

# **VIRUPAKSHA ORGANICS LIMITED**

**ANNUAL REPORT**

**FY 2022-2023**

**CIN: U24110TG1997PLC028281**

**REGISTERED OFFICE:**

# Plot No.: B-1&2, IDA, Gandhi Nagar, Medchal-Malkajgiri (District),  
Hyderabad, Rangareddi, Telangana, India - 500037

Tel: 040-23075816, email: [info@virupaksha.com](mailto:info@virupaksha.com), website :

[www.virupaksha.com](http://www.virupaksha.com)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Chandra Mouliswar Reddy Gangavaram	-	Managing Director
Mr. Balasubba Reddy Mamilla	-	Whole Time Director &CFO
Mrs. Vedavathi Gangavaram	-	Director
Mr. Chandrasekhar Reddy Gangavaram	-	Whole Time Director
Mrs. Shruti Gupta	-	Independent Director
Mr. Gedupudi Venkatachalam	-	Independent Director*
Mr. Janardhana Reddy Yeddula	-	Independent Director

### COMMITTEES OF BOARD

#### AUDIT COMMITTEE

Mr. Gedupudi Venkatachalam\*  
Mrs. Shruti Gupta  
Mr. M. Bala Subba Reddy  
Mr. Janardhana Reddy Yeddula

#### NOMINATION AND REMUNERATION COMMITTEE

Mr. Gedupudi Venkatachalam\*  
Mrs. Shruti Gupta  
Mr. M. Bala Subba Reddy  
Mr. Janardhana Reddy Yeddula

#### CSR COMMITTEE

Mr. Gedupudi Venkatachalam\*  
Mrs. Shruti Gupta  
Mr. M. Bala Subba Reddy  
Mr. Janardhana Reddy Yeddula

\*Resigned on 9<sup>th</sup> May, 2023

**COMPANY SECRETARY –** Mr. Vikas Kurada

**STATUTORY AUDITORS –** M/s. Suryachandra & Associates, Chartered Accountants, Hyderabad

**INTERNAL AUDITORS –** M/s K. Bhaskar & Associates, Chartered Accountants, Hyderabad

**COST AUDITORS –** M/s .Jithendra Kumar & Co., Cost Accountants, Vijayawada

**SECRETARIAL AUDITORS–** M/S.L.D.REDDY & Co., Company Secretaries, Hyderabad

### BANKERS:

**STATE BANK OF INDIA – SAIFABAD BRANCH, HYDERABAD**

**ICICI BANK LTD – BEGUMPET BRANCH, HYDERABAD**

**AXIS BANK LTD – BEGUMPET BRANCH, HYDERABAD**

**HDFC BANK LTD – SR NAGAR BRANCH, HYDERABAD**

### REGISTERED OFFICE

# Plot No.: B-1&2, IDA, Gandhi Nagar,  
Medchal-Malkajgiri (District), Hyderabad,  
Telangana, Rangareddi, India – 500037;  
Tel: +9140-23075816  
E-Mail: accts@virupaksha.com

## **NOTICE**

Notice is hereby given that the Twenty Fifth (26<sup>th</sup>) Annual General Meeting (AGM) of the Members of **M/s. VIRUPAKSHA ORGANICS LIMITED** (CIN U24110TG1997PLC028281) will be held on Saturday, **30<sup>th</sup> September, 2023** at 11:00 A.M. at the Registered Office of the Company situated at # Plot No.: B-1&2, IDA, Gandhi Nagar, Medchal-Malkajgiri (District), Hyderabad, Rangareddi, Telangana, India – 500037; To transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Vedavathi Gangavaram (DIN: 02870966) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Chandrasekhar Reddy Gangavaram (DIN: 03534167) who retires by rotation and being eligible offers himself for re-appointment.
4. To declare Dividend on Equity Shares

### **Special Business:**

#### **5. Ratification of remuneration of Cost Auditors**

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with

the Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof ],as amended from time to time, the Company hereby ratifies the remuneration of Rs. 2,00,000/- plus GST and out of pocket expenses and XBRL conversion charges etc., payable to M/s .Jithendra Kumar & Co., Cost Accountants, Vijayawada, who were being appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company for the year ending 31st March, 2024.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and /or revise the remuneration of the Cost Auditors within limits as approved by the aforesaid resolution and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

By Order of the Board

**For VIRUPAKSHA ORGANICS LIMITED**

Sd/-

**G. CHANDRA MOULISWAR**

**REDDY**

Managing Director

Date: 05.09.2023

Place: Hyderabad

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under item nos. 5 of the notice is annexed hereto.
2. Pursuant to notification dated May 07, 2019 issued by the Ministry of Corporate Affairs, New Delhi; ratification of appointment of statutory auditors at every subsequent Annual General Meeting(s) was done away and hence not mentioned the same in notice calling Annual General meeting
3. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member of the Company.
4. The proxy form, in order to be effective, must be duly filled and signed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.
5. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company, a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. The register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The register of contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. Members are requested to kindly bring their copy of the annual report with them at the AGM, as no extra copy of the annual report would be made available at the AGM venue. Members/proxies should also bring the attached attendance slip, duly filled and hand it over at the Meeting.
10. In terms of the requirements of the Secretarial Standards -2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, the Route Map for the location of the aforesaid meeting is pasted below:





**EXPLANATORY STATEMENT PURSUANT TO  
SECTION 102 OF THE COMPANIES ACT, 2013**

(Pursuant to Section 102 of the Companies Act, 2013 (“the Act”), the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 5 of the accompanying notice)

**Item No. 5**

The Members are informed that on the recommendations of the Audit Committee, the Board, at its meeting held on May 10, 2023, re-appointed M/s.Jithendra Kumar & Co, Cost Accountants (M.No : 36220), as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year 2023-24 at a remuneration Rs. 2,00,000 (Rupees Two Lakh Only) (excluding all applicable taxes and reimbursement of out of pocket expenses).

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, remuneration paid to the Cost Auditor of the Company shall be approved by the members of the Company by way of ratification. Accordingly, approval of the members is being sought by way of ratification for payment of remuneration of ` Rs. 2,00,000 (Rupees Two Lakh Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) to M/s.Jithendra Kumar & Co, Cost Accountants

(M.No : 36220), for the financial year 2023-24.

None of the Directors and/or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested, either financially or otherwise, in the resolution at Item No. 5 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval of the Members.

**By Order of the Board  
For VIRUPAKSHA ORGANICS LIMITED**

**Sd/-**  
**G. CHANDRA MOULISWAR REDDY**  
Managing Director  
Place: Hyderabad  
Date: 05.09.2023



# VIRUPAKSHA ORGANICS LIMITED

( WHO-GMP AND ISO 9001 : 2008 Certified Company )

CIN: U24110TG1997PLC028281

GST: 36AABCD0026F1ZB

Corporate Office : Plot No B1 & B2, IDA Gandhi Nagar Kukatpally, Hyderabad, Telangana, 500037

Ph No.: + 91 – 40 – 23075816 / 3079, Fax: + 91 – 40 – 23720738, E-mail : info@virupaksha.com

## **BOARDS' REPORT**

To

The members of **M/s. VIRUPAKSHA ORGANICS LIMITED**

Your Directors have pleasure in presenting 26<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2023.

### **1. FINANCIAL RESULTS AND OPERATIONS**

The Financial results of the Company for the period under review are as follows:

*(Amount in Rs Lakhs)		
Particulars	Current Year 2022-23	Previous Year 2021-22
Revenue from Operations	65,464	48,946
Other Income	857	464
<b>Total Income</b>	<b>66,320</b>	<b>49,409</b>
Less: Total Expenditure	59,755	46,699
Exceptional and extraordinary items	0	0
<b>Profit/ ( loss) Before Taxation</b>	<b>6,565</b>	<b>2,710</b>
- Current Tax	1,529	259
- Deferred Tax	252	504
- Prior Period Tax	2	(287)
<b>Profit / (loss) After Tax</b>	<b>4,783</b>	<b>2,234</b>

### **2. SHARE CAPITAL AND ITS CHANGES:**

During the period under review, there were no change in the Company's capital structure:

### **3. WEB LINK OF ANNUAL RETURN, IF ANY**

The Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at [www.virupaksha.com](http://www.virupaksha.com).

### **4. MEETINGS OF THE BOARD OF DIRECTORS [SECTION 134(3) (B)]**

During the year under review, the Board of Directors met on following dates, and details of Board meeting held during the year are as follows:

S.O	Date of Board Meeting	No. Director Attended	Total No. of Directors
1.	25 <sup>th</sup> APRIL, 2022	6	6
2.	3 <sup>rd</sup> AUG, 2022	7	7



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3.	13 <sup>th</sup> AUG, 2022	7	7
4.	5 <sup>th</sup> SEP, 2022	7	7
5.	23 <sup>rd</sup> SEP, 2022	7	7
6.	26 <sup>th</sup> SEP, 2022	7	7
7.	3 <sup>rd</sup> OCTOBER, 2022	7	7
8.	25 <sup>th</sup> NOV, 2022	7	7
9.	23 <sup>rd</sup> JAN, 2023	7	7
10	2 <sup>ND</sup> FEB, 2023	7	7

## 5. DIRECTORS' RESPONSIBILITY STATEMENT [SECTION 134(3) (C) AND 134(5)]

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- In the preparation of the annual accounts for the period ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and 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 the financial year and of the profit of the company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the annual accounts on a going concern basis; and
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## 6. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS [SECTION 134 (3) (d)]:

During the year 2022-23 under review there were three independent directors namely Mrs. Shruti Gupta, Mr. Gedupudi Venkatachalam and Mr. Janardhana Reddy Yeddula (appointed as on 3rd August 2022) associated with the company.

