued. Consequently, the Equity Share Capital of your Company increased from 3,69,93,567 shares of Rs.10/- each as on March 31, 2021 to 7,93,20,468 shares of Rs.10/-each as on March 31, 2022.

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Rs.	Number of Shares	Rs.
Share capital	15,00,00,000	150,00,00,000	40,000,000	40,00,00,000
(a) Authorised Equity Shares of Rs.10/-each				
b) issued Subscribed and fully paid up: Equity Shares of Rs. 10/-each	7,93,20,468	79,32,04,680	3,69,93,567	36,99,35,670

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Rs.	Number of Shares	Rs.
Shares outstanding at the beginning of the year	3,69,93,567	36,99,35,670	3,27,20,734	32,72,07,340
Add: issued and allotted during the year				
i. Allotment of shares pursuant to VESOS,2016 &2018	14,00,000	1,40,00,000	10,39,500	1,03,95,000
ii. Allotment of shares under preferential issue guidelines	12,66,667	1,26,66,670	32,33,333	3,23,33,330
iii. Issue and allotment of Bonus Shares	3,96,60,234	39,66,02,340	-	-
Less; Shares bought Back during the year	-	-	-	-
Shares outstanding at the end of the year	7,93,20,468	79,32,04,680	3,69,93,567	36,99,35,670

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.

Bonus Issue:

During the year company issued bonus shares to the shareholders of the company at 1:1 ratio. The company issued 3,96,60,234 new shares on account of Bonus issue. We have received the Listing and trading approval for the shares.

Preferential Issue of Shares

During the year the company has taken approval from Shareholders to issue 3,50,00,000 warrants to various strategic investors under the SEBI(ICDR) Regulations, 2018. The Company has applied to stock exchange for the in-principle approval and the same is received from them. However due to the Black Swan event of Russian invasion leading to sanctions & global inflation, investors requested for some more time for subscription and company requested BSE Limited for the extension of time.

Composition of the Board as on March 31, 2022 and Details of Board Meetings:

Sl.No	Name	Designation
1	M.V.Srinivasa Rao	Chairman & Whole Time Director, CFO

Sl.No	Name	Designation
2	V. Satyanarayana	Vice-Chairman & Executive Director
3	K. Sri Kalyan	Non-Independent and Non-Executive Director
4	K. Kalpana	Independent Director
5	K. Sunder	Independent Director
6	J. Suresh	Independent Director

Number of Board Meetings

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

Sl.No	Date of Board Meeting	No. of Directors attended
1	16-06-2021	6
2	30-06-2021	6
3	14-08-2021	6
4	27-08-2021	6
5	21-10-2021	6
6	22-12-2021	6
7	12-01-2022	6
8	04-02-2022	6

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

Pursuant to notification dated 22nd October, 2019 of Ministry of Corporate Affairs all the Independent Directors

have registered themselves as Independent Director in the portal of Indian Institute for Corporate Affairs (IICA).

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

During the year no independent directors are appointed. With regard to the proficiency, all the independent directors are exempted from taking the online assessment test as per the exemptions given by the Ministry of Corporate Affairs.

Changes in Directors and Key Managerial Personnel

Appointments:

During the year under there were no appointments made in the Board

Cessations:

During the year under review no cessations happened.

Key Managerial Personnel

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

Retirement of Directors:

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

Policy on Directors Appointment and Remuneration

The details of Policy on Directors appointment and Remuneration (i.e. Nomination and Remuneration Policy), criteria for determining qualifications, positive attributes, independence of directors are included in Report on Corporate Governance forming part of the Board's Report.

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

Transfer of unpaid/unclaimed dividend and corresponding equity shares

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

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

Transfer of Shares to IEPF

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

Annual Return:

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on 31st March, 2022 is available on the Company's website and can be accessed at www.virinchi.com

Particulars of Loans, Guarantees Or Investments By the company

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

Contracts or arrangements with Related Parties

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

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

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

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

Board Evaluation

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

Corporate Social Responsibility Committee

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

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

Terms of Reference

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

CSR Policy

The Company's CSR Policy is disseminated on the Company's website at www.virinchi.com . During the year 2021-22, five meetings of the Corporate Social Responsibility Committee were held.

CSR Expenditure during the year 2021-22

As per the Section 135(5) of the Companies Act, 2013, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial Year 2021- 22, the amount to be spent towards CSR activities works out to Rs.38.99 Lacs. The Company has spent Rs.45.40 Lacs lakhs towards the CSR activities in the financial year 2021-22. The detailed Report, on the CSR Activities is annexed to Board's Report at **Annexure-2**.

Material Subsidiary

Virinchi Health Care Private Limited and KSoft Systems Inc., are the Material subsidiaries of the company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a

Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website at <http://virinchi.com/pdf/materialityPolicy.pdf>

Sexual Harassment Policy

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

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

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

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

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

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

Governance Policies

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

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

- Sexual Harassment Policy
- Policy for Determining material subsidiary

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

Vigil mechanism / Whistle blower policy:

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

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board. Whistle Blower Policy is posted on company's website under following link <http://virinchi.com/pdf/whistleBlowersPolicy.pdf>.

Risk Management Policy

Risk Management

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

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

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

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

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

Internal Control Systems and Adequacy

Your company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies. The Company has a well-defined delegation of power and defined limits for approving

revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances.

Internal audit

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

Independent Auditors, their Report and Notes to Financial Statements

M/s. PCN & Associates., Chartered Accountants, (ICAI firm Registration Number : 016016S) were appointed as Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 28th Annual General Meeting (AGM) held on 28th September, 2017 until the conclusion of 33rd AGM of the company to be held in the year 2022.

The Term of M/s. PCN & Associates., Chartered Accountants, is completing in the coming scheduled AGM.

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

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

The Audit Committee reviewed various profiles of the audit firms and finalized **M/s. P. Murali & Co** as Statutory Auditors and recommended the same to the Board.

The Board recommended accepted the recommendations of the Audit Committee and proposed the resolution for the appointment of M/s P. Murali & Co Chartered Accountants as Statutory Auditors from the conclusion of 33rd Annual General Meeting (AGM) to be held on 28th September, 2022 until the conclusion of 38th AGM of the company to be held in the year 2027.

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

Auditor's Certificate on Corporate Governance

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

Compliance with Secretarial Standards

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

Secretarial Audit:

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

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

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2022, on compliance of all applicable SEBI Regulations and circulars / guidelines, issued by M/s. G. Vinay Babu., Practicing Company Secretary, was submitted to BSE Limited.

Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited. The Annual Listing fee for the year 2022-23 has been paid to the stock exchange.

Directors' Responsibility Statement

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

- a) In the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards had been followed and there are no material departures.
- b) The directors have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the company for that period.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) We have prepared the annual accounts for the financial year ended 31st March, 2022 on a going concern basis.
- e) The Directors have laid down internal financial controls, which are adequate and are operating effectively.
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2022.

Significant and Material Orders Passed by the Regulators

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

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

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

Public Deposits

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

Consolidated Financial Statements

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

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

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

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

Reporting of Frauds by Auditors

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

Details about Employees Stock Option Scheme

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

Maintenance of Cost Records

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

Report on Corporate Governance

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

Management Discussion and Analysis Report

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

Statutory Information And Other Disclosures

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure -6** and forms an integral part of this Report. The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure '1'** and forms an integral part of this Report. A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure '1A'** and forms an integral part of this annual report. The above Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

Business Responsibility Report:

Pursuant to the Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report is not applicable to the Company for the financial year 2021-2022.

CEO and CFO Certification:

The annual certification given by the Whole Time Director and Chief Financial Officer of the Company is published in this 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. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of your Company under any scheme save and except ESOS referred to in this Report.

Acknowledgments

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

For **Virinchi Limited**

Date: 29/08/2022

Place: Hyderabad

M.V. Srinivasa Rao

Chairman & Whole Time Director

DIN:00816334

STATEMENT OF DISCLOSURE OF REMUNERATION

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

Sl.No	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Director	Ratio(In X Times)
		M.V.Srinivasa Rao	9.2:1
		V. Satyanarayana	9.6:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of the Director	% increase in Remuneration
		M.V.Srinivasa Rao	Nil
		V. Satyanarayana	Nil
		K. Ravindranath Tagore- Company Secretary	14%
3	The percentage increase in the median remuneration of employees in the financial year.	During FY 2021-22, the percentage Decrease in the median remuneration of employees as compared to previous year was approximately 16.65%	
4	The number of permanent employees on the rolls of Company.	There were 469 employees as on March 31, 2022.	
5	a) The Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year b) its comparison with the percentage increase in the managerial remuneration c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	a) Average increase in remuneration is 18% for Employees other than Managerial Personnel. b) There is no increase in the managerial remuneration during the year under review. c) Not Applicable	
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, It is confirmed.	

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

For **Virinchi Limited**

Date: 29/08/2022
Place: Hyderabad

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

Annexure-2

The Annual Report on CSR Activities For Financial Year ENDED MARCH 31, 2022

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

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee: As on March 31, 2022

Sl.No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sunder Kanaparthi	Chairman/ Independent Director	5	5
2	M.V.Srinivasa Rao	Member/Whole Time Director	5	5
3	K. Sri Kalyan	Member/Non Independent-Non Executive Director	5	5

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

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable.

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

Sl.No	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2018-19	Not Applicable	Not Applicable
2	2019-20	Not Applicable	Not Applicable
3	2020-21	14,12,496.63	Nil
	Total	14,12,496.63	Not Applicable

6. Average net profit of the company as per section 135(5)- Rs.19,49,87,676

7. (a) Two percent of average net profit of the company as per section 135(5)-Rs.38,99,754

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c).- Rs.38,99,754

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
45,40,000	Nil	Not Applicable	Not applicable	Nil	Not applicable

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District.			Name.	CSR registration number.
1.	Education Sanitation and Health care	Promoting Education among children & providing Health Care	No	Andhra Pradesh,	East Godavari Dt	22,75,000	No	Viswanadha Foundation	CSR00005612
2.	Education Sanitation and Health care	Promoting Education among children & providing Health Care	Yes	Telangana,	Hyderabad	22,65,000	No	Lopa Mudra Charitable Trust	CSR00005613
Total						45,40,000			

(d) Amount spent in Administrative Overheads- Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- 45,40,000

(g) Excess amount for set off, if any-Rs.6,40,246

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	38,99,754
(ii)	Total amount spent for the Financial Year	45,40,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6,40,246
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6,40,246

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.				Not Applicable			
Total		Not Applicable					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
					Not Applicable			
Total					Not Applicable			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).- Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.- Not applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).- Not applicable

For **Virinchi Limited**

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

Sunder Kanaparthi
Chairman-CSR Committee
DIN: 00914869

Date: 29/08/2022
Place: Hyderabad

Annexure-3

Form AOC-1

PART - A

STATEMENT SHOWING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED MARCH 31, 2022
(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

S. No	As on 31.03.2022	Ksoft Systems Inc	Qfund Technologies Private Limited	Tyohar Foods Private Limited	Virinchi Learning Private Limited	Virinchi Media & Entertainment Private Limited	Virinchi Infra & Reality Private Limited	Virinchi Health Care Private Limited	Asclepius Consulting & Technologies Private Limited	Tensor Fields Consultancy Services Private Limited	Virinchi Combinatorics & Systems Biology Private Limited	V23 Medical Solutions Private Limited	Virinchi Capital Private Limited
1	Share Capital	45.91	1.00	1.00	19.50	1.00	1.00	543.60	58.82	1.00	1.00	1.00	220.00
2	Reserves & Surplus	8,912.81	168.94	(94.05)	(161.18)	(28.39)	9.72	3,903.47	(216.36)	(394.64)	5.29	(0.77)	(98.24)
3	Total Assets	10,786.06	255.60	31.30	116.53	167.04	12.36	31,549.28	121.27	145.72	16.52	5.75	1,685.57
4	Total Liabilities	1,827.33	85.65	124.34	258.21	194.43	1.64	27,102.21	278.81	539.35	10.24	5.52	1,563.81
5	Investments	106.06	3.00	-	-	-	-	52.68	-	-	-	-	-
6	Revenues	7135.49	-	19.56	18.75	19.05	18.09	17,983.43	4.02	195.39	18.24	-	65.94
7	PBT	1,064.17	(50.99)	(0.71)	(28.85)	(25.90)	5.08	809.66	(37.72)	(128.83)	(0.89)	(0.52)	(96.84)
8	Tax	159.63	(5.65)	0.34	(0.22)	0.80	1.32	1,174.81	0.36	-	-	-	1.11
9	PAT	904.55	(45.35)	(1.05)	(28.62)	(26.71)	3.76	(365.15)	(38.08)	(128.83)	(0.89)	(0.52)	(97.94)
10	Dividend	-	-	-	-	-	-	-	-	-	-	-	-
11	% of shareholding	100	100	100	100	100	100	100	51	100	100	100	100

Part B

Joint Venture

There are no joint ventures to report.

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

As per our report of even date

For P C N & Associates,
Chartered Accountants
FRN: 016016S

M. Mohana Saradhi
Partner
M. No. 244686

Place : Hyderabad
Date: 20-05-2022

For and on behalf of the Board of Directors of M/s. Virinchi Limited.

M.V.Srinivasa Rao
CFO & Wholetime Director
DIN: 00816334

V. Satyanarayana
Vice Chairman & Executive Director
DIN: 09070986

K.Ravindranath Tagore
Company Secretary
M.No. A18894

Annexure-4

Form No. AOC-2

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

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

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

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

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

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

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

(b) Nature of contracts/arrangements/transactions

- Software Development and consulting services with M/s. KSoft Systems Inc and other subsidiary companies
- The company has leased out premises to M/s. Vivo Bio Tech Limited and also during the year the company entered into a software development and consulting services contract for the bio tech operations.
- Contract with Mr. Viswanath Kompella, promoter and a shareholder holding more than 10% shareholding in the company

The scope of the advisory services to be provided by Mr. Viswanath Kompella shall include advising the Board and the Management with broad strategic aspects of the business, supporting in establishing and enabling relationships with external forums like industry chambers, institutions, government and other agencies on policy matters and in brand and image building of the Company apart from advising the Company's board on any other areas that the Board/ Management may seek his advice.

(c) Duration of the contracts/arrangements/transactions

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

The duration of the contract for the software development and services is for 5 years.

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

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

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

1. The payment terms of each project as per the intercompany agreements entered with the respective subsidiaries.
2. The payment terms are like 25,000 per month for the leasing of Premises at Banajra Hills, Hyderabad and the value of the contract for the software development is Rs. 5 Crores.
3. Monetary Terms with Mr. Viswanath Kompella
 - a. Payment of Fee/ Remuneration: Not Exceeding Rs.3,00,00,000/- (Rupees Three Crores Only) per annum (subject to statutory deductions and exclusive of applicable taxes) which is payable as follows:
 - a) Fixed monthly Fee/Remuneration of Rs.15,00,000 (Rupees Fifteen Lacs Only)
 - b) an annual variable incentive of 2% only on the year on year incremental consolidated revenues of the company.
 2. Reimbursements: All the expenses incurred on travelling, boarding, lodging etc. while performing advisory services for and on behalf of the Company shall be reimbursed on actual basis.
 3. Facilities: Mr. Viswanath Kompella shall be provided requisite office facilities, chauffeur driven car and communication facilities to effectively discharge his duties.

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

1. Not applicable as these are at arms' length basis and in the ordinary course of the business.
 2. 20th August, 2020 is the date of board meeting on which the transaction of software development and consulting services with Vivo Bio Tech Limited is approved.
 3. The Audit Committee in its meeting held on November 12, 2018, has approved the proposal for appointment of Mr. Viswanath Kompella, Chairman Emeritus, as an Advisor of the Company and the same has also been discussed and approved by the Board in its meeting held on November 12, 2018, and subsequently has been approved by the members through postal ballot.
- 5) **Amount paid as advances, if any:** Nil

For **Virinchi Limited**

Date: 29/08/2022
Place: Hyderabad

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

Annexure -5

Secretarial Audit Report of M/S. Virinchi Limited

For The Financial Year Ended On 31st March, 2022

Form No MR-3

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

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

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, 2022 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing.
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - 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 (Share Based Employee Benefits) Regulations, 2014);
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 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

2. During the year the Company has conducted 8 Board Meetings, 7 Audit Committee Meetings, 1 Independent Director's Meeting, 9 Nomination and Remuneration Committee and 5 Stakeholders Relationship Committee Meeting and 5 Corporate Social Responsibility Committee meetings . We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on meeting of the Board of Directors and General Meeting.
3. I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
4. I further report that the Compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
5. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The Company has framed various policies and displayed the same on the company's website i.e.,www.virinchi.com
 - ◆ Policy on Preservation of Documents
 - ◆ Whistle Blower Policy
 - ◆ Related Party Transaction Policy
 - ◆ Familiarization programme for Independent Directors
 - ◆ Nomination and remuneration Policy
 - ◆ Policy on material subsidiaries
 - ◆ Corporate Social Responsibility Policy
7. I further report that:-
 - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b. Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - c. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
 - d. 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.
 - e. I further report that during the year under report, the Company has not undertaken any event/ action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Hyderabad

Date: 29/08/2022

Vinay Babu Gade

Company Secretary in Practice

M.No: A20592

CP NO: 20707

UDIN: A020592D000842391

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

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

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

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

Place: Hyderabad
Date: 29/08/2022

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592D000842391

SECRETARIAL AUDIT REPORT OF M/S. VIRINCHI HEALTH CARE PRIVATE LIMITED

For The Financial Year Ended March 31, 2022

FORM NO MR 3

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

To
The Members,
M/s. Virinchi Health Care Private Limited
6-3-2,6-3-3,6-3-3/1, Ashoka Metro Politon Building,
Road No 1, Banjara Hills, Hyderabad - 500034.