In terms of Section 149 of the Companies Act, 2013, the Company has received a declaration from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in chemicals/ manufacturing



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industry, strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold standards of integrity.

## **7. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR [SECTION 134(3)(E)]**

The Company has constituted a Nomination and Remuneration Committee which has been entrusted the responsibility of selecting and recommending the appointment and remuneration of Directors. The Committee while making appointments and fixing the remuneration of Directors will take into consideration the following:

- a) their qualification,
- b) past record, especially their credentials and achievements, experience, past remuneration
- c) job profile and suitability
- d) comparative remuneration with the industry in line with size and profits of the Company
- e) their pecuniary relationship with the promoters.

Further the Nomination and Remuneration Committee also, while recommending and appointing the Independent Directors, will evaluate the following:

- a) their qualification,
- b) credentials, past experience in the fields of finance, management, technology, taxation and other related fields
- c) expertise in similar industry
- d) Confirmation from the Internal Auditors that there is no pecuniary relationship with the Company or other parties in terms of Section 149(6) of the Companies Act, 2013.

The Composition of the Committee is as follows:

- Mr. Gedupudi Venkatachalam
- Mrs. Shruti Gupta
- Mr. M. Bala Subba Reddy

## **8. AUDIT REPORTS [SECTION 134(3)(F)]**

### **• By Statutory Auditors in their Report:**

The Independent Auditor's Report given by M/s. Suryachandra & Associates., Statutory Auditors of the Company does not contain any qualifications, reservation or adverse remarks.



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- **By Secretarial Auditor in their Report:**

The Secretarial Audit report given by M/s. L.D. REDDY & Co. Company Secretaries, does not contain any qualifications, reservation or adverse remarks

## **9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS [SECTION 134(3)(G)]**

During the year under review, the Company did not extend any Loans or Guarantees.

However, the Company holds an Investment of

- 1) Rs.9,60,000/- in the capital of partners of M/s. Virupaksha Lifesciences LLP.
- 2) Rs. 2,50,00,000/- in the capital of M/s Vamsi Labs Limited.

## **10. PARTICULARS OF CONTRACTS WITH RELATED PARTIES [SECTION 134(3)(H)]**

The Company's transactions with Related Parties are at arm's length and are in the ordinary course of business only. All Related Party transactions have been reported in the notes to Accounts to the Financial Statements and do not cover under the provisions of Section 188(1) of the Companies Act, 2013 read with Rules made there under. **ANNEXURE – II**

## **11. COMPANY AFFAIRS [SECTION 134(3)(I)]**

### **11.1. Research and Development – information is given by the company**

Virupaksha Organics Limited gives importance to the improve Research and Development Activities, It has dedicated team of scientists working in the areas of:

- Formulation Development
- Analytical Method Development
- API Process Development
- New API Development
- Advanced Intermediates developments for New Molecules to MNC's
- Stability Studies, etc.

### **11.2. FINANCIAL HIGHLIGHTS [RULE 8(5)(I) OF COMPANIES (ACCOUNTS) RULES, 2014]**

#### **a. Performance and Operations Review**

During the year under review of F.Y 2022-23, the company recorded Revenue from operations of Rs. 65,463.80 Lakhs as against Rs. 48,946.74 Lakhs in previous year. The Profit After Tax made during the year is Rs. 4,782.55 Lakhs as against Rs. 2,233.78 Lakhs in 2021-22.



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## b. Domestic Operations

The Domestic sales during the year 2022-23, generated an amount to Rs. 43123.95 Lakhs (66% of the total sales) includes intra state and interstate sales.

## c. Exports

During the year, the Company has achieved an export turnover of Rs. 22339.86 Lakhs (34 % of total sales) which is inclusive of SEZ turnover. Your Company exports across the world to countries like USA, Spain, Germany, China, Argentina, Bangladesh, Mexico and Switzerland. During the year, the Company received the Export incentives of Rs. 299.21 Lakhs.

## d. TAXATION

The Company has made an Income Tax (Current Tax) provision of Rs. 258.96 Lakhs for the period under review as against Rs. 1528.64 Lakhs for the previous year. An amount of Rs. 251.93 Lakhs has been provided towards Deferred Tax Liability for the year as required under Accounting Standard-22 relating to “Accounting for Taxes on Income”. Deferred Tax Liability provision for the previous year was Rs. 251.93 Lakhs. Prior period tax adjusted/reversed during the year Rs. 2.06 Lakhs.

## e. BORROWINGS

During the period under review the company has following loans: -

S. No	Particulars	Amount in Rupees Lakhs FY 2022-23	Amount in Rupees Lakhs FY 2021-22
1	From Banks	19,856	14819
2	From Directors	794	956
	<b>Total</b>	<b>20,650</b>	<b>15775</b>

## f. CAPITAL EXPENDITURE

During the year under review, the Company has incurred total capital expenditure of Rs. 5000.27 Lakhs at its manufacturing facilities out of that 968.73 lakhs under work in process, and acquisition of Land & Buildings for Rs. 474.05 Lakhs, Plant & Machinery for Rs. 2863.12 Lakhs, and Office Equipment's & vehicles for Rs. 694.37 Lakhs.

## g. MERGER & AMALGAMATION

The National Company Law Tribunal, Hyderabad Bench vide order dated 03rd July 2023 has sanctioned the scheme of Merger of Virupaksha Organics Limited (“Transferee Company”) with M/s Kshatriya Labs Private Limited (subsidiary company) (“Transferor Company -1”) and M/s Vector Bio Sciences Private Limited (Associate Company) (“Transferor Company -2”) of and their respective shareholders and creditors under Section 230 to 232 of the Act, The Transferor Companies were dissolved without winding-up and merger effected from 01<sup>st</sup> April 2021 upon filing of certified copy of NCLT Order on 29 July 2023 in INC-28.



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## **11.3. CHANGE IN THE NATURE OF BUSINESS [RULE 8(5)(II) OF COMPANIES (ACCOUNTS) RULES, 2014]**

There was no change in the nature of the business of the Company during the financial year under review.

## **11.4. CHANGE IN THE DIRECTORS OR KEY MANAGERIAL PERSONNEL [RULE 8(5)(III) OF COMPANIES (ACCOUNTS) RULES, 2014]**

### **Directors**

As per the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company; Mrs. Vedavathi Gangavaram (DIN: 02870966), Director of the company and Mr. Chandrasekhar Reddy Gangavaram (DIN: 03534167), Whole Time Director are retiring by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

On 9<sup>th</sup> May 2023 Mr. Venkatachalam Gedupudi (DIN 00282267) (Independent Director) resigned and on 10<sup>th</sup> May 2023, Mr. S. Pratap Kumar Resigned as Company Secretary.

The company appointed key managerial persons as follows:

On 17<sup>th</sup> June 2023, Mr. Vikas Kurada, was appointed as a Company Secretary of the Company.

## **11.5. SUBSIDIARIES AND ASSOCIATES [RULE 8(5)(IV) OF COMPANIES (ACCOUNTS) RULES, 2014]**

**The Company has no Subsidiary, Joint Venture or Associate Company.**

The National Company Law Tribunal, Hyderabad Bench vide order dated 03rd July 2023 has sanctioned the scheme of Merger of Virupaksha Organics Limited ("Transferee Company") with M/s Kshatriya Labs Private Limited (subsidiary company) ("Transferor Company -1") and M/s Vector Bio Sciences Private Limited (Associate Company) ("Transferor Company -2") of and their respective shareholders and creditors under Section 230 to 232 of the Act, The Transferor Companies were dissolved without winding-up and merger effected from 01<sup>st</sup> April 2021 upon filing of certified copy of NCLT Order on 29 July 2023 in INC-28.

## **11.6. DEPOSITS [RULE 8(5)(V) OF COMPANIES (ACCOUNTS) RULES, 2014]**

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid or unclaimed deposits as the Company had never accepted deposits within the meaning of the Act and the rules made there under.



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## **11.7. SIGNIFICANT AND MATERIAL ORDERS [RULE 8(5)(VII) OF COMPANIES (ACCOUNTS) RULES, 2014]**

The National Company Law Tribunal, Hyderabad Bench vide order dated 03rd July 2023 has sanctioned the scheme of Merger of Virupaksha Organics Limited ("Transferee Company") with M/s Kshatriya Labs Private Limited (subsidiary company) ("Transferor Company -1") and M/s Vector Bio Sciences Private Limited (Associate Company) ("Transferor Company -2") of and their respective shareholders and creditors under Section 230 to 232 of the Act, The Transferor Companies were dissolved without winding-up and merger effected from 01<sup>st</sup> April 2021 upon filing of certified copy of NCLT Order on 29 July 2023 in INC-28.

## **11.8. INTERNAL FINANCIAL CONTROLS [RULE 8(5)(VIII) OF COMPANIES (ACCOUNTS) RULES, 2014]**

Internal financial control systems of the company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies.

The company has well-defined delegation of authority with specified limits for approval of expenditure both capital and revenue.

The Board of Directors deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, their views on the internal financial control systems.

The Board of Directors satisfied itself as to the adequacy and effectiveness of the internal financial control system as laid down. However, the company recognizes that no matter how the internal framework, is it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

## **11.9. MAINTENANCE OF COST RECORDS [RULE 8(5)(IX) OF COMPANIES (ACCOUNTS) RULES, 2014]**

The Company has been maintaining Cost records as required under the provisions of the Companies Act, 2013.