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

Based on my verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on **March 31, 2022** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended 31st March 2022 ("Audit Period") according to the provisions of:
 - 1.1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - 1.2. The Secretarial Standards on the Meetings of the Board of Directors, Committees (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
2. I report that during the period under review the Company has substantially complied with Secretarial Standards on Board Meeting issued by the Institute of Company Secretaries of India.
3. In my opinion and as identified and informed by the Management, the Company has adequate systems to monitor and ensure compliance (including the process of renewal/fresh/pending applications with Government Authorities),the following laws are

specifically applicable to the Company.

- i. Atomic Energy Act, 1962
- ii. Birth and Death and Marriage Registrations Act, 1886
- iii. The Air (Prevention and Control of Pollution), Act, 1981
- iv. The Water (Prevention and Control of Pollution), Act, 1981
- v. Gas Cylinder Rules, 2016
- vi. The Dentists Act, 1948
- vii. Drugs and Cosmetics Act, 1940 and Rules made thereunder
- viii. Epidemic Diseases Act, 1897
- ix. ICMR Guidelines
- x. Excise Permit (For Storage of Spirit) under Central Excise Act, 1956
- xi. Legal Metrology Act, 2009
- xii. Legal Metrology Rules, 2011
- xiii. Medical Termination of Pregnancy Act, 1971
- xiv. NACO Guidelines
- xv. Narcotic Drugs and Psychotropic Substances Act, 1985
- xvi. Hazardous Waste and other Wastes (Management and Transboundary Movement), Rules, 2016
- xvii. Pharmacy Act, 2015
- xviii. Food Safety and Standards Act, 2006 and Rules made thereunder
- xix. Poisons Rules (State specific)
- xx. Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994
- xxi. Prevention of Illicit Traffic in Narcotics Drugs Act, 1988

- xxii. Prohibition of Smoking Act, 2008
- xxiii. The Static and Mobile Pressure vessels (Unfired) (Amendment), Rules, 2018
- xxiv. The Bio Medical Waste (Management and Handling) (Amendment), Rules, 2018
- xxv. Transplantation of Human Organs and Tissues Act, 1994 and Rules made thereunder
- xxvi. Clinical Establishments and Registration Act, 2010
- xxvii. National Building Code
- xxviii. Indian Medical Council Act 1956
- xxix. Fire Services Act 1999
- xxx. Minimum wages Act 1948
- xxxi. Employee Provident Fund Act 1952
- xxxii. Employee State Insurance Act 1948

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

4. I further report that:

- 4.1 Mr. Ravindranath Tagore Kolli, Company Secretary of the Company is also holding the position of Company Secretary & Compliance Officer in the holding Company M/s Virinchi Limited under Section 203 of the Companies Act 2013
- 4.2 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors physically to schedule the Board Meetings.
- 4.3 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- 4.4 Decisions at the meetings of the Board of Directors of the Company were taken unanimously. It is to

be noted that for the Audit Period the following events not applicable:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction, etc.
- v. Foreign technical collaborations

4.5 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and advised the company to ensure the compliance of Secretarial Standards with true spirit.

- 5. I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except as stated above and in the Audit Report.

Place: Hyderabad

Date: 29/08/2022

Vinay Babu Gade

Company Secretary in Practice

M.No: A20592

CP NO: 20707

UDIN: A020592D000842523

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

ANNEXURE TO SECRETARIAL AUDIT REPORT OF VIRINCHI HEALTH CARE PRIVATE LIMITED

To
The Members,
M/s. Virinchi Health Care Private Limited
6-3-2,6-3-3,6-3-3/1, Ashoka Metro Poligon Building,
Road No 1, Banjara Hills, Hyderabad - 500034.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. 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 the random 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 the Management. My examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 29/08/2022

Vinay Babu Gade
Company Secretary in Practice
M.No: A20592
CP NO: 20707
UDIN: A020592D000842523

Annexure-6

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

Conservation of Energy:

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

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

Research and Development

Your company will continue to focus and invest in its R & D activities in software engineering, technologies and products. Your company leverages its excellence in technology for producing World Class Products and solutions. The continual exposure to new technologies has helped maintain high motivation levels in employees and to generate higher levels of productivity, efficiency and

quality. Your company continues to give due importance to research and development to maintain its leadership in the field of leading edge technologies.

Foreign Exchange Earnings and Outgo:

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

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

Particulars	(Rs. in Lakhs)	
	FY 2021-22	FY 2020-21
Foreign Exchange Earnings	6703	7760
Foreign Exchange Outgo	Nil	Nil
Total	60.75	17.33

Technology Absorption, Adaptation and Innovation

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

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

For **Virinchi Limited**

Date: 29/08/2022
Place: Hyderabad

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

Report on Corporate Governance

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.

Board of Directors:

Composition and Category of Directors:

The Company has an Executive Chairperson cum whole

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

8 Board Meetings were held during the Financial Year 2021-22 and the gap between two Meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

MEETING DATES

16th June, 2021, 30th June, 2021, 14th August, 2021, 27th August, 2021, 21st October, 2021, 22nd December, 2021, 12th January, 2022, 4th February, 2022

The necessary quorum was present for all meetings.

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.V.Srinivasa Rao	Chairman & Whole Time Director	8	Yes	0	0	0
V. Satyanarayana	Vice Chairman & Executive Director	8	Yes	0	0	0
K. Sri Kalyan	Non Independent Non-Executive Director	8	YES	1	2	0
K.Kalpana	Independent Non-Executive Director	8	Yes	2	2	0
J. Suresh	Independent Non-Executive Director	8	Yes	0	0	0
Sunder Kanaparthu	Independent Non-Executive Director	8	Yes	1	0	4

Directorships in other listed companies.

The following directors have Directorships in other Listed companies.

Ms. K. Kalpana is an Independent Non-Executive Director in Vivo Bio Tech Limited and in Kellton Tech Soluitons Lintied as on 31st March, 2022

Mr. Sunder Kanaparthu is an Independent Non-executive Chairman & Director and in Vivo Bio Tech Limited.

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

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

During the financial year 2021-22, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), 2015, has been placed before

the Board for its consideration.

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

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

None of the directors on the board is a member of more than 10 committees or Chairman of more than 5 committees, across all companies in which he/ she is a director. The necessary disclosures regarding committee positions have been made by the directors. All independent directors have provided an affirmation of

their independence as required under the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board also confirms that the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Familiarization Programme

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

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

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

Newly inducted directors spend approximately a week at the time of their induction and interact with the Chairman, Whole Time Director & CFO CEO, and other members of the senior management. They interact with the heads of all business units and other functional heads. They are provided a walk through among some of the centres of excellence and given a detailed understanding of the business and its operations. Directors are regularly updated on changes in policies and programmes, laws and the general business environment. Details of the familiarization programme for Non-Executive Directors and their letter of appointment are published on the website of the company

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

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

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on 31st March, 2022, inter alia, to discuss:

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

Details of skills / expertise / competence available with the Board

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

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

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

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

Resignation of Independent directors during the year

No Resignations during the year.

3. AUDIT COMMITTEE:

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

During the year under review Seven (7) 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:

Meeting Dates: 29th May, 2021, 30th June, 2021, 8th August, 2021, 14th August, 2021, 27th August, 2021, 21st October, 2021, 12th January, 2022.

Name of the Director	Designation	Nature of Directorship	Committee Meetings attended
K. Sunder	Chairman	Independent Non-Executive Director	7
K Sri Kalyan	Member	Non Independent Non Executive Director	7
K.Kalpana	Member	Independent Non-Executive Director	7

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

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

The primary responsibilities of the Audit Committee are to

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

- Internal audit reports and adequacy of internal audit function.
- Oversee the Vigil Mechanism
- Oversee the implementation of Prohibition of insider trading Regulations

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

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

4. Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee are as follows:

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

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

Meeting dates: 11th June, 2021, 30th June, 2021, 14th August, 2021, 27th August, 2021, 18th September, 2021, 21st October, 2021, 11th November, 2021, 12th January, 2022, 25th March, 2022

The Nomination and Remuneration Committee is constituted as follows.

Name of Director	Designation	Nature of Directorship	Meetings attended
Sunder Kanaparthi	Chairman	Independent Non-Executive	9
K.Kalpana	Member	Independent Non-Executive	9
J.Suresh	Member	Independent Non-Executive	9

Remuneration policy:

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

This Policy is accordingly derived from the said Charter.

1. Criteria of Selection of Non-Executive Directors

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

During FY 2021-22, the Board had also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the context of

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

2. Remuneration

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

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

Board member Evaluation

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

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

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

REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors during the financial year 2021-22 are as follows:

a. Executive Directors

Name	Salary	Benefits (perquisites)	Bonus	Pension	Commission	TOTAL
M.V.Srinivasa Rao	45,61,200					45,61,200
V. Satyanarayana	47,61,204	-	-	-	-	47,61,204
TOTAL						93,22,404

b. Non-Executive Directors

There were no pecuniary transactions with any Non-Executive Director of the Company

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

Sl.No	Name of the Director	Sitting Fees	Shares held as on 31st March,2022
1	Ms. K. Kalpana	1,20,000	Nil
2	Mr. J. Suresh	1,20,000	Nil
3	Mr. Sunder Kanaparthu	1,80,000	Nil
4	Mr. K Sri Kalyan	0	Nil

5. Stakeholders Relationship Committee:

- The Board constituted a Stakeholders Relationship Committee which looks into shareholders and investors grievances under the Chairmanship of Mr. Sunder Kanaparthu Independent, 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 Annual Report, non-receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- The Board of Directors has delegated the power of approving transfer of securities to M/s. Aarthi Consultants Private Limited.

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

Composition of the Committee:

Meeting Dates: 30th June, 2021, 14th August, 2021, 27th August, 2021, 21st October, 2021, 12th January, 2022.

Name	Designation	Category	Attendance
Sunder Kanaparthu	Chairman	Independent Non-Executive Director	5
K Sri Kalyan	Member	Non Independent Non Executive Director	5
K.Kalpana	Member	Independent Non-Executive Director	5

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

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

The outstanding complaints as on 31st March, 2022 were: NIL

Name & Designation of the Compliance Officer:

Mr.K.Ravindranath Tagore
 Company Secretary, Chief Investor Relations & Compliance Officer
 8-2-672 / 5 & 6, 4th Floor
 Illyas Mohammed Khan Estate,
 Road No. 1, Banjara Hills
 Phone# 040-48199999 Email:investors@virinchi.com, www.virinchi.com

Corporate Social Responsibility Committee (CSR)

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

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

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

- Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the company;
- Recommending the amount of expenditure to be incurred on CSR activities of the company;
- Reviewing the performance of the Company in the area of CSR;
- Providing external and independent oversight and

guidance on the environmental and social impact of how the company conducts its business;

- Monitoring CSR policy of the company from time to time;
- Monitoring the implementation of the CSR projects or programs or activities undertaken by the company.

The CSR Committee comprises of three Directors viz.,

During the financial year 2021-22, the CSR Committee met Five times and all the members were present for the meeting.

Meeting Dates:

30th June, 2021, 14th August, 2021, 27th August, 2021, 21st October, 2021 and 12th January, 2022

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

7) a) Details of Annual General Meetings: Location and time of the last three AGM's.

Financial Year	Date & Time	Venue	Special Resolutions Passed
2020-21	28/09/2021 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34(VC/OAVM)	No
2019-20	28/09/2020 12.30 PM	8-2-672/5&6, Road No. 1 Banjara Hills, Hyderabad-34 (VC/OAVM)	Yes
2018-19	28/09/2019 11.30. A.M.	8-2-672/5&6, 3rd Floor, Road No. 1 Banjara Hills, Hyderabad-34	Yes

b) Extraordinary General Meeting:

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

(c) Postal Ballot.

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

Special Resolutions passed on 18 February 2022:

Description	No of votes polled	Votes cast in favour	Votes cast against	Invalid/abstain votes
Issue of Convertible Equity Warrants to Strategic Investors.	1,17,22,214	1,16,94,494	27,720	Nil
Approval of Virinchi Limited Employee Stock Option Scheme 2022 and Grant of Employees Stock Options to employees of the Company thereunder.	1,17,01,714	1,16,93,994	7,720	Nil
Grant of Employee Stock Options to the Eligible Employees of the Subsidiary (ies) of the Company under Virinchi Limited Employee Stock Option Scheme 2022.	1,17,17,214	1,17,09,454	7,760	Nil

Description	No of votes polled	Votes cast in favour	Votes cast against	Invalid/abstain votes
To Approve Grant of options to equal to or exceeding one per cent but not exceeding four per cent of the issued Capital of the Company during any one financial year to identified employees under Virinchi Employees Stock Option Scheme, 2022 (VESOS, 2022).	1,17,22,214	1,16,93,994	28,220	Nil

Special Resolutions passed on 9th March, 2022:

No Special Resolutions passed in the postal ballot concluded on 9 March, 2022

Mr. G. Vinay, Company Secretary in Practice was appointed as scrutinizer for the above postal ballots.

(d) Procedure for postal ballot

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

8. Means of Communication

i. Publication of Results

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

ii. Website and news release

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

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

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

- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;
- Details of familiarization programs imparted to Independent Directors;
- Policy for determination of materiality of events.

Annual Report:

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

Disclosures to Stock Exchanges:

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

E-voting

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

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 complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by

investors of actions taken on the complaint and its current status.

Dedicated e-mail ID

Investors@virinchi.com

9. General Shareholder Information :

Annual General meeting

Date: 28th September, 2022

Time: 12.30 P.M

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

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

Tentative calendar for declaration of financial results in Financial Year 2022-23

Tentative calendar for declaration of financial results in Financial Year 2022-23

Results for the quarter ended June 30, 2022	on or before August 14, 2022
Results for the quarter ended September 30, 2022	on or before November 14, 2022

Tentative calendar for declaration of financial results in Financial Year 2022-23

Results for the quarter ended December 31, 2022	on or before February 14, 2023
Results for the year ended March 31, 2023	on or before May 30, 2023

Book Closure dates:

The dates for book closure are from 22nd September, 2022 to, 28th September, 2022 (both days inclusive).

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jee jee bhoy Towers, Dalal Street, Mumbai - 400 001

The listing fee for the financial year 2022-23 has been paid to the above stock exchange.

Stock Code & ISIN

Trading scrip code on BSE : 532372

International Securities Identification Number (ISIN)

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

Market Price Data :

The Monthly high and low prices of your company's share at BSE for the year ended March 31, 2022 are as under:

Month	Highest (Rs.)	Lowest (Rs.)	Volume of Shares traded
April, 2021	48.90	34.00	17,41,934
May,2021	67.70	42.15	40,24,350
June,2021	69.30	55.00	23,57,397
July, 2021	77.20	55.00	44,78,760
August, 2021	77.50	56.70	18,36,691
September, 2021	66.00	55.60	13,26,844
October, 2021	71.55	55.90	22,19,088
November, 2021	64.70	48.30	18,09,138
December, 2021	113.90	55.55	88,20,163
January,2022	201.70	111.45	61,01,573
February,2022	196.45	105.60	42,78,101
March,2022	139.00	52.95	42,41,115

Share price performance in comparison to broad based indices – BSE

Virinchi Share Price Vs BSE

Particulars	Share price	BSE Sensex
As on April 1, 2021	36.05	50,029.83
As on March 31, 2022	58.40*	58,568.51
Change (%)	223.99	17.07

Price after adjustment of Bonus issue

Registrar and Share Transfer Agents, Share Transfer System

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

M/s. Aarthi Consultants Private Limited (Unit : Virinchi Limited)

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

Distribution of Shareholding as on 31st March, 2022

Sl. No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 – 5000	12151	70.58	1,757,479	17,574,790	2.22
2	5001 – 10000	2114	12.28	1,700,814	17,008,140	2.14
3	10001- 20000	1267	7.36	2,078,015	20,780,150	2.62
4	20001- 30000	398	2.31	1,038,509	10,385,090	1.31
5	30001- 40000	273	1.59	1,023,172	10,231,720	1.29
6	40001- 50000	146	0.85	680,099	6,800,990	0.86
7	50001- 100000	417	2.42	3,105,113	31,051,130	3.91
8	100001 & Above	450	2.61	67,937,267	679,372,670	85.65
	Total:	17216	100.00	79,320,468	793,204,680	100.00

Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2022, 7,91,32,606 equity shares forming part of 99.76% of the share capital are in demat form and 1,87,862 equity shares forming 0.24% of the share capital are in physical form. Dematerialization of shares is done through M/s. Aarthi Consultants Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Shareholding Pattern as on March 31, 2022

Sl. No.	Description	No. of Shares	% of Total Capital
1	Promoter / Promoter group	39,125,822	49.33
2	Foreign Institutional Investors	300,000	0.38
3	Banks / Mutual Funds / NBFC	Nil	Nil
4	Bodies Corporate	8,170,541	10.30
5	Individuals / HUF	28,208,626	35.56
6	Employee Trusts	Nil	Nil
7	Non Resident Indians	2,090,783	2.64
8	Foreign Bodies	633,550	0.80
9	Central Government	249,094	0.31
10	Clearing Members / Trusts	542,052	0.68
	Total:	79,320,468	100.00

Dematerialisation of Shares and Liquidity as on 31st March 2022

Description	No. of Shares	% of Total
NSDL	62,216,621	78.44
CDSL	16,915,985	21.32
Physical	187,862	0.24
Total	79,320,468	100.00

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

The Company has not issued any GDRs/ADRs and there are no pending warrants as on 31st March, 2022 .

Commodity Price Risk or foreign exchange risk and hedging activities.

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

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

Plant Locations

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

Development Facilities	Address
Hyderabad	1. Sy.No 121, Behind Hakimpet Airforce Academy, Pothaipally, Hakimpet, Hyderabad-500014
	2. 8-2-672/5&6, , 1st to 7th Floors, Ilyas Mohammed Khan Estate, Road No.1, Banjara Hills, Hyderabad-500034
USA	1. Green House, 7 South Main street , Suite E, Marlboro, NJ-07746
	2. 145 N. CHURCH STREET, SUITE 124, SPARTANBURG, SC 29306
	3. 400 Sugar Camp Dr, Dayton, OH, USA-45409

Address for Correspondence:

For queries relating to shares	For queries relating to Financial Statements and
M/s. Aarthi Consultants Private Limited (Unit-Virinchi Limited) 1-2-285, Domalguda, Hyderabad. Phone # 040-27634445 / 27638111 Email : info@arthiconsultants.com	M/s. Virinchi Limited., 8-2-672/5 & 6, 4th Floor, Ilyas Mohammed Khan Estate Banjara Hills, Road # 1, Above Kotak Mahindra Bank, Hyderabad - 500034. Phone # 040-48199999 Email : investors@virinchi.com

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

Credit Rating of Virinchi Limited is done by Acuité Ratings & Research Limited. They have assigned ACUITE BBB-/Stable (Upgraded) for Long Term Loans availed and ACUITE A3 (Upgraded) for short term borrowings and the same is valid till September 19, 2022.

Other Disclosures:**Related party transactions**

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

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

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

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

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

Year	Compliance Requirement	Deviations	Remarks
2021-22	Nil	Nil	Nil
2020-21	Nil	Nil	Nil
2019-20	Nil	Nil	Nil

Details of establishment of Vigil Mechanism (Whistle Blower policy)

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

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

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

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

Policy on Material Subsidiaries

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

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

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

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

Details of Utilisation of funds raised through preferential allotment.

During the year the company raised Rs.5,06,66,680 (Five Crores Six Lakhs Sixty Six Thousand Six Hundred and Eighty Only) through the allotment of 12,66,667 equity shares of Rs.10/- at a premium of Rs.30/-. The proceeds of the preferential issue have been utilized towards augmenting the working capital requirements and meeting other business requirements as per the object of the preferential issue.

Recommendations of Committees of the Board

There were no instances during the financial year 2021-22 wherein the Board had not accepted the recommendations made by any Committee of the Board.

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

During the year ended March 31, 2022, fees paid to the Statutory Auditors (P C N & Associates) and its network firms are as follows:

Fees(Including Taxes)	Virinchi Limited to Statutory Auditors	Virinchi Limited to network firms of Statutory Auditors	Subsidiaries of Virinchi Limited to Statutory Auditors and its network firms
Statutory Audit	2.36	-	1.77
Certification and other attestation services	-	-	-
Non Audit Services	-	-	-
Outlays and Taxes	-	-	-

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

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

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

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

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)

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

EQUITY SHARES IN DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015, the Company reports that No Equity Shares are lying in the suspense account as on 31st March 2022

CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company gave certification on financial reporting and internal controls for the financial year 2021-22 to the Board of Directors at their meeting held on 20th May, 2022, as required under regulation 17(8) of SEBI Listing Regulations. See **Annexure-8**.

Compliance with Secretarial Standards

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

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Virinchi Limited.

1. We, P C N & Associates, Chartered Accountants, the Statutory Auditors of Virinchi Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Managements’ Responsibility

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

Auditors’ Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

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

For **P C N & Associates**
Chartered Accountants
FRN: 016016S

K. Gopala Krishna
Partner

Membership No: 203605
UDIN: 22203605AQSOAA8189

Place: Hyderabad
Date: 29-08-2022

Annexure-8

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

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

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) significant changes, if any, in internal control over financial reporting during the year;
 - b) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

For Virinchi Limited

PLACE : HYDERABAD
DATE : 20-05-2022

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

V. Satyanarayana
Vice Chairman & Executive Director
DIN : 09070986

Certificate of Non-Disqualification Of Directors

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal(www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sl. No.	Name of the Director	DIN	Date of appointment in Company
1	Mr. M.V.Srinivasa Rao	00816334	12-11-2018
2	Mr. K.Sri Kalyan	03137506	12-08-2013
3	Mr. V. Satyanarayana	09070986	22-02-2021
4	Ms.K.Kalpana	07328517	28-08-2017
5	Mr.Sunder Kanaparthi	00914869	26-06-2020
6	Mr. J. Suresh	08369715	28-02-2019

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

G. Vinay Babu

Company Secretary in Practice

M.NO: A20592

CP.NO: 20707

UDIN: A020592D000842468

Place: Hyderabad

Date :29-08-2022

Declaration regarding compliance with the code of conduct and ethics

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Virinchi Limited Code of Business Conduct and Ethics for the year ended March 31, 2022.

For Virinchi Limited

Place: Hyderabad

Date:29-08-2022

M.V.Srinivasa Rao

Whole Time Director&CFO

DIN: 00816334

Independent Auditor's Report

To

The Members of

VIRINCHI LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of VIRINCHI LIMITED ("the Company"), which comprises the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

Depending on the facts and circumstances of the entity and the Audit, there are no key audit matters to communicate in the Audit Report

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone Balance Sheet, the standalone statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities

identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations above (iv) and (v) under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

vii. The company has not declared or paid any dividend during the year.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government

in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For P C N & Associates,
Chartered Accountants
Firm’s Registration No: 016016S

M. Mohana Saradhi
Partner
Membership No: 244686
UDIN: 22244686AKWWKT9516

Place: Hyderabad
Date: 20.05.2022

Annexure “A” To the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VIRINCHI LIMITED of even date

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

We have audited the internal financial controls over financial reporting of VIRINCHI LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company are 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company 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 31, 2022, 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 C N & Associates,
Chartered Accountants
Firm's Registration No: 016016S

M. Mohana Saradhi
Partner
Place: Hyderabad
Date: 20.05.2022

M. Mohana Saradhi
Partner
Membership No: 244686
UDIN: 22244686AKWWKT9516

Annexure “B” To the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VIRINCHI LIMITED of even date

- i. In respect of the Company’s Property, Plant & Equipment and Intangible Assets:
- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. As explained to us, Property Plant & Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - c. According to the information and explanations given to us, the records examined by us and based on the examination of the title deeds of immovable properties, they are held in the name of the company.
 - d. According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment (including Right of Use assets) or intangible assets during the period under review.
 - e. No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from its banker on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to its Wholly owned subsidiaries, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest. Aggregate of advances given during the year and out standing balance as follows:

S l No	Name of the Subsidiary	Aggregate amount during the year (In Lakhs)	Outstanding balance as on 31/03/22 (in Lakhs)
1	Qfund Technologies Pvt. Ltd.	218.45	662.41
2	KSoft Systems Inc	(659.19)	(2,631.98)
3	Virinchi Media & Entertainment Pvt. Ltd	25.62	188.83
4	Virinchi Learning Pvt. Ltd.	7.89	21.82
5	Tyohar Foods Pvt Ltd	(5.82)	103.69
6	Virinchi Infra & Realty Pvt Ltd	5.01	(9.74)
7	Virinchi Health Care Pvt Ltd	2,934.70	8,115.22
8	Tensor Fields Consultancy Services Pvt Ltd	189.48	476.39
9	Virinchi Combinatorics & Systems Biology Pvt Ltd	(9.98)	(6.07)
10	Asclepius Consulting & Technologies Pvt Ltd	(32.54)	611.37
11	V23 Medical Solutions Pvt. Ltd.	0.32	5.36
12	Virinchi Capital Pvt. Ltd.	214.04	18.19
	Total	2,887.99	7,555.50

- b. In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest
- c. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations
- d. There is no overdue amount remaining outstanding as at the year-end
- e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties
- f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has provided corporate guarantee or security or granted advances in the nature of loans, unsecured, to its wholly owned subsidiary viz., M/s. Virinchi Health Care Private Limited of Rs. 88.38 Crores and present out Standing is Rs. 85.23 Crores.

- iv. In our opinion and according to the information and explanations given to us, the Company has complied

with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.

- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause (v) of the Order are not applicable to the Company.
- vi. The cost records as specified under sec 148(1) of the Companies Act 2013, is not prescribed to the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Customs Duty. However there was a small delay in depositing TDS and Advance Tax as applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- c. According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Sales Tax, Service Tax, Excise Duty, Custom Duty and Value Added Tax which have not been deposited as at March 31, 2022 on account of any dispute except Income Tax as given below

S. No	Nature	Assessment year	Amount of Dispute (in Rs.)	Amount Deposited	Forum where it is pending
1	Income Tax	2017-2018	5,72,91,255	40,00,000	CIT(A)
2	Income Tax	2017-2018	2,68,76,560	Nil	CIT(A)

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and any other Lenders.
- (b) The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- (c) The Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

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

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- x. (a) During the year the Company has not raised any moneys by way of initial public offer, further

- public offer (including debt instruments).
- (b) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 42 of the companies Act 2013 in respect of preferential allotment of shares
- xi. (a) According to the information and explanations given to us, No fraud by the company or on the company has been noticed or reported during the course of our Audit.
- (b) No Report has been filed in form ADT-4 with the Central Government as prescribed under Sub section (12) of Section 143 of the companies Act, 2013.
- (c) According to the information and explanations given to us, The Company has not received any Whistle-blower complaints during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.
- xiv. (a) The company has an internal audit system which commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him.
- xvi. (a) The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.
- (b) The Company has not conducted any Non banking financial or Housing finance activities without a valid certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined by the Reserve Bank of India.
- (d) The Company is not part of any Group. Therefore the requirement of Paragraph 3(xvi)(d) is not applicable to the company.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, based on our knowledge of the Board of Directors' and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and company is capable of meeting its liabilities existing at the date of balance sheet.
- xx. In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified under sec 135 of Companies Act 2013.
- xxi. In our opinion and according to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statement.

For P C N & Associates,
Chartered Accountants
Firm's Registration No: 016016S

M. Mohana Saradhi
Partner

Place: Hyderabad
Date: 20.05.2022

Membership No: 244686
UDIN: 22244686AKWWKT9516

Standalone Balance Sheet

As At 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Particulars	Note No	Mar 31, 2022	Mar 31, 2021
ASSETS			
1 NON CURRENT ASSETS			
Property, Plant and Equipment	1	6,128.28	6,757.12
Right of Use Asset	1	2,521.24	2,798.47
Capital Work-In-Progress	1	1,091.63	1,091.63
Goodwill	1	4,142.16	4,142.16
Other Intangible Assets	1	2,949.20	2,962.30
Financial Assets			
Non-Current Investments	2	6,475.43	6,455.43
Long Term Loans and Advances	3	5,085.87	5,085.87
Other Financial Assets	4	187.80	165.77
Other Non-Current Assets	5	60.75	17.33
2) CURRENT ASSETS			
Inventories		-	-
Financial Assets			
Trade and Other Receivables	6	2,236.85	2,864.74
Cash and Cash Equivalents	7	1,408.25	425.90
Short Term Loans and Advances	8	7,865.03	5,415.67
Other Current Assets	9	1,241.42	1,138.11
Total Assets		41,393.91	39,320.48
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	7,932.05	3,699.36
Other Equity	11	22,662.64	24,826.95
Money Received Against Share Warrants		-	126.67
Liabilities			
(1) Non-Current Liabilities			
Financial Liabilities			
Long-Term Borrowings	12	3,188.95	2,075.18
Lease Liability	13	3,385.47	3,419.14
Long Term Provision	14	264.12	228.95
Defferred Tax Liabilities (Net)	15	430.97	723.46
(2) Current Liabilities			
Financial Liabilities			
Short Term Borrowings	16	2,318.32	2,786.49
Trade Payables	17	63.76	103.39
Short Term Provisions	18	1,147.64	1,330.90
Total Equity and Liabilities		41,393.91	39,320.48

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

Place : Hyderabad

Date: 20th May 2022

For and on behalf of the Board of Directors of

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

K.Ravindranath Tagore

Company Secretary

M.No. A18894

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

Standalone Profit and Loss Statement

for the Year ended 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Particulars	Note No	Mar 31, 2022	Mar 31, 2021
Revenue from Operations	19	12,616.48	13,295.30
Other Income	20	633.28	502.33
Total Income		13,249.75	13,797.63
Expenses:			
Purchases		181.46	-
Employee Benefit Expenses	21	4,286.17	4,548.83
Depreciation	1	1,778.97	1,839.30
Amortization Expense		12.27	9.32
Finance cost	22	542.51	735.84
Administrative and Other Operating Expenses	23	5,144.75	5,221.11
Total Expenses		11,946.11	12,354.40
Profit before exceptional items and tax		1,303.64	1,443.23
Exceptional Items			
Priorperiod Items		-	137.40
Profit Before Tax		1,303.64	1,305.83
Tax expense:			
(a) Current tax		359.42	389.91
(b) Deferred tax Liability/(Asset)		(292.49)	56.66
Profit(Loss) for the period from continuing operations		1,236.71	859.26
Profit/(Loss) for the period		1,236.71	859.26
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income (Net of Tax)		1,236.71	859.26
Earning Per Equity Share:			
(1) Basic		1.59	2.56
(2) Diluted		1.59	2.41

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

Place : Hyderabad

Date: 20th May 2022

For and on behalf of the Board of Directors of

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

K.Ravindranath Tagore

Company Secretary

M.No. A18894

Standalone Cash Flow Statement

for the Year Ended 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Particulars	Mar 31, 2022	Mar 31, 2021
A. Cash Flow from Operating Activities:		
Net Profit/ (Loss) before taxation and extraordinary items	1,303.64	1,443.23
Adjustments for:		
Depreciation	1,778.97	1,839.30
Amortization expenses	12.27	9.32
Interest expenses	542.51	735.84
Changes in Reserves on account of Leased Assets	-	(137.40)
Changes in Deferred Tax Asset/Liability	(292.49)	(136.34)
Operating Profit before Working Capital Changes	3,344.89	3,753.95
Change in Operating Assets & Liabilities		
Trade and Other Receivables Including Inventory	(2,002.51)	(1,620.43)
Trade and Other Payables	(655.90)	(878.95)
Cash Generated from Operations	686.48	1,254.57
Taxation for the year	66.93	446.57
Net Cash Generated from Operating Activities	619.55	808.00
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(859.80)	(4,529.47)
Payment for Investments	(20.00)	(201.00)
Net Cash used in Investing Activities	(879.80)	(4,730.47)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	705.00	1,256.45
Interest paid	(542.51)	(735.84)
Proceeds from Long Term Borrowings	1,080.11	3,494.32
Net Cash Generated from Financing Activities	1,242.60	4,014.93
Net increase in cash and cash equivalents	982.35	92.46
Cash and Cash equivalents as at Beginning of the Year	425.90	333.44
Cash and Cash equivalents as at End of the Year	1,408.25	425.90

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

For and on behalf of the Board of Directors of

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

K.Ravindranath Tagore

Company Secretary

M.No. A18894

Place : Hyderabad

Date: 20th May 2022

Standalone Statement of Changes in Equity

for the Year Ended 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

a. Equity Share Capital

	No. of Shares	Amount (Lakhs)
Balance as at 31 March 2021	3,69,93,567	3,699.36
Balance as at 31 March 2022	7,93,20,468	7,932.05

b. Other equity

Particulars	Reserves and Surplus					Total
	Securities Premium	Share Options Outstanding	Share Warrants Forefeiture	Loss on Slump Sale	Retained Earnings	
At 1 April 2020	11,860.32	509.08	222.5	(1,194.21)	11,696.7	23,094.39
Additions for the year	988.95	-	170.8	-	572.81	1,732.56
Other comprehensive income						
Re-measurement gains/ (losses) on defined benefit plans				-		-
Income-tax effect				-		-
At 31 March 2021	12,849.27	509.08	393.3	(1,194.21)	12,269.51	24,826.95
Additions for the year	(3,007.72)	-	(393.3)	-	1,236.71	(2,164.31)
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax						-
Income-tax effect						-
Less : Leases					-	-
Balance as of 31 March 2022	9,841.54	509.08	-	(1,194.21)	13,506.22	22,662.64

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

Place : Hyderabad

Date: 20th May 2022

For and on behalf of the Board of Directors of

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholtime Director

DIN: 00816334

K.Ravindranath Tagore

Company Secretary

M.No. A18894

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

1. Corporate Information

Virinchi Limited, India (“Virinchi”) is an IT Products & Services company offering customized solutions to companies across the globe since 1990. Virinchi is a publicly held company listed on the BSE LTD, one of India’s largest stock exchanges, since the year 2000. Virinchi has developed & retained IP in several software products operating in supply chain management, alternate financial services, however, has had limited success in offering most of the solutions barring the software product for financial services where Virinchi has reached leadership position considering the market share of this niche industry. The Organisation is led by First Generation IIT/IIM Entrepreneurs and operates out of its Corporate Office at Banjara Hills, Hyderabad, India & US Head Quarters at Marlboro, New Jersey.