## **11.10. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 [RULE 8(5)(X) OF COMPANIES (ACCOUNTS) RULES, 2014]**





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The Company has a policy against Sexual Harassment of Women at Workplace, during the financial under review; there were no complaints/cases received / registered under the policy.

## **12. GENERAL RESERVE [SECTION 134(3)(J)]:**

During the financial year under review, the Company has not transferred any amount to General Reserve Account.

## **13. DIVIDENDS [SECTION 134(3)(K)] –**

The Board of your Company has recommended final dividend @ 36% of the face value of share i.e @ Rs 3.60 per Equity share of Rs.10/- each on 1,24,80,000 Shares, aggregating to Rs.449.28 Lakhs subject to approval of Shareholders in the Annual General Meeting.

## **14. MATERIAL CHANGES AND COMMITMENTS [SECTION 134(3)(L)]**

There were no material changes occurred or commitments made by the management from the end of the financial year to the date of this report, which effects the financial position of the Company. Except the merger ordered passed by the Honble Company Law Tribunal, Hyderabad Bench

## **15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUT GO [SECTION 134(3)(M)]**

Particulars as required under Section 134(3) (m) of the Companies Act, 2013 are annexed as **Annexure-IV** to this Report.

## **16. RISK MANAGEMENT [SECTION 134(3)(N)]**

Risks are classified in different categories such as Financial, Operational, Legal and Strategic risks. These risks are reviewed from time to time and controls are put in place with specific responsibility of the concerned Officer of the Company. However, the Board could not identify any major risks, which may threaten the immediate existence of the Company.

## **17. CORPORATE SOCIAL RESPONSIBILITY [SECTION 134(3)(O)]**

The Company had constituted a 'Corporate Social Responsibility Committee' to decide upon and implement the Corporate Social Responsibility Policy (CSR policy) of the Company.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-V** to this Report in the format prescribed in the Companies (CSR policy) Rules, 2014.



# VIRUPAKSHA ORGANICS LIMITED

( WHO-GMP AND ISO 9001 : 2008 Certified Company )

CIN: U24110TG1997PLC028281

GST: 36AABCD0026F1ZB

Corporate Office : Plot No B1 & B2, IDA Gandhi Nagar Kukatpally, Hyderabad, Telangana, 500037

Ph No.: + 91 – 40 – 23075816 / 3079, Fax: + 91 – 40 – 23720738, E-mail : info@virupaksha.com

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## 18. VIGIL MECHANISM [SECTION 177(9) AND 177(10)]

The Company, as required under Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, has established a Vigil Mechanism for their Directors and employees to report their genuine concerns or grievances.

The Audit Committee of the Company shall oversee the vigil mechanism, which provides for adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism.

All the employees and Directors of the Company are provided direct access to the Chairman of the Audit Committee.

## 19. AUDITORS

### • Statutory Auditors

M/s. Suryachandra & Associates., Chartered Accountants (FRN 004297S), Statutory Auditors of the Company, who were reappointed as a Statutory Auditors of the Company for a period of 5 consecutive financial years (i.e. FY 2020-21 to 23-24) and are continue to hold office till the conclusion of Annual general meeting to be held for the FY 2023-24.

### • Internal Auditors

During the period under review M/s. K. Bhaskar & Associates, Chartered Accountants (FRN 020817S), who were appointed/reappointed as an Internal Auditors of the Company for the year ending 31st March, 2024.

### • Cost Auditors

During the period under review M/s Jithendra Kumar & Co., Cost Accountants, Hyderabad, who were being appointed/reappointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company for the year ending 31st March, 2024.

### • Secretarial Auditors

During the period under review M/s. L.D. REDDY & Co. Company Secretaries, Hyderabad, who were being appointed/reappointed by the Board of Directors as Secretarial Auditors of the Company to conduct secretarial audit relating to the Company for the year ending 31st March, 2024.

## 20. PARTICULARS OF EMPLOYEES

In terms of the provisions of Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, **none** of the employees drawing remuneration in excess of the limits set out in the said Rules.



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## 21. COMPOSITION OF COMMITTEES OF THE BOARD OF DIRECTORS

### a) Audit Committee [Section 177]

The primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Audit Committee will review periodically the internal control systems, scope of audit including the observations of auditors, if any and review the half yearly and annual financial statements before submission to the Board and also ensures compliance with internal control system.

The terms of reference of the Committee are wide enough to cover matters specified for Audit Committees under Section 177 of the Companies Act, 2013.

During the year the Committee meetings held 9 times i.e. on **APRIL 25, 2022, JUNE 28, 2022, AUGUST 03, 2022, AUGUST 17, 2022, SEPTEMBER 05<sup>th</sup>, 2022, SEPTEMBER 23<sup>rd</sup>, 2022, SEPTEMBER 26<sup>th</sup>, 2022, NOVEMBER 25<sup>th</sup>, 2022 and FEBRUARY 3<sup>rd</sup>, 2023.**

The Composition of the Committee & their meetings during the year as follows:

Composition and attendance of Audit Committee			
Name of the Director	Position	Category	No. of Meetings attended
Mr. M. Bala Subba Reddy	Member	Executive Director	09
Mr. Gedupudi Venkatachalam	Member	Independent Director	09
Mrs. Shruti Gupta	Member	Independent Director	09

### b) Nomination and Remuneration Committee [Section 178]

The purpose of the Nomination and Remuneration Committee of the Company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors. The Committee has overall responsibility for formulating the criteria for determining qualifications and independence of a Director and recommends to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.



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During the year the Committee meetings held 4 times i.e. on **APRIL 25, 2022, AUGUST 03<sup>rd</sup>, 2022, OCTOBER 3<sup>rd</sup>, 2022, FEBRUARY 2<sup>nd</sup>, 2023**

The Composition of the Committee & their meetings during the year under review as follows:

<b>Composition and attendance of Nomination and Remuneration Committee</b>			
<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Mr. M. Bala Subba Reddy	Member	Executive Director	04
Mr. Gedupudi Venkatachalam	Member	Independent Director	04
Mrs. Shruti Gupta	Member	Independent Director	04

## **c) Corporate Social Responsibility (CSR) Committee [Section 135]**

The Company has constituted the 'Corporate Social Responsibility Committee' for formulating and recommending to the Board of Directors a Corporate Social Responsibility Policy for the Company, which shall indicate the activities to be undertaken by the Company as specified in the Companies Act, 2013 and the rules made there under.

The Corporate Social Responsibility Committee recommends the amount of expenditure to be incurred by the Company on CSR activities and monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year the Committee met One time. i.e. on **SEPTEMBER 5<sup>th</sup>, 2022**

The Composition of the Committee & their meetings during the year under review as follows:

<b>Composition and attendance of Audit Committee</b>			
<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Mr. M. Bala Subba Reddy	Chairman	Executive Director	01
Mr. Gedupudi Venkatachalam	Member	Independent Director	01
Mrs. Shruti Gupta	Member	Independent Director	01

## **22. DETAILS OF REMUNERATION TO DIRECTORS**

### **a) Remuneration To Executive Directors:**

(Amt. in Lakhs)



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Name of the Director	Salary	Commission	PF	Perquisites	Others	Total
Mr. G. Chandra Mouliswar Reddy	60.00	-	-	0	0	60.00
Mr. M. Bala Subba Reddy	49.20	-	-	0	0	49.20
Mr. G. Chandrasekhar Reddy	42.00	-	-	0	0	42.00

## 23. HUMAN RELATIONS

The Company continues to have cordial and harmonious relationship with its employees.

## 24. INSOLVENCY AND BANKRUPTCY CODE, 2016 :

No proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year

25. The details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof- **NOT APPLICABLE.**

## 26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future. Except the merger ordered passed by the Honble Company Law Tribunal, Hyderabad Bench

## 27. ACKNOWLEDGEMENTS

Your directors gratefully acknowledge the continued support, co-operation and wise counsel extended by the Government Authorities, Banks and Financial Institutions.

Your directors place on record their sincere appreciation for the significant contribution made by the employees through their dedication, hard work and commitment.

Your directors sincerely acknowledge the confidence and faith reposed in the Company by the Shareholders, Medical Profession & trade and other stake holders.



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By order of the Board of Directors  
For **VIRUPAKSHA ORGANICS LIMITED**

Sd/-

Sd/-

Place: Hyderabad

**G. CHANDRA MOULISWAR REDDY**

**M. BALASUBBA REDDY**

Date: 05.09.2023

Managing Director

Director

(DIN 00046845)

(DIN 01998852)

## ANNEXURE – I

### (TO THE DIRECTORS' REPORT)

#### Criteria for determining the Independence of a Director

##### 1. Definition of Independence:

A director will be considered as an “independent director” if the person meets with the criteria for ‘independent director’ as laid down in the Companies Act, 2013 (‘Act’), which is as follows:

“An independent director in relation to a company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of his total income or such amount as may be prescribed with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives:
  - (i) is holding any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year; Provided that the relative may hold security or interest in the Company of face value not exceeding Rs. 50 Lakhs or two percent of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sums as may be prescribed;
  - (ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amounts as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its Holding, subsidiary or associate company or their promoters,



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or directors of such holding Company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

- (iv) has any other pecuniary transaction or relationship with the Company or its subsidiary or its Holding or Associate Company amounting to two percent or more of its Gross turnover or total income singly or in combination with the transactions referred to in sub clause (i), (ii) or (iii).

(e) who, neither himself nor any of his relatives—

- (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

- (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

- (iv) is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company, or

(f) who possess such other qualifications as may be prescribed.