2. Significant Accounting Policies

(a) Statement of Compliance

The Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of Preparation

These Standalone Financial statements have been prepared in Indian Rupee (₹) which is the Functional Currency of the Company.

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under historical cost convention on accrual basis, except for certain Financial Instruments which are measured at Fair Value or amortised cost at the end of each reporting Period, as explained in the Accounting Policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

The statement of cash flows has been prepared under indirect method.

(c) USE OF ESTIMATES AND JUDGEMENTS:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

- i) **Income tax** expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.
- ii) **Current income taxes:** The company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.
- iii) **Deferred Income taxes:** Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

iv) Useful Life of property, plant and equipment The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(d) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company's revenues are derived from sale of services and recognized as per Ind AS 115.

▪ Sale of Services:

Service income is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

▪ Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(e) Cost Recognition Cost and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised into employee benefit expenses, depreciation and amortisation expense, Finance Cost and Administrative and other Operating expenses. Employee benefit expenses include Salaries including bonus, ESOPS cost, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Administrative and Other Operating expenses include Power & Fuel, Fees to external consultants, facility expenses, travel expenses, etc.

(f) Foreign Currency Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(g) Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(h) Cash and Cash Equivalents Cash and cash equivalents comprise balance at bank & Deposits and Cash in hand.

Cash and Cash Equivalents includes as at 31st Mar 2022 and 31st Mar 2021 restricted cash and bank balances of Rs. 982.95 lakhs and Rs.296.44 lakhs respectively. These restrictions are primarily on account of bank balance held as marginal money deposit against guarantees

Bank borrowings for working capital not considered as a part of Cash and Cash Equivalents.

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

- (i) **Provisions and Contingent Liabilities** A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

List of Contingent Liabilities are given below:

1. Corporate guarantee extended to wholly owned subsidiary namely M/s. Virinchi Healthcare Pvt Ltd for an amount of Rs. 88.38 Crores and the outstanding liability as on 31st March 2022 is amounting to Rs. 85.23 crores.
2. Income Tax disputed liability for the Assessment year 2017-2018 amounting to Rs. 572.91 lakhs
3. Income Tax disputed liability for the Assessment year 2017-2018 amounting to Rs. 268.76 lakhs

- (j) **Investments in subsidiaries** Investment in subsidiaries are measured at cost.

- (k) **Property, plant and equipment** : Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives (Years) are as mentioned below:

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Buildings	30
Plant and Machinery	15
Furniture & fixtures, Electrical Equipment	10
Vehicles	10
Office equipment	5
Computers	3

Depreciation is not recorded on capital work-in-progress until construction and or installation is complete and the asset is ready for its intended use.

(l) Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Product Development: Salaries and other cost paid to resources working on new products are capitalized as intangible asset under the head "Product Development". Management has estimated life of this product is about 10 years subject to certain improvements to the same product/source code.

Computer Software: The company amortizes Computer software using the straight-line method over a period of 6 years.

(m) Impairment

Financial assets (other than at fair value) The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(n) Employee benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Standalone Notes and other explanatory information to financial statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

(ii) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, Bonus, Earned Leave etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors

(p) Lease :

Current year effect on Lease Accounting:

- (i) Financial Charges on Lease Rs 206.64 lakhs
- (ii) Amortization cost on Right of Use Asset Rs 374.06 lakhs

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No.1 (1)

The changes in the carrying value of property, plant and equipment are as follows

Property, Plant and Equipment	Land	Buildings	Plant & Machinery	Electrical Equipment	Office equipment	Computer Hardware	Furniture and Fixtures	Vehicles	Total
Cost									
As at March 31, 2020	1,229.19	4,049.40	299.66	457.58	510.79	3,649.09	2,521.71	623.00	13,340.42
Additions	-	-	-	-	23.97	519.36	67.73	-	611.06
Disposals	-	-	-	-	-	-	-	9.05	9.05
As at March 31, 2021	1,229.19	4,049.40	299.66	457.58	534.76	4,168.45	2,589.44	613.95	13,942.44
Additions	-	-	1.68	8.76	26.26	68.23	155.06	-	259.99
Disposals	-	-	-	73.54	19.74	-	51.67	-	144.95
As at March 31, 2022	1,229.19	4,049.40	301.34	392.81	541.28	4,236.67	2,692.83	613.95	14,057.48
Depreciation									
As at March 31, 2020	-	813.09	131.35	322.28	357.48	2,861.59	1,443.51	292.80	6,222.11
Charge for the period	-	125.30	21.24	30.58	45.24	461.65	238.45	40.74	963.21
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	938.39	152.60	352.86	402.71	3,323.25	1,681.97	333.54	7,185.32
Charge for the period	-	127.72	21.05	8.28	36.50	294.05	241.48	36.52	765.60
Disposals	-	-	-	17.03	2.99	-	1.70	-	21.72
As at March 31, 2022	-	1,066.11	173.65	344.10	436.23	3,617.30	1,921.75	370.06	7,929.20
Net Block									
As at March 31, 2022	1,229.19	2,983.29	127.69	48.70	105.06	619.37	771.08	243.89	6,128.28
As at March 31, 2021	1,229.19	3,111.01	147.07	104.73	132.05	845.20	907.48	280.41	6,757.12

Note No 1(2): Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Category of ROU asset			
	Land	Buildings	Computers	Total
Balance as at April 1, 2021	-	2,737.32	292.26	3,029.58
Additions	-	-	96.83	96.83
Deletion	-	-	-	-
Balance as at March 31, 2022	-	2,737.32	389.09	3,126.41
Depreciation as at April 1, 2021	-	178.52	52.59	231.11
Depreciation	-	178.52	195.54	374.06
Depreciation as at March 31, 2022	-	357.04	248.12	605.16
Balance as at March 31, 2022	-	2,380.28	140.97	2,521.24

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Category of ROU asset			
	Land	Buildings	Computers	Total
Balance as at April 1, 2020	-	-	-	-
Additions	-	2737.32	292.26	3029.58
Deletion	-	-	-	-
Balance as at March 31, 2021	-	2737.32	292.26	3029.58
Depreciation as at April 1, 2020	-	0.00	0.00	0.00
Depreciation	-	178.52	52.59	231.11
Depreciation as at March 31, 2021	-	178.52	52.59	231.11
Balance as at March 31, 2021	-	2558.80	239.67	2798.47

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No 1 (3): Intangible Assets

Intangible Assets	Brands or trademarks or Goodwill	Computer software	Product Development	Total
As at March 31, 2020	4,779.31	2,440.29	5,593.88	12,813.49
Additions	-	231.44	-	231.44
Disposals	-	-	-	-
As at March 31, 2021	4,779.31	2,671.74	5,593.88	13,044.93
Additions	-	42.45	583.76	626.21
Disposals	-	-	-	-
As at March 31, 2022	4,779.31	2,714.19	6,177.65	13,671.14
Depreciation				
As at March 31, 2020	637.15	1,407.75	3,250.58	5,295.49
Charge for the period	-	307.32	337.66	644.98
Disposals	-	-	-	-
As at March 31, 2021	637.15	1,715.07	3,588.25	5,940.47
Charge for the period	-	319.76	319.55	639.31
Disposals	-	-	-	-
As at March 31, 2022	637.15	2,034.83	3,907.80	6,579.78
Net Block				
As at March 31, 2022	4,142.16	679.36	2,269.85	7,091.36
As at March 31, 2021	4,142.16	956.66	2,005.64	7,104.46

Note No 1 (4): Capital Work in progress

Particulars	Capital Work in progress
As at March 31, 2020	428.90
Additions	662.73
Disposals	0.00
As at March 31, 2021	1,091.63
Additions	0.00
Disposals	0.00
As at March 31, 2022	1,091.63
Depreciation	0.00
As at March 31, 2020	0.00
Charge for the period	0.00
Disposals	0.00
As at March 31, 2021	0.00
Charge for the period	0.00
Disposals	0.00
As at March 31, 2022	0.00
Net Block	
As at March 31, 2022	1,091.63
As at March 31, 2021	1,091.63

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 2 Non Current Investments

Particulars	Mar 31, 2022	Mar 31, 2021
1) Investment in Subsidiaries		
a) Equity Shares		
100% Holding in Ksoft Systems Inc	45.91	45.91
100% Holding in Qfund Technologies Pvt. Ltd.	1.00	1.00
100% Holding in Virinchi Learning Private Ltd	186.00	186.00
100% Holding in Virinchi Media & Entertainment Pvt Ltd	1.00	1.00
100% Holding in Tyohar Foods Pvt Ltd	1.00	1.00
100% Holding in Virinchi Infra & reality Pvt Ltd	1.00	1.00
100% Holding in Virinchi Health Care Pvt Ltd	5,959.58	5,959.58
100% Holding in Tensor Fields Consultancy Services Pvt Ltd	1.00	1.00
100% Holding in Virinchi Combinatorics & Systems Biology Pvt Ltd	1.00	1.00
100% Holding in V23 Medical Solutions Pvt Ltd	1.00	1.00
100% Holding in Virinchi Capital Pvt Ltd	220.00	200.00
51% Asclepius Consulting & Technologies Pvt Ltd .	30.00	30.00
	6,448.49	6,428.49
2) Trade Investments		
1) Investment in Mutual funds		
Canara Robeco Mutual Funds	26.94	26.94
Total Trade Investments	26.94	26.94
Total	6,475.43	6,455.43

Note No: 3 Long Term Loans and Advances

Particulars	Mar 31, 2022	Mar 31, 2021
Advances to Subsidiary	5085.87	5085.87
Total	5,085.87	5,085.87

Note No: 4 Other Financial Assets

Particulars	Mar 31, 2022	Mar 31, 2021
Security Deposits	187.80	165.77
Total	187.80	165.77

Note No: 5 Other Non Current Assets

Particulars	Mar 31, 2022	Mar 31, 2021
Unamortised Expenses	60.75	17.33
Total	60.75	17.33

Note No: 6 Trade Receivables

Particulars	Mar 31, 2022	Mar 31, 2021
Unsecured, Considered Good		
Less than 6 Months	2,090.59	2,560.28
Other Receivables	146.26	304.45
Total	2,236.85	2,864.74

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 6 Trade Receivables (Contd.)

Trade Receivables ageing schedule as on March 31, 2022 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,090.59	146.26				2236.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables– considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Trade Receivables ageing schedule as on March 31, 2021 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,560.28	304.45				2864.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables– considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Note No: 7 Cash and Cash Equivalents

Particulars	Mar 31, 2022	Mar 31, 2021
a) Balance with Banks		
On Current Accounts	420.82	129.46
b) Cash on hand	4.48	.00
Sub Total	425.30	129.46
Other Bank Balances		
On Deposit Accounts	982.95	296.44
Sub Total	982.95	296.44
Total	1,408.25	425.90

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 8 Short Term Loans and Advances

Particulars	Mar 31, 2022	Mar 31, 2021
Unsecured, Considered Good		
With Subsidiaries	7,555.50	4,431.72
With Others	309.53	983.95
Total	7,865.03	5,415.67

Note No: 9 Other Current Assets

Particulars	Mar 31, 2022	Mar 31, 2021
Salary and Travel Advances	775.06	710.28
Deferred Financial Charges	34.40	16.03
Advance Tax & TDS Receivable	370.54	157.90
GST	61.41	253.90
Total	1,241.42	1,138.11

Note No: 10 Equity Share Capital

Particulars	Mar 31, 2022	Mar 31, 2021
Authorised:	No of Shares	Rs. in Lakhs
15,00,00,000 Equity Shares of Rs.10/- each. (4,00,00,000 Equity Shares in Previous Year)	15,00,00,000	15,000.00
Issued Subscribed & Paid Up Share Capital:		
Subscribed & Fully Paid Up:		
As at 31st Mar 2020	3,27,20,734	3,272.07
Add :Preferential Allotment	15,00,000	150.00
Warrants Conversion	17,33,333	173.33
ESOP's Alloted	10,39,500	103.95
As at 31st Mar 2021	3,69,93,567	3,699.36
Add :Warrants Conversion	12,66,667	126.67
ESOP's Alloted	14,00,000	140.00
Bonus Issue	3,96,60,234	3,966.02
Total	7,93,20,468	7,932.05

Reconciliation of Shares Outstanding at Beginning and End of the Reporting Year

Equity Shares	March 31, 2022		March 31, 2021	
	No's	Amount (Lakhs)	No's	Amount (Lakhs)
As at Beginning of the Year	3,69,93,567	3,699.36	3,27,20,734	3,272.07
ESOP's Allotted During the Year	14,00,000	140.00	10,39,500	103.95
Preferential Issue During the Year	-	0.00	15,00,000	150.00
Warrants Converted to Equity Shares	12,66,667	126.67	17,33,333	173.33
Bonus Issue	3,96,60,234	3,966.02	-	-
As at End of the Year	7,93,20,468	7,932.05	3,69,93,567	3,699.36

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 10 Equity Share Capital (Contd.)

Details of Share Holders Holding More than 5% Shares in the Company

Name of the Share Holder	March 31, 2022		March 31, 2021	
	Nos	% of Share Holding	Nos	% of Share Holding
Mr. Viswanath Kompella (Promoter)	1,36,68,350	17.23	68,34,175	18.47
Mr. Ramakrishna Paramahansa Kompella (Promoter)	43,41,250	5.47	18,62,291	5.03
Ms. Lopa Mudra Kompella (Promoter)	40,21,250	5.07	18,60,625	5.03
Ms. Kompella Modini (Promoter)	40,21,250	5.07	17,02,292	4.60
PKI Solutions Private Limited (Promoter)	52,71,210	6.65	26,35,605	7.12

Shares held by promoters at the end of the year

Promoter Name	No. of shares	% of Total Shares	% Change during the year
Mr. Viswanath Kompella	1,36,68,350	17.23	1.24
Mr. Ramakrishna Paramahansa Kompella	43,41,250	5.47	0.44
Ms. Lopa Mudra Kompella	40,21,250	5.07	0.04
Ms. Kompella Modini	40,21,250	5.07	0.47
PKI Solutions Private Limited	52,71,210	6.65	0.47

Note No: 11 Other Equity

Particulars	Securities Premium	Share Options Outstanding	Share Warrants Forfeiture	Loss on Slump Sale	Retained Earnings	Total
As At April 1, 2020	11,860.32	509.08	222.50	(1,194.21)	11,696.70	23,094.39
Additions for the Year	988.95	-	170.80	-	572.81	1,732.56
As At March 31, 2021	12,849.27	509.08	393.30	(1,194.21)	12,269.51	24,826.95
Additions for the Year	(3,007.72)	-	(393.30)	-	1,236.71	(2,164.31)
As At March 31, 2022	9,841.54	509.08	-	(1,194.21)	13,506.22	22,662.64

Note No: 12 Long Term Borrowings

Particulars	Mar 31, 2022	Mar 31, 2021
Secured Loans		
Vehicle Loans	129.42	184.20
Project Loans/LAP	4,113.75	2,774.20
Less: Repayable During the Year	(1,054.22)	(883.22)
Total	3,188.95	2,075.18

Note No: 13 Lease Liability

Particulars	Mar 31, 2022	Mar 31, 2021
Lease Liability		
Buildings, Computers, Software	3,385.47	3,419.14
Total	3,385.47	3,419.14

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 14 Long Term Provision

Particulars	Mar 31, 2022	Mar 31, 2021
Provision for Gratuity	264.12	228.95
Total	264.12	228.95

Note No: 15 Deferred Tax Liability

Particulars	Mar 31, 2022	Mar 31, 2021
Opening Deferred tax Liability	723.46	859.80
Less: Op Def Tax Asset on Leased Asset	-	(192.99)
Add: Deferred Tax Liability for the year	(292.49)	56.66
Total	430.97	723.46

Note No: 16 Short Term Borrowings

Particulars	Mar 31, 2022	Mar 31, 2021
Secured Loans		
a) From Banks	1,264.10	1,903.26
b) Long Term Secured Loan payable during the year	1,054.22	883.22
Total	2,318.32	2,786.49