## 2. Qualifications of Directors

The Board of Directors of the Company did not prescribe any specific qualifications for an individual to be appointed as a Director of the Company. However, while nominating an individual as a Director of the Company, the Board shall ensure that-

- a) a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- b) The Board of Directors shall have an appropriate blend of functional and industry expertise.
- c) The function and domain expertise of the individual contributes to the overall skill-domain mix of the Board of Directors.
- d) Independent Directors ("ID") ideally should be thought/ practice leaders in their respective functions/ domains.





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### 3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Companies Act, 2013 ('Act'). For reference, the duties of the Directors as provided by the Act are as follows:

- a) Act in accordance with the Articles of the Company.
- b) Act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- c) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- d) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- e) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- f) Not assign his office.

Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

"An independent director shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising his duties;
- c) exercise his responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) refrain from any action that would lead to loss of his independence;
- h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) assist the company in implementing the best corporate governance practices."

By order of the Board of Directors  
**For VIRUPAKSHA ORGANICS LIMITED**





# VIRUPAKSHA ORGANICS LIMITED

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Sd/-

Sd/-

Place: Hyderabad  
Date: 05.09.2023

**G. CHANDRA MOULISWAR REDDY**  
Managing Director  
(DIN 00046845)

**M. BALASUBBA REDDY**  
Director  
(DIN 01998852)

**ANNEXURE – II**  
**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 arm's length transaction under third proviso thereto.

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

S.N.	Particulars	Particulars
1	Name (s) of the related party & nature of relationship	Virupaksha Laboratories Pvt Ltd (Common Directors)
2	Nature of contracts/ arrangements/ transaction	Sales, Purchases & Jobworks
3	Duration of the contracts/arrangements/ transaction	Continuing Transaction
4	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
5	Date of approval by the Board	N.A.
6	Amount paid as advances, if any	Nil

S.N.	Particulars	Particulars
1	Name (s) of the related party & nature of relationship	Viruj Pharmaceuticals Pvt Ltd (Common Director)
2	Nature of contracts/ arrangements/ transaction	Purchase & Sales
3	Duration of the contracts/arrangements/ transaction	Continuing Transaction
4	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
5	Date of approval by the Board	N.A.



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6	Amount paid as advances, if any	Nil
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By order of the Board of Directors  
For VIRUPAKSHA ORGANICS LIMITED

Place: Hyderabad  
Date: 05.09.2023

**CHANDRA MOULISWAR REDDY**  
Managing Director (DIN 00046845)

**M. BALASUBBA REDDY**  
Director (DIN 01998852)

## **ANNEXURE III**

### **Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with  
Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate  
companies/joint ventures

#### **Part “A”: Subsidiaries: Not Applicable**

As there is no Subsidiary of Virupaksha organics Limited (due to merger of M/s. Kshatriya Laboratories Private Limited (wholly owned subsidiary) and M/s. Vector Bio-Sciences Private Limited (Associate Company), with M/s Virupaksha Organics Limited, effective from 1st April 2021.)

#### **Part “B”: Associates: Not Applicable**

As there is no Associate of Virupaksha organics Limited (due to merger of M/s. Kshatriya Laboratories Private Limited (wholly owned subsidiary) and M/s. Vector Bio-Sciences Private Limited (Associate Company), with M/s Virupaksha Organics Limited, effective from 1st April 2021.)

By order of the Board of Directors  
For VIRUPAKSHA ORGANICS LIMITED

Place: Hyderabad  
Date: 05.09.2023

**Sd/-**  
**CHANDRA MOULISWAR REDDY**  
Managing Director (DIN 00046845)

**Sd/-**  
**M. BALASUBBA REDDY**  
Director (DIN 01998852)



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## ANNEXURE- IV

Particular of Energy Conservation, technology Absorption and foreign Exchange Outgo required under the Companies (Accounts) Rules 2014

### (A) Conservation of energy–

(i) The steps taken or impact on conservation of energy;

- Introduction of IE3 Motors and above for conservation of Energy.
- Purchase of Air Conditioners with 5-Star Rating, to improve energy savings.
- Introduction of LED lights replacing conventional filament bulb and tube lights.
- Watering/Waterjet vacuum pumps being replaced with dry vacuum pumps.
- Interlock of cooling tower Fans for tripping off when desired cooling water temperature is attained.
- Installing VFD's in higher capacity motors.
- Improved efficiency in natural plant lighting.
- Minimization of steam distribution losses through steam trap optimization.
- Increasing the cooling tower water quality for reducing power consumption of pumps.

(ii) the steps taken by the company for utilizing alternate sources of energy;

- Company is planning to use alternate source of energy in order to reduce the overall energy consumption.

(iii) the capital investment on energy conservation equipment's: Nil

### (B) Technology absorption-

(i) the efforts made towards technology absorption;

The company keeps funding research and development through capital expenditures as well as revenue-related expenses. The development of API technologies is the focus of this expenditure. It's possible that some of these products need specific manufacturing blocks. To continuously improve the scientific team's research understanding in the technologies and therapy areas of our interest, investments have been made in hiring highly qualified and



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experienced scientists, adding state-of-the-art equipment, sponsoring research, and hiring top-tier consultants.

New technologies have been developed with a focus on safety and continuous process studies using reaction calorimetry and other advanced process engineering tools; using green reagents for chemical transformations in API synthesis; using PAT tools in process development; and using advanced crystallization and powder processing techniques, such as ultrasonic crystallization, to achieve the required particle size and physical characteristics for formulation. For important products, product life cycle management has been used. One of our primary strategic goals is backward integration, which benefits a number of our products.

To cut costs and improve in-process capacity, process optimization based on the Quality by Design (QbD) idea and robustness by six sigma calculation has been applied for a variety of goods.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

Product improvement and product development is achieved.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not applicable

(iv) the expenditure incurred on Research and Development.

## (C) Foreign exchange earnings and Outgo-

The foreign currency earnings and outgo for the period under review is given below:

(Amount in Rs. Lakhs)

Particulars	Financial Year ended March 2023 @ 74.70951 on 31-03-23
Foreign Exchange Inflow	21175.38
Foreign Exchange Outgo	4591.92

By order of the Board of Directors  
For VIRUPAKSHA ORGANICS LIMITED

Sd/-

**CHANDRA MOULISWAR REDDY**  
Managing Director (DIN 00046845)

Sd/-

**M. BALASUBBA REDDY**  
Director (DIN 01998852)

Place: Hyderabad  
Date: 05.09.2023



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## ANNEXURE -V

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. A brief outline of the Company's CSR policy.

In accordance with Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, Virupaksha Organics Limited (**VOL**) has formulated its CSR Policy duly approved by the Board of Directors. CSR is essentially a way of conducting business responsibly and VOL shall endeavour to conduct its business operations and activities in a socially responsible and sustainable manner at all times. VOL will strive to contribute to inclusive growth and sustainable development with emphasis on development of weaker sections of society and in the preference to local areas, where it operates. As per broad objectives of the Policy, CSR activities are being implemented in project/ program mode, in areas or subjects specified in Schedule VII of the Act, on thrust areas of education and health care, in the periphery of project areas of VOL (local area). The CSR Committee of the Board reviews and sanctions CSR project proposals, received from gram panchayats, local authorities, for



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implementation. VOL is utilizing the services of NGOs/ specialized external agencies, registered with the Ministry of Corporate Affairs and having a CSR Registration Number for implementation of CSR projects.

## 2. Composition of CSR Committee:

S. 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.	Mr. Gedupudi Venkatachalam	Independent Director	1	1
2.	Mrs. Shruti Gupta	Independent Director	1	1
3.	Mr. M. Bala Subba Reddy	Director	1	1

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. [www.virupaksha.com](http://www.virupaksha.com)

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	20-21	0	0
2	21-22	0	0
3	22-23	21,08,104.00	21,08,104.00
	<b>Total</b>	21,08,104.00	21,08,104.00

6. Average net profit of the company as per section 135(5) : Rs.41,34,79,150

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs.82,69,583

(b) Surplus arising out of the CSR projects or programmes or : NA



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activities of the previous financial years.

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

(d) Total CSR obligation for the financial year (7a+7b-7c). : Rs.82,69,583

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.
FY 22-23	0	0	0	0	0

(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.
1.	NA	NA	NA	NA		NA	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA		NA	NA	NA	NA	NA	NA	NA

(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 in la.).	Mode of Implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State .	District .			Name.	CSR registration number.