Note No: 17 Trade Payables

Particulars	Mar 31, 2022	Mar 31, 2021
Unsecured		
Trade Payables		
Outstanding dues of Micro, Small and Medium enterprises		
Outstanding dues of creditors other than Micro, Small and Medium enterprises	63.76	103.39
Total	63.76	103.39

Trade payables ageing schedule for the year ended as on March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	63.76	0.00	0.00	0.00	63.76
ii) Disputed dues – MSME	0.00	0.00	0.00	0.00	0.00
iii) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00

Trade payables ageing schedule for the year ended as on March 31, 2021 :

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Others	103.39	0.00	0.00	0.00	103.39
ii) Disputed dues – MSME	0.00	0.00	0.00	0.00	0.00
iii) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 18 Short Term Provisions

Particulars	Mar 31, 2022	Mar 31, 2021
a) Provisions for Employee Benefits	359.96	498.60
b) Provision for Taxes	785.52	830.49
c) Audit Fee Payable	2.16	1.82
Total	1,147.64	1,330.90

Note No: 19 Revenue From Operations

Particulars	Mar 31, 2022	Mar 31, 2021
(a) Revenue from Services	10,912.73	12,739.07
(b) Other Operating Revenues	1,703.74	556.23
Total	12,616.48	13,295.30

Note No: 20 Other Income

Particulars	Mar 31, 2022	Mar 31, 2021
(a) Interest Income	426.48	316.11
(b) Other Non-Operating Income	206.80	153.53
(c) Forex Gain	-	32.69
Total	633.28	502.33

Note No: 21 Employee Benefit Expenses

Particulars	Mar 31, 2022	Mar 31, 2021
(a) Salaries & Wages	4,068.98	4,307.18
(b) Contribution to Provident & Other Funds	154.23	149.91
(c) Staff Welfare Expenses	62.96	91.74
Total	4,286.17	4,548.83

Note No: 22 Finance Costs

Particulars	Mar 31, 2022	Mar 31, 2021
(a) Interest Expenses :		
- Interest on Term Loans and Working Capital	314.18	504.63
- Interest on Vehicle Loans	13.89	18.26
- Finance Charge on Lease Liability	206.64	212.94
(b) Applicable net gain/loss on foreign currency translations	7.80	-
Total	542.51	735.84

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 23 Administrative and Other Operating Expenses

Particulars	Mar 31, 2022	Mar 31, 2021
(a) Power & Fuel	123.77	116.58
(b) Rent	45.42	90.38
(c) Repairs & Maintenance	42.65	24.83
(d) Insurance	81.50	91.26
(e) Telephone, Postage and Others	62.15	49.89
(f) Business Promotion Expenses	223.20	181.73
(g) Office Maintenance	283.57	281.67
(h) Travelling and Visa Expenses	58.87	74.58
(i) Consultancy Charges and Subcontracting Expenses	3,913.92	3,991.74
(j) Other Administrative Expenses	150.02	115.06
(k) Rates & Taxes	99.93	144.06
(l) Bank Charges	55.54	56.96
(m) Auditors Fee	4.22	2.36
Total	5,144.75	5,221.11

Note No: 24 Details of Primary and Collateral Securities (For Liabilities referred in Note No.12& 16)

Hypothecation of Plant and Machinery, Equipment (Movable Assets), Commercial Property and Company promoter's personal guarantee

Hypothecation of Movable Assets:

- M/s. Canara Bank, Mid Corporate Branch, Hyderabad, having 1st charge on all movable assets such as Plant & Machinery, Electrical & Office equipment, computers and furniture of the company on Packing credit loan in Foreign currency(PCFC) availed with them.
- Hypothecation of Receivables

Collateral Security:

- EMT on 875sq yards open land at Road.No.1 Banjara Hills, Hyderabad - 500034 in the name of Virinchi Limited given to M/s. ICICI Bank Ltd
- EMT on 649 sq yards open land at Plot No 37, Nandagiri Hills, Shaikpet Village, Jublee Hills, Hyderabad - 500033 in the name of M/s. Madhavalatha Kompella given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited
- EMT on Land of extent Ac 2.0 and Building 46,590 Sq yards land situated at Sy No. 15/A, 15/B and 15/C, Suraram, Jeedemetla Industrial Area, Quthubullapur, in the name of M/s. Virinchi Limited given to M/s. ICICI Bank Ltd
- EMT of Land & Building admeasuring 3 acres 36 Guntas situated at SY.NO .121 Pothaipally Village, Shameerpet Mandal, RR District, Telangana in the name of the company given to Mid Corporate Branch, Canara Bank, Hyderabad.
- EMT on property located at Flat No.608, Lingapur Plaza, Himayathnagar owned by Mr.Viswanath Kompella given to Mid Corporate Branch, Canara Bank, Hyderabad.
- Pledge of Three KDR's worth Rs. 82 Lakhs.
- EMT of factory land measuring 1 acre 36.5 guntas at Survey No.441, Hakimpet Village, in ShamirpetMandal, R RDist, Telangana in the name of the company given to Mid Corporate Branch, Canara Bank, Hyderabad.

Personal Guarantee: Mr. ViswanathKompella, Promoter of the company.

Note No: 25

Particulars	Current year (Rs in Lakhs)	Previous Year (Rs in Lakhs)
Statutory Auditors Fee	2.36	2.36

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 26

The Company has identified Business Segments which comprise Development of Computer Software and Services and IT Enabled Services .

Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

S. No	Description	Year Ended 31.03.2022	Year Ended 31.03.2021
I	Segment Revenue	Rs. In Lakhs	Rs In Lakhs
	IT Products and Concentric Services	12,260.67	12,999.90
	IT Enabled Services	355.81	295.40
	Net sales/income from Operations	12,616.48	13,295.30
II	Segment Result		
	IT Products and Concentric Services	1,180.85	1650.15
	IT Enabled Services	32.02	26.59
	Total	1,212.87	1,676.74
	Interest Expenditure	(542.51)	(735.84)
	Other un-allocable Income net of un-allocable Expenditure	633.28	502.33
	Total Profit Before Tax	1,303.64	1,443.23

Note No: 27 Investments

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

Details of Investments in Subsidiaries – for Investments referred in Note No. 2

➤ Wholly Owned Subsidiaries :

S No.	Name of the Subsidiary	No. of Shares	Face value	Share capital (₹ in Lakhs)	Share Premium	Total Amount (Rs in Lakhs)
1	Ksoft Systems Inc	1,00,100	USD 1	45.91		45.91
2	Q fund Technologies Pvt. Ltd.	10,000	₹ 10	1.00	-	1.00
3	Virinchi Learning Private Ltd	1,95,000	₹ 10	19.50	166.50	186.00
4	Virinchi Media & Entertainment Pvt. Ltd	10,000	₹ 10	1.00	-	1.00
5	Tyohar Foods Pvt. Ltd	10,000	₹ 10	1.00	-	1.00
6	Virinchi Infra & Reality Pvt. Ltd	10,000	₹ 10	1.00	-	1.00
7	Virinchi Health Care Pvt. Ltd	54,35,978	₹ 10	543.60	5415.98	5959.58
8	Tensor Fields Consultancy Services Pvt. Ltd	10,000	₹ 10	1.00	-	1.00
9	Virinchi Combinatorics & Systems Biology Pvt. Ltd	10,000	₹ 10	1.00	-	1.00
10	Virinchi Capital Pvt. Ltd.	22,00,000	₹ 10	220.00	-	220.00
11	V23 Medical solutions Pvt. Ltd.	10,000	₹ 10	1.00	-	1.00

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 27 Investments (Contd.)

➤ Other Subsidiaries – Controlling interest (51%)

S No.	Name of the Subsidiary	No. of Shares	Face value	Share capital (₹ in Lakhs)	Share Premium	Total Amount (Rs in Lakhs)
1	Asclepius Consulting & Technologies Pvt Ltd	3,00,000	₹ 10	30.00	-	30.00

NOTE 28: Earning per Share

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

Particulars	2021-22	2020-21
Profit available for the equity shareholders (Rs. in Lakhs)	1,236.71	859.26
Weighted average number of shares for Basic EPS	7,76,42,289	3,36,11,586
Weighted average number of shares for Diluted EPS	7,76,42,289	3,56,67,652
Basic	1.59	2.56
Diluted	1.59	2.41

Note No: 29

Foreign Currency Outflow during the year of Rs. Nil. Previous Year Rs.Nil

Note No: 30

Foreign Currency Inflow during the year is Rs. 6703.45 lakhs (Previous Year – Rs. 7759.61 lakhs).

Note No: 31 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. Virinchi Combinatorics & Systems Biology Pvt Ltd
10. V23 Medical solutions Pvt Ltd.
11. Virinchi Capital Pvt Ltd.
12. Asclepius Consulting & Technologies Pvt Ltd – (controlling interest)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 31 Related Party Transactions. (Contd.)

b) Directors:

1. M.V. Srinivasa Rao
2. Sunder Kanaparthi
3. Sri Kalyan Kompella
4. Kunda Kalpana
5. Suresh Juthuga
6. Satyanarayana Vedula

c) Key Management Personnel:

S. NO.	NAME	Designation
1	M.V.Srinivasa Rao	CFO & WholeTime Director
2	V. Satyanarayana	Vice Chairman & Executive Director
3	K. Ravindranath Tagore	Company Secretary

d) 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. in lakhs)	Previous Year (Rs. in lakhs)
M V Srinivasa Rao	Remuneration	45.61	42.29
K. Sri Kalyan	Remuneration	0.00	13.49
V Satyanarayana	Remuneration	47.61	4.94
Santi Priya Myana	Remuneration	6.64	18.32
K. Ravindranath Tagore	Remuneration	29.61	26.01
Viswanath Kompella	Promoter	180.00	60.00
K Soft Systems Inc	Paid for Consultancy charges	1525.56	1010.04
Tensor Fields Consultancy Services Pvt. Ltd	Consultancy services rendered	171.60	239.86
Tensor Fields Consultancy Services Pvt. Ltd	Interest Income	13.74	0.86
Vivo BioTech Ltd	Sale of software product	472.00	500.00
Asclepius Consulting & Technologies Pvt Ltd	Interest Income	40.26	21.83
Virinchi Health Care Pvt Ltd	Interest Income	304.73	223.64
Virinchi Health Care Pvt Ltd	Consultancy services rendered	944.00	-
Virinchi Media & Entertainment Pvt. Ltd	Interest Income	11.80	9.96
Tyohar Foods Pvt Ltd	Interest Income	6.53	6.91
Virinchi Learning Pvt. Ltd	Interest Income	1.08	1.54
V23 Medical Solution Pvt. Ltd.	Interest Income	0.35	-

*Amount of Remuneration is excluding the Value of Perquisite allotted as ESOP.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Note No: 31 Related Party Transactions. (Contd.)

Details of Loans and Advances given to Related Parties:

➤ Short Term Advances outstanding as on 31/03/2022:

S. No.	Name of the Related Party	Relationship	Amount Rs. In Lakhs
1	Asclepius Consulting & Technologies Pvt Ltd	Subsidiary – Controlling Interest	611.37
2	Virinchi Media & Entertainment Pvt. Ltd	100%Subsidiary	188.83
3	Tyohar Foods Pvt Ltd	100%Subsidiary	103.69
4	Virinchi Health Care Pvt Ltd	100%Subsidiary	8,115.22
5	Tensor Fields Consultancy Services Pvt Ltd	100%Subsidiary	476.39
6	Virinchi Learning Pvt. Ltd.	100%Subsidiary	21.82
7	V23 Medical solutions Pvt ltd.	100%Subsidiary	5.36
8	Virinchi Capital Pvt Ltd	100%Subsidiary	18.19
9	Q Fund Technologies Pvt Ltd	100%Subsidiary	662.40

➤ Long Term Advances outstanding as on 31/03/2022 :

S. No.	Name of the Related Party	Relationship	Amount Rs. In Lakhs
1.	Virinchi Health Care Pvt Ltd	100%Subsidiary	5085.87

Details of Loans and Advances taken from Related Parties:

S. No.	Name of the Related Party	Relationship	Amount Rs. In Lakhs
1.	Virinchi Combinatorics & Systems Biology Pvt. Ltd.	100% Subsidiary	6.07
2.	K Soft Systems Inc	100% Subsidiary	2,631.98
3.	Virinchi Infra & Realty Pvt Ltd	100% Subsidiary	9.74

Note No: 32

Statement of ESOP Vested and Exercised during the Current Financial Year:

Sl. No.	Description	Year ended 31st March, 2022	
		VESOS, 2016	VESOS, 2018
1	Number of Options Outstanding at the beginning of the year(Un-granted)	Nil	17,30,000
2	Number of options granted during the year	NA	19,40,000
3	Number of options forfeited/lapsed during the year	NA	2,10,000
4	Number of options vested during the year	3,81,750	-
5	Number of options exercised during the year	13,36,000	-
6	Number of shares arising as a result of exercise of options	13,36,000	-
7	Amount realized by exercise of options (Rs. In lakhs)	313.40	-
8	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)(1-2)	Nil	-
9	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	6,17,186	2,10,000

* The number of outstanding options which are not exercised will be doubled on account of Bonus Issue.

* The Number of outstanding options which are not exercised under VESOS, 2016 are 6,17,186 and the same number of 6,17,186 options will be added on account of Bonus issue.

* The Number of outstanding options which are not exercised under VESOS, 2018 are 21,50,000 and the same number of 21,50,000 options will be added on account of bonus issue.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

NOTE NO: 33 ALLOTMENT OF EQUITY SHARES ON CONVERSION OF WARRANTS:

The details of allotment of equity shares on conversion of warrants are given below:

a. Allotment of Equity Shares on Conversion of Warrants:

Date of Allotment	Name of the Allottee	Class of instrument	No of shares/ Share warrants	Amount Received (Rs. In Lakhs)
05-May-2021	Madhavi Latha Kompella	Allotment of Equity Shares on conversion of warrants	2,00,000	60.00
	Lopa Mudra Kompella		1,50,000	45.00
Total			3,50,000	105.00
21-May-2021	Madhavi Latha Kompella	Allotment of Equity Shares on conversion of warrants	300,000	90.00
	Ramakrishna Paramahansa Kompella		308,334	92.50
	Modini Kompella		308,333	92.50
Total			9,16,667	275.00
Total allotment of equity shares on conversion of warrants			*12,66,667	380.00

Price Per warrant is Rs. 40 /- for all the allotments, in the financial year 2021-22 and the Company received Rs. 10 per warrant and balance amount per warrant Rs. 30 was paid at the time of conversion.

*As on 31st March 2021, there were 12,66,667 pending warrants for conversion into equity shares of the Company against the allotment of 30,00,000 convertible warrants which were issued on preferential basis to the Promoter and Promoter group on 14th day of October, 2020 and during the year 2021-2022, the said 12,66,667 warrants were converted into equity shares of Rs. 10 each. Accordingly, the 30,00,000 convertible warrants issued by the Company in 2020-2021 were fully converted into equity shares as per the aforesaid allotments.

NOTE NO: 34 BONUS ISSUE:

The Company had issued and allotted 3,96,60,234 (Three Crores Ninety Six Lac Sixty Thousand Two Hundred and Thirty four) Equity Shares of ₹10 (Rupees Ten only) each on account of issue of bonus shares vide special resolution passed by the shareholders of the Company through Postal Ballot on 09th March, 2022 as fully paid-up Bonus Shares, to be allotted as fully paid-up Equity Shares to the existing equity shareholders of the Company, in the proportion of (1:1) One new Equity Share for every one existing Equity Share, out of the Free Reserve, Securities Premium Account & Retained Earnings of the Company, as detailed herein below:

Details of Equity Shares of the Company (a)			Bonus Issue (b)		Total (a+b)
Category	No. of Shares	Bonus Ratio	Category	No. of Shares	
Promoter	19,562,911	1:1	Promoter	19,562,911	3,91,25,822
Public	20,097,323		Public	20,097,323	4,01,94,646
Total (a)	39,660,234		Total (b)	39,660,234	7,93,20,468

NOTE NO: 35 AMOUNT SPENT ON CSR ACTIVITIES:

As per the Section 135(5) of the Companies Act, 2013, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial Year 2021- 22, the amount to be spent towards CSR activities works out to Rs.43.36 Lakhs and the Company had spent Rs.43.36 Lakhs towards the CSR activities in the financial year 2021-22.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

NOTE NO: 36 Additional Regulatory information

- i. The Company is in possession of immovable property and title deeds are held in the Name of the company.
- ii. The Company has not revalued any of its Property, Plant and Equipment during the year.
- iii. The Company has not granted any loans or advances in the nature of loans to directors, KMPs
- iv. There are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- v. The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- vi. The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- vii. The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

NOTE NO: 37

The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

NOTE NO: 38

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

NOTE NO: 39

There are no significant events that occurred after the balance sheet date.

NOTE NO: 40

The Company has not declared any dividend during the year.

NOTE NO: 41

In the opinion of the management, the assets as shown in the financial Statements, have a value on realization in the ordinary course of business of at least equal to the amount at which they are stated in the balance sheet.