# VIRUPAKSHA ORGANICS LIMITED

( WHO-GMP AND ISO 9001 : 2008 Certified Company )

CIN: U24110TG1997PLC028281

GST: 36AABCD0026F1ZB

Corporate Office : Plot No B1 & B2, IDA Gandhi Nagar Kukatpally, Hyderabad, Telangana, 500037

Ph No.: + 91 – 40 – 23075816 / 3079, Fax: + 91 – 40 – 23720738,

E-mail : info@virupaksha.com

1.	Eradicating hunger	Eradicating hunger	No	Telangana	Hyderabad	2340000	No	SAVITHRAMMA MEMORIAL CHARITABLE TRUST	CSR00012297
2.	School Renovation at kadapa School Renovation at kadapa	Promoting education	No	Andhra Pradesh	Kadapa	2,80,000	Yes	-	-
3.	Medicine Supplies to TSMSIDC	Promoting health care	Yes	Telangana	Medak	11,52,692	Yes	-	-
4.	Supply of Umbrellas for Traffic police	Others	Yes	Telangana	Ranga Reddy	169600	Yes	-	-
5.	Haritha Haram Scheme & KZP Industrial area	Ensuring environmental sustainability	Yes	Telangana	Siddhpet	300000	Yes	-	-
6.	Park wall construction	Rural Development	Yes	Telangana	Sanga Reddy	217946	Yes	-	-
7.	Donation of furniture	Promoting education	Yes	Telangana	Sanga Reddy	100000	No	-	-
8	Panchayat Building construction	Rural development projects	Yes	Telangana	Sanga Reddy	1338675	Yes	-	-
9	Safe Drinking water	Promoting health care	Yes	Telangana	Medak	293822	Yes	-	-
10	CC Cameras	Rural Development	Yes	Telangana	Sanga Reddy	300000	Yes	-	-





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11	Eye & Blood camps	Promoting health care	Yes	Telangan	Sanga Reddy	100000	No	Sankalpa Voluntary Organization	CSR00004464
12	Books Printing and Publishing	Promoting Education	Yes	Telangan	Sanga Reddy	108000	Yes	-	-
13	Drinage Works at Kazipally	Rural Development	Yes	Telangan	Sanga Reddy	2018397	Yes	-	-
14	Donation for Food Supply	Eradicating hunger	Yes	Telangan	Sanga Reddy	500000	No	Akshya Patra Foundation	CSR00000286
15	Donation to School	Promoting Education	Yes	Telangan	Sanga Reddy	150000	No	Balavikas Social service society	CSR00000313
16	Sports and Skills Development	Promoting Education	Yes	Karnataka	Bedhar	1008555	Yes	-	-
	Total					10377687			

(d) Amount spent in Administrative Overheads : **Not Applicable**

(e) Amount spent on Impact Assessment, if applicable : **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ; **Rs.1,03,77,687**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	82,69,583
(ii)	Total amount spent for the Financial Year	1,03,77,687
(iii)	Excess amount spent for the financial year [(ii)-(i)]	21,08,104
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	21,08,104

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable



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(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): 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: **No**

(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**

By order of the Board of Directors  
**For VIRUPAKSHA ORGANICS LIMITED**

Place: Hyderabad  
Date: 05.09.2023

**Sd/-**  
**CHANDRA MOULISWAR REDDY**  
Managing Director (DIN 00046845)

**Sd/-**  
**M. BALASUBBA REDDY**  
Director (DIN 01998852)

## General Shareholder Information

### 1. Annual General Meeting

Date	:	Saturday the 30th September, 2023
Time	:	12.00 P.M.
Venue	:	Registered Office at # Plot No.: B-1&2, IDA, Gandhi Nagar,



# VIRUPAKSHA ORGANICS LIMITED

( WHO-GMP AND ISO 9001 : 2008 Certified Company )

CIN: U24110TG1997PLC028281

GST: 36AABCD0026F1ZB

Corporate Office : Plot No B1 & B2, IDA Gandhi Nagar Kukatpally, Hyderabad, Telangana, 500037

Ph No.: + 91 – 40 – 23075816 / 3079, Fax: + 91 – 40 – 23720738, E-mail : info@virupaksha.com

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Medchal-Malkajgiri (District),  
Hyderabad, Rangareddi,  
Telangana, India - 500037  
Tel: +9140-23075816  
E-Mail: accts@virupaksha.com.

2. Financial Year : From 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023

3. Registrars & Transfer Agent : Bigshare Services Pvt. Ltd  
306, Right Wing, 3rd Floor,  
Amrutha Ville, Opp. Yashoda Hospital,  
Raj Bhavan Rd, Somajiguda,  
Hyderabad, Telangana 500082  
Contact No: 98480 98088

## **Address for correspondence (Registered Office)**

The Managing Director  
VIRUPAKSHA ORGANICS LIMITED  
# Plot No.: B-1&2, IDA, Gandhi Nagar,  
Medchal-Malkajgiri (District),  
Hyderabad, Rangareddi,  
Telangana, India - 500037  
e-mail: info@virupaksha.com



# *L.D. Reddy & Co*

**Company Secretaries**  
**Insolvency Professionals**

Phone(O) : 040-2331 5262  
Mobile : 99499 38181  
: 98492 69757

Off: Plot No. 6-2-1/2, Flat No. 504, Afzal Commercial Complex, Lakdi-ka-pool, Hyderabad-500 004, Telangana  
E-mail: l.d.reddy@gmail.com, ldreddy2016@gmail.com, ldreddy2019@gmail.com

*L. Dhanajay Reddy* B.Com.LL.B., ACS.

## **Secretarial Audit Report**

For the Period from 01.04.2022 to 31.03.2023

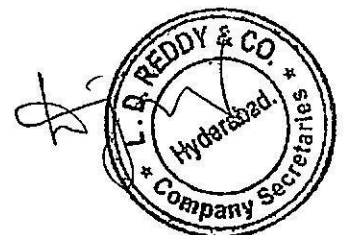
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Board of Directors,  
M/s. Virupaksha Organics Limited  
Plot No.: B-4, IDA, Gandhi Nagar, Medchal-Malkajgiri (District)  
Hyderabad Rangareddi TG 500037 IN,

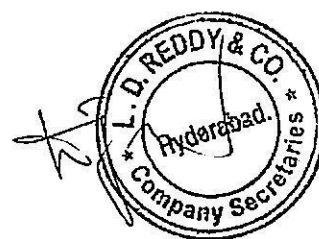
We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Virupaksha Organics Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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, we hereby report that in my opinion, the Company has, during the audit period from 01.04.2022 to 31.03.2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

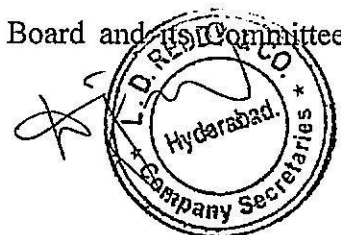
1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Virupaksha Organics Limited ("The Company") for the Period from 01.04.2022 to 31.03.2023 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iii. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - iv. The Payment of Wages Act, 1936
  - v. Minimum Wages Act, 1948



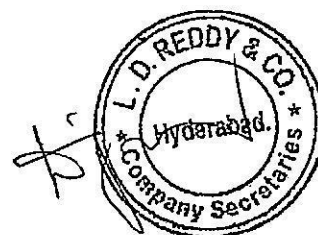
- vi. Employees Provident Fund And Misc. Provisions Act, 1952
- vii. Employees State Insurance Act, 1948
- viii. Payment of Gratuity Act, 1972
- ix. Employee's Compensation Act, 1923
- x. Contract Labour (Regulation & Abolition ) Act, 1970
- xi. Income Tax Act, 1961
- xii. GST Acts and Rules made thereunder
- xiii. The Insurance Act, 1938 as amended.
- xiv. Contract Labour (Regulation & Abolition ) Act, 1970
- xv. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xvi. Income Tax Act, 1961
- xvii. GST Acts and Rules made thereunder
- xviii. The Factories Act, 1948 and Andhra Pradesh Factories Rules, 1980
- xix. Water (Prevention & Control of Pollution) Act 1974 and rules there under
- xx. Air (Prevention & Control of Pollution) Act 1981 and rules there under
- xxi. The Environment (Protection) Act, 1986
- xxii. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016
- xxiii. Customs Act, 1962
- xxiv. The Boilers Act, 1923 and Indian Boilers Regulations - 1950
- xxv. The Petroleum Act, 1934 and Petroleum Rules, 2002
- xxvi. Since, the Company being unlisted Public limited company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') shall not apply:



- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. SEBI (Prohibition of Insider Trading) Regulations, 2015.
  - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - j. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - The Board of Directors of the Company is duly constituted. 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.
  - Minutes of proceedings of General Meetings and of the Board and Committee meetings;



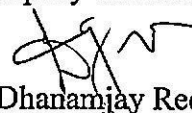
- Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - Appointment and remuneration of Statutory Auditor and Secretarial Auditor.
  - Borrowings and registration, modification and satisfaction of charges wherever applicable;
  - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013.
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment;
  - CSR Expenditure is being incurred .
3. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, Depositories Act, and Rules, Regulations and Guidelines framed there under on the Company or on its Directors and Officers
4. We further report that based on the information received and records maintained 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.
5. We further Report that during the audit period the Company has:
- No Public /Right/Preferential Issue of Shares/Debentures/Sweat Equity etc.,
  - No Redemption/Buy-back of Securities.
  - No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
  - No Foreign Technical Collaborations;



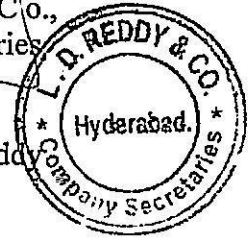
- During the Year Honble National Company Law Tribunal passed an Ordered dated 3<sup>rd</sup> July, 2023 for approving the scheme of merger between Virupaksha Organics Limited ("Transferee Company") with M/s Kshatriya Labs Private Limited (subsidiary company) ("Transferor Company -1") and M/s Vector Bio Sciences Private Limited (Associate Company) ("Transferor Company -2")

Date:04/09/2023  
Place:Hyderabad

For L.D.Reddy & Co.,  
Company Secretaries

  
L. Dhanamjay Reddy  
(Proprietor)  
CP No.3752

UDIN: A013104E000933078







# *L.D. Reddy & Co*

**Company Secretaries**  
Insolvency Professionals

Phone(O) : 040-2331 5262

Mobile : 99499 38181

: 98492 69757

Off: Plot No. 6-2-1/2, Flat No. 504, Afzal Commercial Complex, Lakdi-ka-pool, Hyderabad-500 004, Telangana  
E-mail: l.d.reddy@gmail.com, ldreddy2016@gmail.com, ldreddy2019@gmail.com

*L. Dhananjay Reddy* B.Com.LL.B., ACS.