NOTE NO: 42 Ratios

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	3.61	2.33	54.89
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities*	Total Equity	0.29	0.29	0.13
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments*	1.94	2.97	-34.77
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	4.17	3.11	-34.08
Inventory Turnover Ratio (in times)	Cost of goods sold OR sales	Average Inventory	NA	NA	NA

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

NOTE NO: 42 Ratios (Contd.)

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.95	5.20	-4.94
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	N.A	N.A	N.A
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.37	2.36	-42.13
Net profit ratio (in %)	Profit for the year	Revenue from operations	9.80	6.46	51.67
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Total Debt+ Deferred tax liabilities	5.82	6.77	-14.06
Return on investment (in %) -Unquoted	Income generated from invested funds	Average invested funds in treasury investments	NA	NA	NA

NOTE NO: 43

Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.

NOTE NO: 44

Previous figures have been regrouped wherever necessary and the figures have been rounded off to the nearest lakhs

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

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

Place : Hyderabad

Date: 20th May 2022

For and on behalf of the Board of Directors of

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

K.Ravindranath Tagore

Company Secretary

M.No. A18894

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

Independent Auditor's Report

To

The Members of

VIRINCHI LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of VIRINCHI LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated Profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to

provide a basis for our opinion.

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

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER:

We did not audit the financial statements / financial information of 11 subsidiaries, whose Financial Statements / Financial information reflect Group's share of total assets of Rs. 13,351.05 Lakhs as at 31st March 2022, Group's share of total revenue before elimination of Rs. 7,494.53 Lakhs and Group's share of total net profit/(loss) after tax of Rs. 540.32 Lakhs for the period from 01-04-2021 to 31-03-2022, as considered in the consolidated Financial Statements. These financial statements/financial information of 10 Subsidiary companies have been audited by other Auditors whose reports have furnished to us by the Management and in respect of Ksoft Systems Inc., the financial statements and other financial information have not been Audited which are prepared and submitted to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and the other financial information of subsidiaries, as noted in the 'other matters' paragraph, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors of the company and its subsidiaries, none of the directors of the group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditor's reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statement does not have pending litigations which would have impact on its consolidated financial position of the group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The company or group companies has not declared or paid any dividend during the year.

For P C N & Associates,
Chartered Accountants
Firm’s Registration No: 016016S

M. Mohana Saradhi
Partner

Place: Hyderabad
Date: 20.05.2022

Membership No: 244686
UDIN: 22244686AKWWQZ5078

Annexure “A” To the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VIRINCHI LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of 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 March 31, 2022, we have audited the internal financial controls over financial reporting of VIRINCHI LIMITED (herein after referred to as “Company”) and its subsidiary companies, which is incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention

and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its Subsidiary Companies.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P C N & Associates,
Chartered Accountants
Firm's Registration No: 016016S

Place: Hyderabad
Date: 20.05.2022

M. Mohana Saradhi
Partner
Membership No: 244686
UDIN: 22244686AKWWQZ5078

Consolidated Balance Sheet

as at 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Particulars	Note No	Mar 31, 2022	Mar 31, 2021
1) NON CURRENT ASSETS			
Property, Plant and Equipment	1	30,413.42	31,967.14
Right of Use Asset	1	8,592.77	9,188.27
Capital Work-In-Progress	1	1,091.63	1,091.63
Goodwill	1	4,142.16	4,142.16
Other Intangible Assets	1	4,718.06	4,158.50
Financial Assets			
Non-Current Investments	2	188.68	36.27
Long Term Loans and Advances	3	1,201.29	755.24
Other Non-Current Assets	4	510.58	85.31
2) CURRENT ASSETS			
Inventories	5	1,426.57	1,235.68
Financial Assets			
Trade and Other Receivables	6	7,577.47	7,700.20
Cash and Cash Equivalents	7	3,660.04	1,902.12
Short Term Loans and Advances	8	4,754.85	4,698.52
Other Current Assets	9	2,048.29	1,769.40
Total Assets		70,325.80	68,730.44
EQUITY AND LIABILITIES			
Equity			
Share Capital	10	7,932.05	3,699.36
Other Equity	11	29,198.09	33,811.26
Money Received Against Share Warrants		-	126.67
Minority Interest		(73.60)	(57.94)
(1) Non-Current Liabilities			
Financial Liabilities			
Long-Term Borrowings	12	11,091.88	9,877.18
Long Term Provision	13	465.15	398.10
Defferred Tax Liabilities	14	1,581.47	831.20
Lease Liability		10,127.48	10,089.83
(2) Current Liabilities			
Financial Liabilities			
Short Term Borrowings	15	6,389.44	6,171.48
Trade Payables	16	930.30	824.51
Short Term Provisions	17	2,683.54	2,958.80
Total Equity and Liabilities		70,325.80	68,730.44

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For and on behalf of the Board

For P C N & Associates

M/s. Virinchi Limited

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

M.V.Srinivasa Rao

V. Satyanarayana

Partner

CFO & Wholetime Director

Vice Chairman & Executive Director

M. No. 244686

DIN: 00816334

DIN: 09070986

Place : Hyderabad

K.Ravindranath Tagore

Date: 20th May 2022

Company Secretary

M.No. A18894

Consolidated Profit and Loss Statement

for the year ended 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Particulars	Note No	Mar 31, 2022	Mar 31, 2021
Revenue from Operations	18	36,400.56	35,400.79
Other Income	19	293.36	1,117.85
Total Revenue		36,693.92	36,518.64
Expenses:			
Purchase	20	2,970.62	2,605.63
Change in Inventory		(190.88)	(296.26)
Employee Benefit Expenses	21	10,551.75	10,990.49
Depreciation	1	4,805.18	4,801.74
Amortization Expense		22.23	18.98
Financial cost	22	2,621.45	3,208.49
Administrative and Other Operating Expenses	23	13,102.28	12,548.64
Total Expenses		33,882.62	33,877.71
Profit before exceptional and extraordinary items and tax		2,811.31	2,640.93
Exceptional Items		-	-
Profit before extraordinary items and tax		2,811.31	2,640.93
Extraordinary Items		-	484.62
Profit Before Tax		2,811.31	2,156.31
Tax expense:			
(a) Current tax		641.82	634.27
(b) Deferred tax Liability/(Asset)		757.61	1,254.75
Profit(Loss) from the period from continuing operations		1,411.88	267.29
Minority Interest		(18.66)	(7.34)
Profit/(Loss) for the period		1,430.54	274.63
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income (Net of Tax)		1,430.54	274.63
Earning Per Equity Share:			
(1) Basic		1.84	0.82
(2) Diluted		1.84	0.77

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

Place : Hyderabad

Date: 20th May 2022

For and on behalf of the Board

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholetime Director

DIN: 00816334

K.Ravindranath Tagore

Company Secretary

M.No. A18894

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

Consolidated Cash Flow Statement

for the year ended 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

Particulars	Mar 31, 2022	Mar 31, 2021
A. Cash Flow from Operating Activities:		
Net Profit/ (Loss) before taxation and extraordinary items	2,811.31	2,640.93
Adjustments for:		
Depreciation	4,805.18	4,801.74
Amortised Expenses	22.23	18.98
Interest expenses	2,621.45	3,208.49
Changes in Reserves on account of Leased Assets	-	(2,636.51)
Operating Profit before Working Capital Changes	10,260.16	8,033.63
Changes in Operating Assets & Liabilities		
Trade and Other Receivables Including Inventory	(1,319.90)	(404.95)
Trade and Other payables	926.44	2,454.36
Cash Generated from Operations	9,866.70	10,083.04
Taxation for the year	1,399.43	1,889.02
Net Cash Generated from Operating Activities	8,467.27	8,194.02
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(3,215.51)	(6,221.17)
Right to use Asset		(9,188.27)
Payment for Investments	(152.41)	(6.33)
Net Cash used in Investing Activities	(3,367.92)	(15,415.77)
C. Cash Flow From Financial Activities:		
Proceeds from Equity Shares	831.67	1,372.10
Interest Paid	(2,621.45)	(3,208.49)
Foreign Translation and other non current reserves	(2,766.35)	553.94
Net Proceeds from Long Term Borrowings	1,214.70	9,539.09
Net Cash Generated from Financing Activities	(3,341.43)	8,256.65
Net increase in cash and cash equivalents	1,757.91	1,034.90
Cash and Cash equivalents as at Beginning of the Year	1,902.12	867.23
Cash and Cash equivalents as at End of the Year	3,660.04	1,902.12

Notes referred to above form an integral part of the Financial Statements

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

Place : Hyderabad

Date: 20th May 2022

For and on behalf of the Board

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholtime Director

DIN: 00816334

K.Ravindranath Tagore

Company Secretary

M.No. A18894

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

a. Equity Share Capital

	No. of Shares	Amount
Balance as at 31 March 2021	3,69,93,567	3699.36
Balance as at 31 March 2022	7,93,20,468	7932.05

b. Other equity

Particulars	Reserves and Surplus					MI Shareholders Loss	Retained Earnings	Total
	Securities Premium	Share Options Outstanding	Share Warrants Forfeiture	Capital Reserves & Others	Foreign Exchange Transaction Reserve			
At 1 April 2020	11,860.32	509.08	222.50	(2,671.95)	536.00	84.72	23,689.68	34,230.35
Additions for the year	988.95	-	170.80	(2,700.00)	190.15	7.34	274.63	(1,068.14)
Other comprehensive income								
Re-measurement gains/ (losses) on defined benefit plans					-			-
Lease Adjustment					-		(1,958.90)	(1,958.90)
At 31 March 2021	12,849.27	509.08	393.30	(5,371.95)	726.15	92.05	22,005.41	31,203.31
Additions for the year	(3,007.72)	-	(393.30)	-	(53.39)	18.66	1,430.54	(2,005.22)
Re-measurement Gains / (Losses) on Defined Benefit Plans, net of Tax								-
Income-tax effect								-
Less : Leases							-	-
Balance as of 31 March 2022	9,841.54	509.08	-	(5,371.95)	672.76	110.71	23,435.95	29,198.09

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of Even Date

For P C N & Associates

Chartered Accountants

Firm Registration No.016016S

M. Mohana Saradhi

Partner

M. No. 244686

Place : Hyderabad

Date: 20th May 2022

For and on behalf of the Board

M/s. Virinchi Limited

M.V.Srinivasa Rao

CFO & Wholtime Director

DIN: 00816334

K.Ravindranath Tagore

Company Secretary

M.No. A18894

V. Satyanarayana

Vice Chairman & Executive Director

DIN: 09070986

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2022 (Rs. In Lakhs, except share & per share data, unless otherwise stated)

1. Corporate Information

Virinchi Limited, India (“Virinchi”) is an IT Products & Services company offering customized solutions to companies across the globe since 1990. Virinchi is a publicly held company listed on the BSE LTD, one of India’s largest stock exchanges, since the year 2000. Virinchi has developed & retained IP in several software products operating in supply chain management, alternate financial services, however, has had limited success in offering most of the solutions barring the software product for financial services where Virinchi has reached leadership position considering the market share of this niche industry. The Organisation is led by First Generation IIT/IIM Entrepreneurs and operates out of its Corporate Office at Banjara Hills, Hyderabad & US Headquarters at Edison, New Jersey.

Virinchi together with subsidiaries and controlled companies is hereinafter referred to as “The Group”.

Virinchi Healthcare Pvt Ltd and Ksoft Systems Inc are the material subsidiaries of Virinchi Limited and providing world class Health care services/Facilities and software development and services respectively.

The Group has presence in Learning, Media& Entertainment, Financial Services, Food Industry, Data science and Analysis, Reality and Infrastructure etc.

2. Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Company information

The consolidated financial statements of the Company includes subsidiaries listed in the table below:

Name of investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31/Mar/22	31/Mar/21
Ksoft Systems Inc	Software Development and Consulting	USA	100	100
Q fund Technologies Pvt. Ltd.	Software Development and Consulting	India	100	100
Virinchi Learning Private Ltd	Educational Services (e-governance project)	India	100	100
Virinchi Media & Entertainment Pvt. Ltd	Media and Entertainment	India	100	100
Tyohar Foods Pvt. Ltd	Catering Services	India	100	100
Virinchi Infra & Reality Pvt. Ltd	Infrastructure	India	100	100
Virinchi Health Care Pvt. Ltd	Healthcare Services	India	100	100
Tensor Fields Consultancy Services Pvt. Ltd	Financial consulting Services	India	100	100
Virinchi Combinatorics & Systems Biology Pvt. Ltd	Date science and Analysis	India	100	100
V23 Medical Solutions Pvt. Ltd.	Pharmacy supply chain	India	100	100
Virinchi Capital Pvt. Ltd.	Fintech	India	100	100
Asclepius Consulting & Technologies Pvt Ltd	Software Development and Consulting	India	51	51

(c) Basis of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Company. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2022 (Rs. In Lakhs, except share & per share data, unless otherwise stated)

- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Company combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-Company assets, liabilities, income, expenses and unrealised profits/losses on intra Company transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

(d) Basis of Preparation

These Financial statements have been prepared in Indian Rupee (₹) which is the Functional Currency of the Group.

These financial statements have been prepared on a historical cost basis, except for certain Financial Instruments which are measured at Fair Value or amortised cost at the end of each reporting Period, as explained in the Accounting Policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

The statement of cash flows has been prepared under indirect method.

(e) USE OF ESTIMATES AND JUDGEMENTS:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

- i) **Income tax** expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.
- ii) **Current income taxes:** The Company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such final determination is made.
- iii) **Deferred Income taxes:** Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2022 (Rs. In Lakhs, except share & per share data, unless otherwise stated)

and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

iv) Useful Life of property, plant and equipment The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(f) Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group's revenues are derived from sale of goods and services.

▪ Sale of Services

Service income is recognized as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognized over the expected period that related services are to be performed.

▪ Sale of goods

Revenue from sale of goods is recognized where control is transferred to the Company's customers at the time of shipment to or receipt of goods by the customers. There was no change in the point of recognition of revenue upon adoption of Ind AS 115.

▪ Revenue from Healthcare Services:

Revenue from patients is recognized when the company satisfies performance obligation by transferring promised goods and services to patients. Revenue is measured based on the transaction price which is the fair value of the consideration received /receivable net of discount/concession and GST. The Income by way of doctor's Consultancy fees and the consequent liability towards Doctor's Consultation charges are considered as accrued as and when the amounts are finalized and certainty of recovery from patients is established.

Revenue from dietary/pharmacy sales and other associates services is recognized at the point when the goods are sold or services are rendered.

▪ Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(g) Cost Recognition Cost and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation expense, Finance Cost and Administrative and other Operating expenses. Employee benefit expenses include Salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Administrative and Other Operating expenses include Power & Fuel, Fees to external consultants, facility expenses, travel expenses, etc.

(h) Foreign Currency Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2022 (Rs. In Lakhs, except share & per share data, unless otherwise stated)

- (i) **Financial assets** and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and Cash Equivalents Cash and cash equivalents comprise balance at Bank & Deposits and Cash in hand.

Cash and Cash Equivalents includes as at 31st Mar 2022 and 31st Mar 2021 restricted cash and bank balances of Rs.3092.07 Lakhs and Rs.1042.20 Lakhs respectively. These restrictions are primarily on account of bank balance held as marginal money deposit against guarantees.

Bank borrowings for working capital not considered as a part of Cash and Cash Equivalents.

Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

- (j) **Provisions and Contingent Liabilities** A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

List of Contingent Liabilities are given below:

1. Income tax disputed liability for the assessment year 2017-18 amounting to Rs. 572 Lakhs, Appeal is under process with CIT (A).
2. Income Tax disputed liability for the Assessment year 2017-2018 amounting to Rs. 269 Lakhs, Appeal is under process with CIT (A).

- (k) **Property, plant and equipment** : Property, plant and equipment are stated at cost comprising of purchase price

Consolidated Notes and other explanatory information to financial statements for the year ended March 31, 2022 (Rs. In Lakhs, except share & per share data, unless otherwise stated)

and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives (Years) are as mentioned below:

Buildings	30
Plant and Machinery	15
Furniture & fixtures, Electrical Equipment	10
Vehicles	10
Office equipment	5
Computers	3

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

(K) Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Product Development: Salaries and other cost paid to resources working on new products are capitalized as intangible asset under the head "Product Development". Management has estimated life of this product is about 10 years subject to certain improvements to the same product/source code.

Computer Software: The Company amortizes Computer software using the straight-line method over a period of 6 years.

(i) Impairment

Financial assets (other than at fair value) The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(m) Employee benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Consolidated Notes and other explanatory information to financial statements

for the year ended March 31, 2022

(Rs. In Lakhs, except share & per share data, unless otherwise stated)

(ii) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, Bonus, Earned Leave etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

o) Leases:

Current year effect on Lease Accounting:

- (i) Financial Charges on Lease Rs.1207.10 Lakhs
- (ii) Amortization cost on Right of Use Asset Rs. 797.66 Lakhs

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No.1 (1)

The changes in the carrying value of property, plant and equipment are as follows

Property, Plant and Equipment	Land	Buildings	Plant & Machinery	Electrical Equipment	Office equipment	Computer Hardware	Furniture and Fixtures	Vehicles	Medical Equipment	Total
Cost										
As at March 31, 2020	1,229.19	13,559.82	796.03	1,779.03	751.21	8,235.27	4,535.46	944.04	12,709.51	44,539.56
Additions	0.00	111.85	2.31	2.50	24.02	2,975.82	80.26	10.39	1,496.32	4,703.47
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.05	0.00	9.05
As at March 31, 2021	1,229.19	13,671.67	798.35	1,781.53	775.23	11,211.10	4,615.72	945.38	14,205.82	49,233.98
Additions	0.00	35.66	1.68	99.13	69.09	1,227.84	259.87	17.93	374.37	2,085.55
Disposals	0.00	0.00	0.00	73.54	19.74	0.00	51.67	0.00	0.00	144.95
As at March 31, 2022	1,229.19	13,707.33	800.03	1,807.12	824.58	12,438.94	4,823.91	963.31	14,580.19	51,174.58
Depreciation										
As at March 31, 2020	0.00	1,940.86	256.39	692.96	477.11	5,329.05	2,059.07	473.40	3,302.59	14,531.42
Charge for the period	0.00	437.75	69.03	133.37	71.10	1,020.80	394.86	80.60	1,072.90	3,280.42
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2021	0.00	2,378.61	325.42	826.33	548.21	6,349.85	2,453.93	554.00	4,375.49	17,811.83
Charge for the period	0.00	452.65	68.98	116.21	64.30	578.70	402.53	77.57	1,210.10	2,971.05
Disposals	0.00	0.00	0.00	17.03	2.99	0.00	1.70	0.00	0.00	21.72
As at March 31, 2022	0.00	2,831.26	394.40	925.51	609.52	6,928.55	2,854.76	631.57	5,585.59	20,761.16
Net Block										
As at March 31, 2022	1,229.19	10,876.07	405.63	881.61	215.05	5,510.38	1,969.15	331.74	8,994.60	30,413.42
As at March 31, 2021	1,229.19	11,293.06	472.93	955.20	227.02	5,406.24	2,161.79	391.38	9,830.33	31,967.14

Note No 1(2): Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Category of ROU asset			
	Buildings	Medical Equipment	Computers	Total
Balance as at April 1, 2021	9,137.10	289.40	292.26	9,718.75
Additions	0.00	120.23	81.94	202.16
Deletion	0.00	0.00	0.00	0.00
Balance as at March 31, 2022	9,137.10	409.62	374.19	9,920.92
Depreciation as at April 1, 2021	424.26	53.63	52.59	530.48
Depreciation	605.66	124.45	67.55	797.66
Depreciation as at March 31, 2022	1,029.93	178.08	120.13	1,328.14
Balance as at March 31, 2022	8107.17	231.54	254.06	8,592.77

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Category of ROU asset			
	Buildings	Medical Equipment	Computers	Total
Balance as at April 1, 2020	-	-	-	-
Additions	9,137.10	289.40	292.26	9,718.75
Deletion	0.00	0.00	0.00	0.00
Balance as at March 31, 2021	9,137.10	289.40	292.26	9,718.75
Depreciation as at April 1, 2020	0.00	0.00	0.00	0.00
Depreciation	424.26	53.63	52.59	530.48
Depreciation as at March 31, 2021	424.26	53.63	52.59	530.48
Balance as at March 31, 2021	8,712.84	235.76	239.67	9,188.27

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No 1 (3): Intangible Assets

Intangible Assets	Brands or trademarks or Goodwill	Computer software	Product Development	Total
As at March 31, 2020	4,779.31	4,229.72	6,304.18	15,313.20
Additions	0.00	345.70	0.00	345.70
Disposals	0.00	0.00	0.00	0.00
As at March 31, 2021	4,779.31	4,575.42	6,304.18	15,658.90
Additions	0.00	1,012.27	583.76	1,596.03
Disposals	0.00	0.00	0.00	0.00
As at March 31, 2022	4,779.31	5,587.69	6,887.94	17,254.94
Depreciation	0.00	0.00	0.00	0.00
As at March 31, 2020	637.15	2,107.43	3,622.82	6,367.40
Charge for the period	0.00	601.59	389.25	990.84
Disposals	0.00	0.00	0.00	0.00
As at March 31, 2021	637.15	2,709.02	4,012.07	7,358.25
Charge for the period	0.00	678.48	357.99	1,036.47
Disposals	0.00	0.00	0.00	0.00
As at March 31, 2022	637.15	3,387.50	4,370.06	8,394.71
Net Block				
As at March 31, 2022	4,142.16	2,200.18	2,517.88	8,860.22
As at March 31, 2021	4,142.16	1,866.40	2,292.11	8,300.66

Note No 1 (4): Capital Work in Progress

Particulars	Capital Work in progress
As at March 31, 2020	428.90
Additions	662.73
Disposals	0.00
As at March 31, 2021	1,091.63
Additions	0.00
Disposals	0.00
As at March 31, 2022	1,091.63
Depreciation	0.00
As at March 31, 2020	0.00
Charge for the period	0.00
Disposals	0.00
As at March 31, 2021	0.00
Charge for the period	0.00
Disposals	0.00
As at March 31, 2022	0.00
Net Block	
As at March 31, 2022	1,091.63
As at March 31, 2021	1,091.63

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No:2 Non Current Investments

Particulars	Mar 31, 2022	Mar 31, 2021
1) Investment in Mutual funds		
Canara Robeco Mutual Funds	82.62	36.27
2) Other Investments	106.06	-
Total	188.68	36.27

Note No:3 Long Term Loans and Advances

Particulars	Mar 31, 2022	Mar 31, 2021
Deposits	511.47	237.92
Advances to others	689.82	517.32
Total	1,201.29	755.24

Note No:4 Other Non Current Assets

Particulars	Mar 31, 2022	Mar 31, 2021
Unamortised Expenses	510.58	85.31
Total	510.58	85.31

Note No:5 Inventory

Particulars	Mar 31, 2022	Mar 31, 2021
Stock in Trade		
Pharmacy and Other Consumables	1,426.57	1,235.68
Total	1,426.57	1,235.68

Note No:6 Trade Receivables

Particulars	Mar 31, 2022	Mar 31, 2021
Unsecured, Considered Good		
Less than 6 Months	6,553.21	6,895.75
Other Receivables	1,024.27	804.45
Total	7,577.47	7,700.20

Trade Receivables ageing schedule as on March 31, 2022 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	6,553.21	1,024.27				7,577.47
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables–considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No: 6 Trade Receivables (Contd.)

Trade Receivables ageing schedule as on March 31, 2021 :

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	6,895.75	804.45				7,700.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables–considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Note No:7 Cash and Cash Equivalents

Particulars	Mar 31, 2022	Mar 31, 2021
a) Balance with Banks		
On Current Accounts	555.26	656.09
b) Cash on hand	12.72	203.83
Sub Total	567.97	859.93
Other Bank Balances		
On Deposit Accounts	3,092.07	1,042.20
Sub Total	3,092.07	1,042.20
Total	3,660.04	1,902.12

Note No:8 Short Term Loans and Advances

Particulars	Mar 31, 2022	Mar 31, 2021
Unsecured, Considered Good		
With Others	4,754.85	4,698.52
Total	4,754.85	4,698.52

Note No:9 Other Current Assets

Particulars	Mar 31, 2022	Mar 31, 2021
Salary and Travel Advances	809.80	935.65
Deferred Financial Charges and Others	34.89	24.75
Advance Tax & TDS Receivable	1,065.21	509.95
GST	138.38	299.05
Total	2,048.29	1,769.40

Note No:10 Equity Share Capital

Particulars	Nos.	Amount (Rs in lakhs)
Authorised:		
15,00,00,000 Equity Shares of Rs.10/- each. (4,00,00,000 Equity Shares in Previous Year)	15,00,00,000	15,000

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No:10 Equity Share Capital

Particulars	Nos.	Amount (Rs in lakhs)
Issued Subscribed & Paid Up Share Capital:		
Subscribed & Fully Paid Up:		
As at 31st Mar 2020	3,27,20,734	3,272.07
Add :Preferential Allotment	15,00,000	150.00
Warrants Conversion	17,33,333	173.33
ESOP's Alloted	10,39,500	103.95
As at 31st Mar 2021	36,993,567	3,699.36
Add :Warrants Conversion	12,66,667	126.67
ESOP's Alloted	14,00,000	140.00
Bonus Issue	3,96,60,234	3,966.02
As at 31st Mar 2022	7,93,20,468	7,932.05

Reconciliation of Shares Outstanding at Beginning and End of the Reporting Year

Equity Shares	March 31, 2022		March 31, 2021	
	No's	Amount	No's	Amount
As at Beginning of the Year	3,69,93,567	3,699.36	3,27,20,734	3,272.07
ESOP's Allotted During the Year	14,00,000	140.00	10,39,500	103.95
Preferential Issue During the Year	-	-	15,00,000	150.00
Warrants Converted to Equity Shares	12,66,667	126.67	17,33,333	173.33
Bonus Issue	3,96,60,234	3,966.02	-	-
As at End of the Year	7,93,20,468	7,932.05	3,69,93,567	3,699.36

Details of Share Holders Holding More than 5% Shares in the Company

Name of the Share Holder	March 31, 2022		March 31, 2021	
	Nos	% of Share Holding	Nos	% of Share Holding
Mr. Viswanath Kompella (Promoter)	1,36,68,350	17.23	68,34,175	18.47
Mr. Ramakrishna Paramahansa Kompella (Promoter)	43,41,250	5.47	18,62,291	5.03
Ms. Lopa Mudra Kompella (Promoter)	40,21,250	5.07	18,60,625	5.03
Ms. Kompella Modini (Promoter)	40,21,250	5.07	17,02,292	4.60
PKI Solutions Private Limited (Promoter)	52,71,210	6.65	26,35,605	7.12

Shares held by promoters at the end of the year			%Change during the year
Promoter Name	No. of shares	% of Total Shares	
Mr. Viswanath Kompella	1,36,68,350	17.23	1.24
Mr. Ramakrishna Paramahansa Kompella	43,41,250	5.47	0.44
Ms. Lopa Mudra Kompella	40,21,250	5.07	0.04
Ms. Kompella Modini	40,21,250	5.07	0.47
PKI Solutions Private Limited	52,71,210	6.65	0.47

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No: 11 Other Equity

Particulars	Securities Premium	Share Options Outstanding	Share Warrants Forfeiture	Capital Reserves & Others	Foreign Exchange Transaction Reserve	MI Shareholders Loss	Retained Earnings	Total
As At April 1, 2020	11,860.32	509.08	222.50	(2,671.95)	536.00	84.72	23,689.68	34,230.35
Lease Adjustment							(1,958.90)	(1,958.90)
Additions for the Year	988.95	-	170.80	(2,700.00)	190.15	7.34	274.63	(1,068.14)
As At March 31, 2021	12,849.27	509.08	393.30	(5,371.95)	726.15	92.05	22,005.41	31,203.31
Additions for the Year	(3,007.72)	-	(393.30)		(53.39)	18.66	1,430.54	(2,005.22)
As At March 31, 2022	9,841.54	509.08	-	(5,371.95)	672.76	110.71	23,435.95	29,198.09

Note No:12 Long Term Borrowings

Particulars	Mar 31, 2022	Mar 31, 2021
Secured Loans		
Vehicle Loans	144.79	265.29
Project Loans/LAP	10,947.08	9,611.90
Total	11,091.88	9,877.18

Note No:13 Long Term Provision

Particulars	Mar 31, 2022	Mar 31, 2021
Provision for Gratuity	465.15	398.10
Total	465.15	398.10

Note No:14 Deferred Tax Liability

Particulars	Mar 31, 2022	Mar 31, 2021
Opening Deferred tax Liability	831.20	-374.90
Less: Def Tax Asset on Leased Asset	7.34	48.65
Add: Deferred Tax Liability for the year	757.61	1,254.75
Total	1,581.47	831.20

Note No:15 Short Term Borrowings

Particulars	Mar 31, 2022	Mar 31, 2021
Secured Loans		
a) From Banks	2,545.27	3,215.98
b) Long Term Secured Loan payable during the year	2,865.02	2,434.27
Unsecured Loans		
a) Unsecured Loan payable during the year	979.14	521.23
Total	6,389.44	6,171.48

Note No:16 Trade Payables

Particulars	Mar 31, 2022	Mar 31, 2021
Unsecured		
Trade Payables		
Outstanding dues of Micro, Small and Medium enterprises		
Outstanding dues of creditors other than Micro, Small and Medium enterprises	930.30	824.51
Total	930.30	824.51

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No:16 Trade Payables (Contd.)

Trade payables ageing schedule for the year ended as on March 31, 2022 :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Others	930.30	-	-	-	930.30
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Trade payables ageing schedule for the year ended as on March 31, 2021 :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Others	824.51	-	-	-	824.51
ii) Disputed dues – MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-

Note No:17 Short Term Provisions

Particulars	Mar 31, 2022	Mar 31, 2021
a) Provisions for Employee Benefits	554.11	1,074.68
b) Provision for Taxes	1,736.76	1,383.11
c) Provision for Expenses	391.25	497.73
d) Audit Fee Payable	1.42	3.28
Total	2,683.54	2,958.80

Note No:18 Revenue From Operations

Particulars	March 31, 2022	March 31, 2021
(a) Revenue from IT Services (Export)	16,440.92	18,598.65
(b) Revenue from Healthcare Services	14,596.38	13,465.51
(c) Revenue from Pharmacy	3,126.92	2,565.77
(d) Other Operating Revenues	2,034.69	678.60
(e) Sale of Food Items	201.66	55.79
(f) Fee collected	-	36.48
Total	36,400.56	35,400.79

Note No:19 Other Income

Particulars	March 31, 2022	March 31, 2021
(a) Interest Income	44.16	47.74
(b) Other Non-Operating Income	223.53	1,025.52
(c) Forex Gain	-	32.69
(d) Finance Income on Financial Asset	25.67	11.90
Total	293.36	1,117.85

Note No:20 Purchases

Particulars	March 31, 2022	March 31, 2021
(a) Pharmacy Purchases	2,970.62	2,605.63
Total	2,970.62	2,605.63

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

Note No:21 Employee Benefit Expenses

Particulars	March 31, 2022	March 31, 2021
(a) Salaries & Wages	10,155.04	10,549.39
(b) Contribution to Provident & Other Funds	289.71	296.32
(c) Staff Welfare Expenses	107.01	144.79
Total	10,551.75	10,990.49

Note No:22 Finance Costs

Particulars	March 31, 2022	March 31, 2021
(a) Interest Expenses :		
- Interest on Term Loan and Working Capital	1,392.67	1,903.87
- Interest on Vehicle Loans	13.89	62.36
- Finance Charge on Lease Liability	1,207.10	1,242.26
(b) Applicable net gain/loss on foreign currency translations	7.80	0.00
Total	2,621.45	3,208.49

Note No: 23 Administrative and Other Operating Expenses

Particulars	March 31, 2022	March 31, 2021
(a) Power & Fuel	574.27	536.07
(b) Rent	654.00	426.17
(c) Repairs & Maintenance	402.16	267.28
(d) Insurance	344.00	339.62
(e) Telephone, Postage and Others	221.01	203.62
(f) Business Promotion Expenses	352.07	441.22
(g) Office Maintenance	799.50	789.18
(h) Travelling and Visa Expenses	138.07	196.91
(i) Consultancy Charges and Subcontracting Expenses	8,081.69	8,188.53
(j) Other Administrative Expenses	349.77	159.33
(k) Rates & Taxes	865.90	834.67
(l) Disallowances and Network Hospital Discount	198.12	93.97
(m) Bank charges	114.50	57.49
(n) Auditors Fee	7.23	14.60
Total	13,102.28	12,548.64

NOTE 24: Details of Primary and Collateral Securities (For Liabilities referred in Note No.12 & 15)

Hypothecation of Plant and Machinery, Equipment (Movable Assets), Commercial Property and company promotor's personal guarantee.

Primary Security:

Hypothecation of Movable Assets:

- 1st charge on all movable assets of the company on Term Loans availed from following Banks in M/s. Virinchi Health Care Pvt Ltd
 - M/s. Canara Bank, MCB, Hyderabad.
 - M/s. Central Bank of India, Industrial Finance Branch, Koti, Hyderabad.
 - M/s. Punjab National Bank, Ameerpet, Hyderabad
 - M/s. DBS Bank Ltd, West Marredpally, Secunderabad.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

NOTE 24: Details of Primary and Collateral Securities (For Liabilities referred in Note No.12 & 15) (Contd.)