## ANNEXURE

To

The Board of Directors,

M/s. Virupaksha Organics Limited

Plot No.: B-4, IDA, Gandhi Nagar, Medchal-Malkajgiri (District)

Hyderabad Rangareddi TG 500037 IN

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of management. Our 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 company efficiency of effectiveness with which the management has conducted the affairs of the company.

Date: 04/09/2023

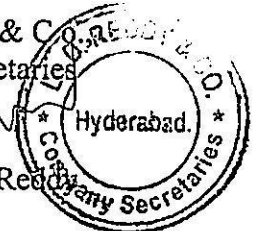
Place: Hyderabad

For L.D.Reddy & Co.  
Company Secretaries

*L. Dhananjay Reddy*  
(Proprietor)

CP No. 3752

UDIN: A013104E000933078





# Suryachandra & Associates

Chartered Accountants

© : 040-23752728

# 8-3-315/8, PLOT No. 10, MARUTHI NAGAR, YOUSUFGUDA, HYDERABAD - 500 045.

## INDEPENDENT AUDITOR'S REPORT

**To the Members of VIRUPAKSHA ORGANICS LIMITED**

**Report on the Audit of Standalone Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of M/s **VIRUPAKSHA ORGANICS LIMITED** ("*the Company*") which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss, and Statement of Cash flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, and Profit, and its Cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted Company.



**Information other than the Financial Statements and Auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matters**

In the Financial Year (FY 2021-2022), the Company underwent an amalgamation, incorporating M/s. Kshatriya Laboratories Private Limited and M/s. Vector Bio Sciences Private Limited as per the Scheme of Amalgamation under Sections 230 to 237 of the Companies Act, 2013. This amalgamation, effective from 1st April 2021, was officially sanctioned by the National Company Law Tribunal on 3rd July 2023, as noted in our revised Audit Report for Financial Year 2021-2022. The current Audit Report acknowledges changes on account of the amalgamation relating to the previous financial year. Our opinion is not modified in respect of these matters.

After giving effect of Amalgamation to the Financials of FY 2021-2022, the Amalgamated Financials consisting of the Amalgamated Balance Sheet as at 31st March 2022, the Amalgamated Statement of Profit and Loss, and Amalgamated Statement of Cash flows for the year then ended, and Amalgamated Notes to the financial statements, and the Revised Audit Report dated 1<sup>st</sup> September 2023 have been circulated to all the stakeholders.

Further, we evaluated the necessity of preparation of Consolidated Financial Statements of the company by consolidating Virupaksha Lifesciences LLP which is an associate entity. After thorough consideration, we have concluded that the said consolidation is not required for the following reasons:

**1. Materiality Consideration:**

The size and nature of its transactions do not significantly impact the financial position or results of operations of the company. The financial activities and balances of the associate LLP are below the materiality level set during the course of the audit. And hence the consolidation of profit or loss is not material in the context of the Company's overall financial statements.

**2. Held for Subsequent Disposal:**

As per the information provided by the management, the associate LLP is currently held with the intention of disposal in the near future.





Therefore, due to the aforementioned reasons, we believe that the non-consolidation of the associate LLP will not impact the true and fair view of the preparation and presentation of the financial statements.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Statement of Cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- c. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d.
  - i. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - ii. The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and
  - iii. Based on such audit procedures that we have 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), as provided under (a) and (b) above, contain any material misstatement.
- e.
  - i. The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with Section 123 of the Act, as applicable.
  - ii. Since there is no interim dividend declared and paid by the Company during the year, the provisions of Section 123 of the Act are not applicable.
  - iii. The Board of Directors of the Company has proposed the final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.



- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.



**For Suryachandra & Associates**  
**Chartered Accountants**  
Firm Regn.No.004297S

**(R. Suryachandra Reddy)**  
**Partner**  
Membership No. 025709  
UDIN: 23025709BGWLIJ5865

Place: Hyderabad

Date: 5<sup>th</sup> September, 2023



**“Annexure A” to the Independent Auditors’ Report**

(Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report to the members of **M/s. VIRUPAKSHA ORGANICS LIMITED** even date)

- 1) In respect of the Company’s Property, Plant and Equipment and Intangible assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital Work-in-Progress.  
  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
  - b) The Property, Plant and Equipment were physically verified in full by the management in accordance with a programme of verification during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - c) Based on the examination of the registered sale deeds / transfer deeds / conveyance deeds provided to us, we report that, the title deeds of all the immovable properties of land and buildings disclosed in the financial statements included in Property, Plant and Equipment and Capital Work-in-Progress, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders / custodians.
  - d) The Company has not revalued the Property Plant and Equipment and Intangible Assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2)
  - a) The inventories were physically verified during the by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.



- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- 3) To the best of our knowledge and according to information and explanation given to us, the Company has made investments in companies during the year. However, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties during the year.
- a) During the year, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- b) The investments made by the Company are in the ordinary course of business and in our opinion, prima facie, are not prejudicial to the Company's interest.
- c) The Company has not granted any loans or advances in the nature of loans during the year and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- 4) In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantee or given any security or made any investments to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, reporting under Clause 3 (iv) of the Order is not applicable.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the relevant rules made thereunder. Hence, reporting under Clause 3 (v) of the Order is not applicable.
- 6) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



7) In respect of statutory dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been in general, regularly deposited to the appropriate authorities during the year. There were no undisputed amounts payable in respect of statutory dues outstanding as at 31st March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-Tax, Sales- Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of any dispute.

8) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961(43 of 1961) as income during the year. Hence, reporting under clause 3(viii) of the Order is not applicable to the Company.

9)

- a) The Company has not defaulted in repayment of loans and borrowings or in payment of interest thereon to any lender during the year.
- b) According to the information and explanations given to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us by the management, the term loans availed by the Company were, applied by the Company during the year 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 Subsidiary, Associates or Joint Venture.



- f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiaries, Joint Ventures, or Associates companies.
- 10)
- a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3 (x)(a) of the Order is not applicable.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, Clause 3 (x)(b) of the Order is not applicable.
- 11)
- a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, no whistle-blower complaints were received by the Company during the year.
- 12) The Company is not a Nidhi Company as per provision of Companies Act 2013. Therefore, the requirement to report on Clause 3 (xii) of the Order is not applicable to the Company.
- 13) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14)
- a) In our opinion and based on our examination, the company has an adequate internal audit system commensurate with the size and the 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.



- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- 16)
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause (xvi)(a), (b) and (c) of the Order is not applicable.
  - b) The Group does not have CIC as part of the Group and hence reporting under Clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- 18) There is no change of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- 20)
- a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.



transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

- b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

21) Since the financial statements are Standalone financial statements, clause 3(xxi) of the Order is not applicable.



For Suryachandra & Associates  
Chartered Accountants

Firm Regn.No..004297 S

A handwritten signature in black ink, appearing to read "R. Suryachandra Reddy".

(R. Suryachandra Reddy)

Partner

Membership No.025709

UDIN: 23025709BGWLJJ8178

Place: Hyderabad

Date: 5<sup>th</sup> September, 2023



**Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of VIRUPAKSHA ORGANICS 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 VIRUPAKSHA ORGANICS LIMITED (“the Company”) as of 31<sup>st</sup> March 2023, 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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.

**Auditors’ 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 were 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 judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over financial reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) 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 authorisations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2023, based on the criteria for internal financial control established by the Company considering the





**Suryachandra & Associates**  
**Chartered Accountants**

**Continuation Sheet....**

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 Suryachandra & Associates**  
**Chartered Accountants**

Firm Registration No.004297S



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**(R. Suryachandra Reddy)**  
**Partner**

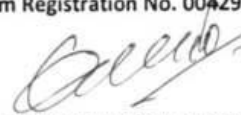
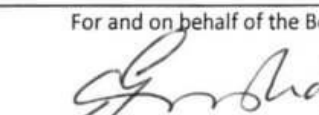

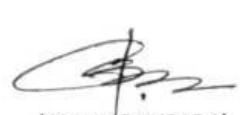

Membership No. 025709

UDIN: 23025709BGWLJJ8178

Place: Hyderabad

Date: 5<sup>th</sup> September, 2023

VIRUPAKSHA ORGANICS LIMITED			
CIN: U24110TG1997PLC028281			
BALANCE SHEET AS AT 31st MARCH 2023			
(Amount in Lakhs)			
Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	1,248.00	1,248.00
(b) Reserves & Surplus	4	19,181.03	14,847.75
<b>2. Share Capital Pending Allotment</b>	5	0.25	0.25
<b>3. Non-Current Liabilities</b>			
(a) Long-Term Borrowings	6	6,784.30	7,207.33
(b) Deferred Tax Liabilities (Net)	7	1,240.35	988.42
(c) Long-Term Provisions	8	580.94	410.16
<b>4. Current Liabilities</b>			
(a) Short-Term Borrowings	9	13,865.61	8,567.77
(b) Trade Payables	10	14,980.72	17,245.50
(c) Other Current Liabilities	11	2,161.34	1,901.52
(d) Short-Term Provisions	12	1,612.81	317.95
<b>TOTAL</b>		<b>61,655.35</b>	<b>52,734.65</b>
<b>II. ASSETS</b>			
<b>1. Non- Current Assets</b>			
(a) Property, Plant & Equipment and Intangible Assets	13		
(i) Property, Plant & Equipment		21,881.77	19,127.62
(ii) Intangible Assets		0.07	0.09
(iii) Capital Work-in-Progress		1,733.89	946.26
(b) Non-Current Investments	14	259.90	9.90
(c) Long-Term Loans and Advances	15	239.50	239.50
(d) Other Non-Current Assets	16	269.84	202.40
<b>2. Current Assets</b>			
(a) Inventories	17	10,271.97	12,726.95
(b) Trade Receivables	18	20,304.77	15,421.76
(c) Cash and Cash Equivalents	19	1,095.89	846.87
(d) Short-Term Loans and Advances	20	2,563.40	976.78
(e) Other Current Assets	21	3,034.35	2,236.52
<b>TOTAL</b>		<b>61,655.35</b>	<b>52,734.65</b>