- Hypothecation of Current Assets such as Stock & Receivables and 2nd Charge on Movable Assets of the company for working Capital limits with following banks in M/s. Virinchi Health Care Pvt Ltd:
M/s. Canara Bank, Mid Corporate Branch, Hyderabad.
M/s. Central Bank of India, Industrial Finance Branch, Koti, Hyderabad,

Collateral Security:

- EMT on 875sq yards open land at Road.No.1 Banjara Hills, Hyderabad-500034 in the name of Virinchi Limited given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited
- EMT on 649 sq yards open land at Plot No 37, Nandagiri Hills, Shaikpet Village, Jublee Hills, Hyderabad - 500033 owned by Mrs. Madhavilatha Kompella given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited.
- EMT on Land to the extent of Ac 2.0 and Building 46,590 Sq yards situated at Sy No. 15/part, 15/B and 15/C, Suraram, Jeedemetla Industrial Area, Quthubullapur, Hyderabad owned by M/s. Virinchi Limited given to M/s. ICICI Bank Ltd for Loans availed in M/s. Virinchi Limited.
- EMT on property located at Pothaipally Village in Shamirpet Mandal, R.R.Dist given to M/s Canara bank, Mid Corporate Branch, Hyderabad owned by Virinchi Limited for Loans availed in M/s. Virinchi Limited
 - Land: Acres 3 and 36 guntas
 - Building in SY.NO.121
 - 1st Charge on P&M, Electrical & Office equipment, computers, furniture
- Commercial Flat admeasuring 2700 Sq.ft, Flat No. 308-A, Ashoka Metropolitan (Virinchi Hospitals), Road NO.12, Banjara Hills, Hyderabad, in the name of M/s. Virinchi Limited for Loans availed in M/s. Virinchi Health Care Private Limited
- EMT on Land and Building located at Colts Neck Township, Country of Monmouth, State of New Jersey, USA for Loans availed in M/s. Ksoft Systems Inc
- EMT on property located at Flat No.608, Lingapur Plaza, Himayathnagar owned by Mr.Viswanath Kompella for Loans availed in M/s. Virinchi Limited
- Pledge of two KDR's worth ₹ 82 Lakhs for Loans availed in M/s. Virinchi Limited
- Pledge of 3 FDR's worth of ₹ 7.13 Crores in the name of M/s. Virinchi Limited for Loans availing in M/s. Virinchi Health Care Pvt Ltd
- EMT of factory land measuring 1 acre 36.5 guntas at survey no.441, Hakimpet Village, in Shamirpet Mandal, R R Dist owned by M/s. Virinchi Limited Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Limited
- 11.875 Acres freehold industrial land located at SY No103 & Sy No. 104 Lakshmakkapally, Mulugu Mandal, Medak District in the name of M/S. Vivo Biotech Ltd given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Limited
- Plot No. 76& 77, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Limited
- Plot No. 78, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited
- Plot No. 88, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of Mr. Viswanath Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited
- Plot No. 227, Balamrai Co-operative Housing Society, Mahendra Hills, East Marredpally, Secunderabad -26 in the name of M/s. Shri Shri Resorts Pvt Ltd given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited
- Open non-agricultural land admeasuring 2 Acres 31 Guntas at S.no 438 P, Devar Yamjal, Hakimpet, Shameerpet Mandal, R.R Dist in the name of M/s.Virinchi limited given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

NOTE 24: Details of Primary and Collateral Securities (For Liabilities referred in Note No.12 & 15) (Contd.)

- Residential House land admeasuring 324.44 Sq Yards at Plot No 227, Balamrai Society, Mahendra Hills, West Maredpally, Secunderabad, in the name of M/s Iravarapu Constructions Pvt Ltd given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited
- Open Plot admeasuring 400Sq Yards at Plot No 522, Ashoka Colony, Kapra, Keesara Mandal, R.R District , in the name of Smt. Madhavi latha Kompella given to M/s. Canara bank, Mid Corporate Branch, Hyderabad for Loans availed in M/s. Virinchi Health Care Pvt Limited

Personal Guarantee:

- Mr. Viswanath Kompella has given personal guarantee for all loans availed by the Holding company and its subsidiaries.
- Mrs. Madhavi Latha Kompella has given personal guarantee to Virinchi Health Care Pvt Ltd loans.

Corporate Guarantee: M/s. Vivo Bio Tech Limited

Hypothecations of Medical Equipment:

- Fixed and Exclusive charge over the Medical Equipment financed by
 - Siemens Financial Services Pvt Ltd
 - De Lage Landen Financial Services India Private Limited
 - Reliance Capital Limited
 - Clix Capital Services Private Limited

NOTE 25:

Particulars	Current year (Rs in Lakhs)	Previous Year (Rs in Lakhs)
Auditors Fee	7.23	14.60

NOTE 26:

The Company has identified Business Segments which comprise Development of Computer Software and Services, IT Enabled Services and Healthcare Services.

Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

S. No	Description	Year Ended(In Lakhs)	
		31.03.2022	31.03.2021
I	Segment Revenue		
	Software Product Revenues	12,260.67	13,543.68
	Software Services Revenues	5,528.19	5,476.51
	Healthcare Services	17,939.46	16,085.19
	IT Enabled Services	452.89	295.41
	Payment & Credit Services	219.35	-
	Net Sales/Income from Operations	36,400.56	35,400.79
II	Segment Result		
	Software Product Revenues	1,212.87	1,462.42
	Software Services Revenues	1,077.25	336.57
	Healthcare Services	3,102.73	2,906.18
	IT Enabled Services	42.43	26.59
	Infrastructure and Real Estate Services	(295.89)	-
	Total	5,139.39	4,731.76

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

NOTE 26: (Contd.)

S. No	Description	Year Ended(In Lakhs)	
		31.03.2022	31.03.2021
	Interest Expenditure	2,621.45	3,208.68
	Other Un-allocable Income Net of Un-allocable Expenditure	293.36	1117.85
	Total Profit Before Tax	2,811.31	2,640.93

NOTE 27: Earning per Share

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

Particulars	2021-22	2020-21
Profit available for the equity share holders	1,430.54	274.63
Weighted average number of shares for Basic EPS	776.42	336.12
Weighted average number of shares for Diluted EPS	776.42	356.68
Basic EPS	1.84	0.82
Diluted EPS	1.84	0.77

NOTE 28: Related Party Transactions.

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

Related Party Disclosures

The followings are the list of related parties:

a) Subsidiary Companies:

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. Virinchi Combinatorics & Systems Biology Pvt Ltd
10. Asclepius Consulting & Technologies Pvt Ltd – (controlling interest)
11. V23 Medical Solutions Pvt. Ltd.
12. Virinchi Capital Pvt. Ltd.

b) Directors:

1. M.V. Srinivasa Rao
2. Sunder Kanaparthu
3. Sri Kalyan Kompella
4. Kunda Kalpana
5. Suresh Juthuga
6. Satyanarayana Vedula

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

NOTE 28: Related Party Transactions. (Contd.)

c) Key Management Personnel:

S.NO.	NAME	Designation
1	M.V. Srinivasa Rao	CFO & Whole Time Director
2	V. Satyanarayana	Vice Chairman & Executive Director
3	K. Ravindranath Tagore	Company Secretary

d) 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)
M V Srinivasa Rao	Remuneration	45.61	42.29
K. Sri Kalyan	Remuneration	0	13.49
Madhavi Latha Kompella	Promoter	0	30.00
V Satyanarayana	Remuneration	47.61	4.94
Santi Priya G	Remuneration	6.65	18.32
K. Ravindranath Tagore	Remuneration	29.61	26.01
Viswanath Kompella	Remuneration	180.00	60.00
K Soft Systems Inc	Paid for Consultancy charges	1,525.56	1,010.04
Tensor Fields Consultancy Services Pvt. Ltd	Consultancy services rendered	171.60	239.86
Tensor Fields Consultancy Services Pvt. Ltd	Interest income	13.74	0.86
Vivo BioTech Ltd	Sale of software product	472.00	500.00
Asclepius Consulting & Technologies Pvt Ltd	Interest income	40.26	21.83
Virinchi Health Care Pvt Ltd	Interest income	304.73	223.64
Virinchi Media & Entertainment Pvt. Ltd	Interest income	11.80	9.96
Tyohar Foods Pvt Ltd	Interest income	6.53	6.91
Virinchi Learning Pvt. Ltd	Interest income	1.08	1.54
Virinchi Health Care Pvt Ltd	Consultancy services rendered	944.00	0
V23 Medical Solution Pvt. Ltd.	Interest Income	0.35	0

*Amount of Remuneration is excluding the Value of Perquisite allotted as ESOP.

NOTE 29:

Statement of ESOP Vested and Exercised during the Current Financial Year:

Sl. No.	Description	Year ended 31 st March, 2022	
		VESOS, 2016	VESOS, 2018
1	Number of Options Outstanding at the beginning of the year(Un-granted)	Nil	17,30,000
2	Number of options granted during the year	NA	19,40,000
3	Number of options forfeited/lapsed during the year	NA	2,10,000
4	Number of options vested during the year	3,81,750	-
5	Number of options exercised during the year	13,36,000	-
6	Number of shares arising as a result of exercise of options	13,36,000	-
7	Amount realized by exercise of options (₹)	3,13,40,000	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

NOTE 29: Statement of ESOP Vested and Exercised during the Current Financial Year: (Contd.)

Sl. No.	Description	Year ended 31 st March, 2022	
		VESOS, 2016	VESOS, 2018
8	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)(1-2)	Nil	-
9	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	6,17,186	2,10,000

* The number of outstanding options which are not exercised will be doubled on account of Bonus Issue.

* The Number of outstanding options which are not exercised under VESOS, 2016 are 6,17,186 and the same number of 6,17,186 options will be added on account of Bonus issue.

* The Number of outstanding options which are not exercised under VESOS, 2018 are 21,50,000 and the same number of 21,50,000 options will be added on account of bonus issue.

NOTE 30: ALLOTMENT OF EQUITY SHARES ON CONVERSION OF WARRANTS:

The details of allotment of equity shares on conversion of warrants are given below:

a. Allotment of Equity Shares on Conversion of Warrants:

Date of Allotment	Name of the Allottee	Class of instrument	No of shares / Share warrants	Amount Received (₹ In Lakhs)
05-May-2021	Madhavi Latha Kompella	Allotment of Equity Shares on conversion of warrants	2,00,000	60.00
	Lopa Mudra Kompella		1,50,000	45.00
Total			3,50,000	105.00
21-May-2021	Madhavi Latha Kompella	Allotment of Equity Shares on conversion of warrants	300,000	90.00
	Ramakrishna Paramahansa Kompella		308,334	92.50
	Modini Kompella		308,333	92.50
Total			9,16,667	275.00
Total allotment of equity shares on conversion of warrants			*12,66,667	380.00

Price Per warrant is ₹ 40 /- for all the allotments, in the financial year 2021-22 and the Company received ₹ 10 per warrant and balance amount per warrant ₹ 30 was paid at the time of conversion.

*As on 31st March 2021, there were 12,66,667 pending warrants for conversion into equity shares of the Company against the allotment of 30,00,000 convertible warrants which were issued on preferential basis to the Promoter and Promoter group on 14th day of October, 2020 and during the year 2021-2022, the said 12,66,667 warrants were converted into equity shares of ₹ 10 each. Accordingly, the 30,00,000 convertible warrants issued by the Company in 2020-2021 were fully converted into equity shares as per the aforesaid allotments.

NOTE 31: BONUS ISSUE:

The Company had issued and allotted 3,96,60,234 (Three Crores Ninety Six Lac Sixty Thousand Two Hundred and Thirty four) Equity Shares of ₹10 (Rupees Ten only) each on account of issue of bonus shares vide special resolution passed by the shareholders of the Company through Postal Ballot on 09th March, 2022 as fully paid-up Bonus Shares, to be allotted as fully paid-up Equity Shares to the existing equity shareholders of the Company, in the proportion of (1:1) One new Equity Share for every one existing Equity Share, out of the Free Reserve, Securities Premium Account & Retained Earnings of the Company, as detailed herein below:

Details of Equity Shares of the Company (a)			Bonus Issue (b)		Total (a+b)
Category	No. of Shares	Bonus Ratio	Category	No. of Shares	
Promoter	1,95,62,911	1:1	Promoter	1,95,62,911	3,91,25,822
Public	2,00,97,323		Public	2,00,97,323	4,01,94,646
Total (a)	3,96,60,234		Total (b)	3,96,60,234	7,93,20,468

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

NOTE: 32 : Additional Regulatory information

- The Company is in possession of immovable property and title deeds are held in the Name of the company.
- The Company has not revalued any of its Property, Plant and Equipment during the year.
- The Company has not granted any loans or advances in the nature of loans to directors, KMPs
- There are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

NOTE 33:

The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

NOTE 34:

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

NOTE 35:

There are no significant events that occurred after the balance sheet date.

NOTE 36:

The Company has not declared any dividend during the year.

NOTE 37:

In the opinion of the management, the assets as shown in the financial Statements, have a value on realization in the ordinary course of business of at least equal to the amount at which they are stated in the balance sheet.

NOTE 38 :

Additional Information as required under Schedule III to the Companies act, 2013 pursuant to para 2 of General instructions for the preparation of Consolidated Financial Statement.

Ratios	Net Assets (TA-TL)		Share in Profit/(Loss)	Amounts (₹ In Lakhs)
	As % of Consolidated Net Assets	Amounts (₹ In Lakhs)		
Parent Entity				
Virinchi Limited	65.90	24,085.45	86.50	1,236.71
Indian Subsidiaries				
Qfund Technologies Pvt Ltd	0.47	169.94	(3.17)	(45.35)
Virinchi Learning Pvt Ltd	(0.39)	(141.68)	(2.00)	(28.62)
Virinchi Media & Entertainment Pvt Ltd	(0.07)	(27.39)	(1.87)	(26.71)
Tyohar Foods Pvt Ltd	(0.25)	(91.48)	(0.07)	(1.05)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

(Rs. In Lakhs, except for share data or as otherwise stated)

NOTE 38 : (Contd.)

Ratios	Net Assets (TA-TL)		Share in Profit/(Loss)	Amounts (₹ In Lakhs)
	As % of Consolidated Net Assets	Amounts (₹ In Lakhs)		
Virinchi Infra & Reality Pvt Ltd	0.03	10.53	0.26	3.76
Virinchi Health Care Pvt Ltd	10.95	4,000.82	(25.53)	(365.15)
Tensor Fields Consultancy Services Pvt Ltd	(1.08)	(393.79)	(9.01)	(128.83)
Virinchi Combinatorics & Systems Biology Pvt Ltd	0.02	6.29	(0.06)	(0.89)
Virinchi Capital Pvt Ltd	0.32	118.52	(6.85)	(97.94)
V23 Medical solutions Pvt Ltd	(0.07)	(27.39)	(0.04)	(0.52)
Other Subsidiaries – Controlling interest (51%)				
Asclepius Consulting & Technologies Pvt Ltd	(0.41)	150.20	(1.36)	(19.42)
Foreign Subsidiary				
Ksoft Systems Inc.	24.51	8,958.72	63.23	904.55

NOTE: 39:

Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.

NOTE: 40:

Previous figures have been regrouped wherever necessary and the figures have been rounded off to the nearest lakhs.

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

As per our report of even date

For P C N & Associates.,
Chartered Accountants
FRN: 016016S

M. Mohana Saradhi
Partner
M. No. 244686

Place : Hyderabad
Date: 20-May-2022

For and on behalf of the Board of Directors of

M/s. Virinchi Limited

M.V.Srinivasa Rao
CFO & Wholetime Director
DIN: 00816334

K.Ravindranath Tagore
Company Secretary
M.No. A18894

V. Satyanarayana
Vice Chairman & Executive Director
DIN: 09070986

Corporate Information

Founder & Chairman Emeritus

Viswanath Kompella

Board of Directors

M. V. Srinivasa Rao

Whole-Time Director

V. Satyanarayana

Vice-Chairman & Executive Director

K. Sri Kalyan

Non-Independent Non Executive Director

K. Kalpana

Independent and Non-Executive Director

J. Suresh

Independent and Non-Executive Director

Sunder Kanpaparthi

Independent and Non-Executive Director

K. Ravindranath Tagore

*- Company Secretary,
Chief Investor Relations Officer &
Compliance Officer*

Senior Leadership

Satyajeet Prasad

CEO

M. V. Srinivasa Rao

CFO & Group President

V. Satyanarayana

CEO, vCard

Sivaji Pendyala

COO

Registered office

8-2-672 / 5 & 6, 4th Floor
Ilyas Mohammed Khan Estate
Road #1, Banjara Hills
Hyderabad ,Telangana ,500034
Phone# 040-48199999
E-mail: investors@virinchi.com
Website: www.virinchi.com

Banker

Canara Bank
IF Branch, Hyderguda,
Hyderabad.

Auditors

M/s. P C N & Associates
Plot No. 12, Ground Floor
Software Layout Unit,
Cyberabad Hyderabad- 500081
Phone# 040-2311 9499

Office Address in USA

Green House, 7 South Main Street,
Suite E Marlboro, NJ, USA-07746
Phone# 7326962555,
Fax# 732-783- 0432

Registrar & Share Transfer Agents

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

If undelivered, please return to:



Virinchi Limited

8-2-672 / 5 & 6, 4th Floor
Ilyas Mohammed Khan Estate
Road #1, Banjara Hills
Hyderabad - 500034, Telangana

www.virinchi.com