Notes on Accounts & Significant accounting policies		1 & 2
As per Our report of even date		For and on behalf of the Board
For Suryachandra & Associates		
Chartered Accountants		
Firm Registration No. 004297 S		
 (R. SURYA CHANDRA REDDY) Partner Membership No. 025709		 (G. CHANDRA MOULISWAR REDDY) Managing Director DIN: 00046845
		 (CS VIKAS KURADA) Company Secretary Membership No. A54105
Place : Hyderabad Date : 5th September, 2023		 (M. BALASUBBA REDDY) Executive Director & CFO DIN: 01998852

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023**

(Amount in Lakhs)

Particulars	Note	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
<b>INCOME</b>			
Revenue from Operations	22	65,463.80	48,945.74
Other Income	23	856.55	463.60
<b>Total Income</b>		<b>66,320.35</b>	<b>49,409.34</b>
<b>EXPENSE</b>			
Cost of Materials Consumed	24	38,176.10	30,500.60
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	25	1,606.17	(1,174.84)
Employee Benefits Expense	26	5,664.54	4,743.25
Finance Costs	27	1,887.13	1,304.03
Depreciation and Amortization	13	1,277.41	1,076.54
Other Expenses	28	11,143.82	10,249.67
<b>Total Expenses</b>		<b>59,755.17</b>	<b>46,699.25</b>
<b>PROFIT BEFORE TAX</b>		<b>6,565.18</b>	<b>2,710.09</b>
Tax expense:			
(1) Current Tax		1,528.64	258.96
(2) Deferred Tax		251.93	504.32
(3) Prior Period Tax		2.06	(286.98)
<b>Total Tax Expense</b>		<b>1,782.63</b>	<b>476.30</b>
<b>PROFIT FOR THE YEAR</b>		<b>4,782.55</b>	<b>2,233.79</b>
<b>Earning Per Share (in Rs.)</b>	29		
- Basic		38.32	17.90
- Diluted		38.32	17.90

Notes on Accounts &amp; Significant accounting policies

1 &amp; 2

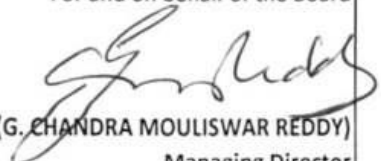
As per Our report of even date  
For Suryachandra & Associates  
Chartered Accountants  
Firm Registration No. 004297 S

  
(R. SURYA CHANDRA REDDY)  
Partner  
Membership No. 025709



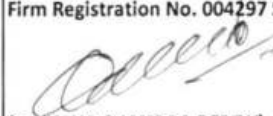
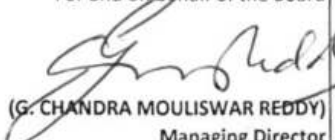

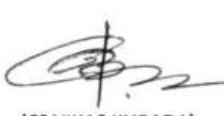
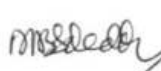
  
(CS VIKAS KURADA)  
Company Secretary  
Membership No. A54105

For and on behalf of the Board

  
(G. CHANDRA MOULISWAR REDDY)  
Managing Director  
DIN: 00046845

  
(M. BALASUBBA REDDY)  
Executive Director & CFO  
DIN: 01998852

Place : Hyderabad  
Date : 5th September, 2023

VIRUPAKSHA ORGANICS LIMITED		
CIN: U24110TG1997PLC028281		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023		
	(Amount in Lakhs)	
Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
<b>Cash flows from Operations</b>		
Profit Before Tax from Operations	6,565.19	2,710.08
<b>Adjustment for Non-Cash Items</b>		
Depreciation and Amortization	1,277.42	1,076.53
Provision for Employee Benefits	170.79	(2.78)
Dividend Payable	(449.28)	(299.52)
<b>Adjustment for Non-Operating Items</b>		
Chit Fund Dividends	(11.10)	(0.56)
Interest Income	(34.18)	(52.87)
Loss / (Profit) on Sale of Vehicle	0.00	(0.16)
Financial Expenses	1,887.13	1,304.03
<b>Cash flow before Non-Cash &amp; Non-Operating Adjustments</b>	<b>9,405.97</b>	<b>4,734.75</b>
<b>Operating Profit before Working Capital Changes</b>	<b>9,405.97</b>	<b>4,734.75</b>
<b>Changes in Working Capital:</b>		
Decrease / (Increase) in Trade Receivables	(4,883.00)	(5,224.74)
Decrease / (Increase) in Short-Term Loans and Advances	(1,586.62)	89.73
Decrease / (Increase) in Inventories	2,454.98	(3,479.59)
Decrease / (Increase) in Other Current Assets	(797.83)	1,088.25
Increase / (Decrease) in Trade Payables	(2,264.77)	5,396.18
Increase / (Decrease) in Other Current Liabilities	259.82	464.35
Increase / (Decrease) in Short-Term Provisions	25.17	(156.87)
Increase / (Decrease) in Short-Term Borrowings	5,297.84	1,450.87
<b>Net Cash flow from / (used in) Operations before Tax</b>	<b>7,911.54</b>	<b>4,362.93</b>
Prior Period Tax	(2.06)	231.99
Income Tax Paid	(258.96)	(1,458.20)
<b>Net Cash flow from / (used in) Operations (A)</b>	<b>7,650.53</b>	<b>3,136.72</b>
<b>Cash flows from Investing Activities</b>		
Chit Fund Dividends	11.10	0.56
Interest Income	34.18	52.87
Purchase of Plant, Property & Equipment	(4,819.18)	(4,397.32)
Sale of Plant, Property & Equipment	0.00	0.20
Investment in Shares	(250.00)	0.00
Increase in Other Non-Current Assets	(67.45)	0.00
<b>Net Cash flow from / (used in) Investing Activities (B)</b>	<b>(5,091.35)</b>	<b>(4,343.69)</b>
<b>Cash flows from Financing Activities</b>		
Long-Term Borrowings	(423.03)	1,926.80
Long-Term Loans and Advances	0.00	(29.59)
Financial Expenses	(1,887.13)	(1,304.03)
<b>Net Cash flow from/ (used in) Financing Activities (C)</b>	<b>(2,310.17)</b>	<b>593.18</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents during the year (A+B+C)</b>	<b>249.02</b>	<b>(613.78)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>846.87</b>	<b>1,386.87</b>
<b>Add : Cash and Cash Equivalents Pursuant to scheme of Amalgamation</b>	<b>0.00</b>	<b>73.78</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,095.89</b>	<b>846.87</b>
As per Our report of even date	For and on behalf of the Board	
For Suryachandra & Associates		
Chartered Accountants		
Firm Registration No. 004297 S		
		
(R. SURYA CHANDRA REDDY)	(G. CHANDRA MOULISWAR REDDY)	
Partner	Managing Director	
Membership No. 025709	DIN: 00046845	
		
	(CS VIKAS KURADA)	
	Company Secretary	
	Membership No. A54105	
		
	(M. BALASUBBA REDDY)	
	Executive Director & CFO	
	DIN: 01998852	
Place : Hyderabad		
Date : 5th September, 2023		

## **VIRUPAKSHA ORGANICS LIMITED**

**CIN: U24110TG1997PLC028281**

### ***Notes to the Financial Statements***

#### **1. CORPORATE INFORMATION**

##### **1.1 Description of Company**

Virupaksha Organics Limited (the "Company") is an unlisted public company and was incorporated on 3<sup>rd</sup> November, 1997 under the Companies Act, 1956 applicable in India. The Company is headquartered in and has its registered office in Hyderabad. The Company is principally engaged in manufacturing and marketing of Active Pharmaceutical Ingredients (APIs), Generic Pharmaceuticals, Bulk Drugs, Intermediates and Differentiated Formulations. The Company's principal manufacturing facilities are located in Kazipally, Pashamylaram, Humnabad, and Gandhi Nagar. The company has a predominance in exports with a presence in over 70+ countries.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of Preparation and Presentation**

###### **a) Statement of Compliance**

These financial statements as of and for the year ended 31st March, 2023 comply in all material aspects with the Accounting Standards ("AS") notified under Section 133 of Companies Act, 2013.

###### **b) Basis of Preparation and Presentation**

- These financial statements have been prepared on Historical Cost convention and Accrual basis, except for the following material items in the Balance Sheet and Statement of Profit and Loss:
  - **Employee Defined Benefit Plans**

Assets/ (Liabilities) are recognized as the net total of the Fair Value of plan assets adjusted or actuarial gains/(losses) and the present value of the defined benefit obligation, at the end of each reporting period (as explained in the accounting policies below).
- These financial statements as of and for the year ended 31st March, 2023 comply with the presentation requirements of Division I of Schedule III to the Companies Act, 2013.

**c) Functional and Presentation Currency**

The items included in these financial statements are presented in **Indian National Rupee ('INR')**, which is the Company's functional currency. All amounts have been rounded to the **nearest lakhs up to two decimal places**, except when otherwise indicated.

**d) Use of Estimate and Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Useful lives of Property, Plant and Equipment and Intangible assets
- Valuation of Inventories
- Assets and Obligations relating to Employee Defined Benefit Plan
- Impairment of Non-Current Investments

**e) Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current or non-current classification. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and AS 1 - Presentation of Financial Statements.

An Asset / Liability is classified as Current if:

- The amount is expected to be realized or sold or consumed in the Company's normal operating cycle; the liability is expected to be settled in the normal operating cycle;
- Asset / Liability is held primarily for the purpose of trading.
- Asset / Liability is expected to be realized/ settled within twelve months after the reporting period; or
- The asset is Cash or a Cash Equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. The entity has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The operating cycle is the time between the acquisition of assets for processing and their realization in Cash and Cash Equivalents. The Company has identified **twelve months as its operating**.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## **2.2 Property, Plant and Equipment**

### **a) Recognition and Measurement**

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation. Historical Cost comprises the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

The cost of an item of PPE is recognized as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Subsequent to initial recognition, Property, Plant and Equipment other than freehold land are measured at cost less accumulated depreciation.

Expenditure incurred after the PPE has been put into operation, such as repairs and maintenance expenses, are charged to the Standalone Statement of Profit and Loss during the year in which they are incurred.

Cost incurred for Property, Plant and Equipment that are not ready for their intended use as on the reporting date is classified under **Capital Work-in-Progress**. Capital work-in-progress comprises the cost of self-constructed assets and includes the cost of materials & direct labor, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under **"Short-Term Loans and Advances"**.



**b) Depreciation**

Depreciation on Property, Plant and Equipment (other than Freehold Land) is provided based on useful life of the assets as prescribed under Part C of **Schedule II of the Companies Act, 2013 as per Straight-Line Method (SLM)**. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Nature of Asset	Useful Life as per Schedule II
Land	Not depreciated
Building	30 years
Plant and Machinery	20 years
Electrical Equipment	10 years
Lab and Other Factory Equipment	10 years
Office Equipment	5 years
Computers	3 years
Furniture and Fittings	10 years
Vehicles	8 years

**c) Derecognition**

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss. Depreciation on Property, Plant and Equipment, which are added/ disposed off during the year, is provided on pro- rata basis with reference to the month of addition/ deletion, in the Profit or Loss.

**2.3 Intangible Assets**

**a) Computer Software**

Computer software is stated at historical cost less amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the computer software. Costs associated with maintaining software programs are recognized as an expense as incurred.

**b) Research and Development**

Research and Development expenses that do not meet the criteria of Property, Plant and Equipment above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.



## 2.4 Investments

The Company has elected to recognize its Non-Current investments in Equity Instruments, Associates, Subsidiaries and Government Bonds **at cost** in the financial statements in accordance with Accounting Standard 13 (AS-13). The cost means the cost of acquisition of the respective investment and also includes acquisition charges such as brokerage, fees and duties; if any.

The carrying amounts of non-current investments are assessed at each reporting date to ascertain any indications of permanent impairment. Should such indications be present, the recoverable amount of the asset is estimated to calculate the extent of the impairment loss. Permanent impairments are determined on an individual investment basis, reflecting a decline in value that is not merely temporary. Any such impairment, or the reversal thereof, is recognized in the Statement of Profit and Loss.

On disposal of an investment, the difference between the Carrying amount and Net Disposal proceeds is charged or credited to the Statement of Profit and Loss.

## 2.5 Inventories

Inventories consist of

- a) Raw Materials,
- b) Work-in-Progress and
- c) Finished Goods

and are measured at the **lower of cost and net realizable value**.

The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

## **2.6 Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise Cash at Banks and on Hand and Short-Term Deposits with an original maturity of twelve months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flow, Cash and Cash Equivalents consist of cash and Short-Term Deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **2.7 Revenue Recognition**

The Company's revenues are primarily derived from Sale of Goods and the revenue is measured at the transaction price determined under AS-9.

### **a) Sale of Goods**

Revenue is recognized when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

Revenue from the sale of goods is measured at the transaction price which is the consideration received or receivable, net of returns, Goods & Service Tax and applicable trade discounts and allowances.

In arriving at the transaction price, the Company considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Company is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties. The amount of consideration varies because of estimated rebates, returns and chargebacks, which are considered to be key estimates.

### **b) Export Incentives**

Export incentives comprise of Duty Drawback and MEIS (Merchandise Exports Incentive Scheme) scrips. Duty Drawback is recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. MEIS scrips are freely transferable and can be utilized for the payment of customs duty. MEIS scrips are recognized either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilized against import duties.

**c) Dividend Income**

Dividends are recognized as other income when the right to receive the payment is established.

**d) Interest Income**

Interest Income is recognized as other income on an accrual basis when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. In cases where there is uncertainty of realization of such income, the income is not treated as accrued and therefore accounted on receipt basis.

**2.8 Employee benefits**

**a) Short-Term Employee Benefit**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc., and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid if the Company has 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.

**b) Defined Contribution Plan**

The Company's contributions to defined contribution plans such as **Employee Provident Fund (PF)** and **Employee State Insurance Corporation (ESIC)** are charged to the Statement of Profit and Loss as and when the services are received from the employees.

**c) Defined Benefit Plan**

The company operates a defined benefit Gratuity plan. The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method consistent with the advice of qualified actuaries.

The company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss in Employee Benefit Expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the Statement of Profit and Loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligations and plan assets are recognized in profit and loss in the period in which they arise.

When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of Profit and Loss. The Company recognizes gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

#### **d) Other Long-Term Employee Benefits**

The Company's Net Obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the Statement of Profit and Loss in the period in which they arise. The Company has following Long-Term Employment Benefit Plans:

##### **➤ Leave Encashment**

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

## **2.9 Borrowing Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

## **2.10 Current and Deferred tax**

### **a) Tax expense for the period**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

### **b) Deferred Tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries in cases where the company has the ability to control the timing of the reversal of these differences and it is probable that they will not reverse in the foreseeable future.

Conversely, deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries unless there is a probable expectation that these differences will reverse in the foreseeable future and that taxable profit will be available against which the temporary differences can be utilized.

The recognition of deferred tax assets and liabilities is subject to offsetting when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax balances pertain to the same taxation authority. Similarly, current tax assets and liabilities are also subject to offsetting if there is a legally enforceable right to offset and the entity intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

### 2.11 Earnings Per Share

Basic earnings per share are calculated by dividing the Net Profit for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the Net Profit or Loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.12 Segment Reporting

#### a) Business Segment

The Company has considered **"Manufacturing of Bulk Drugs and other Pharmaceutical Products"** as one business segment for disclosure in contexts of Accounting Standard 17 notified in Section 133 of the Companies Act, 2013. The company is engaged only in the business of Manufacturing for the period ended report.

#### b) Geographical Segment

During the year ended report, the Company has engaged in its business only within India and not in any other country. The Conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

### 2.13 Foreign Currency Transactions

#### a) Initial Recognition

These financial statements are presented in Indian rupees. Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.

#### b) Monetary Items

Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the Balance Sheet date. Exchange differences are recognized in the Statement of Profit and Loss.

#### c) Non-Monetary Items

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction and not restated as on the Balance Sheet Date.



- d) During the year the Company has operations involving Foreign Currency transactions as follows:

Particulars	Amount in Lakhs
Receipts in Foreign Currency	21,175.38
Payment in Foreign Currency	4,591.92

## 2.14 Provisions and Contingent Liabilities and Assets:

### a) Provisions

Provisions for legal claims are recognized by the Company when there is a present legal or constructive obligation resulting from past events, and it is probable that there will be an outflow of resources to settle the obligation. Additionally, the obligation must have a reliably estimable amount. It is important to note that provisions are not recognized for future operating losses.

The measurement of provisions is based on the present value of the management's best estimate of the expenditure required to settle the present obligation at the reporting period's end. This approach ensures that the provision is reflective of the true economic burden that is expected to be incurred by the Company.

### b) Contingent Liabilities and Assets:

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 3 - Share Capital****(Amount in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Share Capital</b>		
<b>Authorised capital</b>		
2,41,50,000 Equity Shares of Rs. 10/- each	2,415.00	2,415.00
14,00,000 Preference Shares of Rs. 50/- each	700.00	700.00
	<b>3,115.00</b>	<b>3,115.00</b>
<b>Issued, Subscribed and paid up</b>		
1,24,80,000 Equity Shares of Rs. 10/- each	1,248.00	1,248.00
Preference Shares of Rs. 50/- each	0	0
<b>Total</b>	<b>1,248.00</b>	<b>1,248.00</b>

**Reconciliation of Shares Outstanding at the Beginning and at the End of the Reporting Period**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Shares Outstanding at the Beginning of the Year</b>				
-Equity Shares	1,24,80,000	1,248.00	1,24,80,000	1,248.00
-Preference Shares	0	0.00	0	0.00
	<b>1,24,80,000</b>	<b>1,248.00</b>	<b>1,24,80,000</b>	<b>1,248.00</b>
<b>Issued during the Year</b>				
-Equity Shares	0	0.00	0	0.00
-Preference Shares	0	0.00	0	0.00
<b>Bought back during the Year</b>				
-Equity Shares	0	0.00	0	0.00
<b>Redemption of Preference Shares</b>	0	0.00	0	0.00
<b>Shares Outstanding at the End of the Year</b>	<b>1,24,80,000</b>	<b>1,248.00</b>	<b>1,24,80,000</b>	<b>1,248.00</b>

**Rights, Preference and Restrictions attached to Shares**

A. EQUITY SHARES: The Company has only one class of Equity Shares having a par value of Rs.10 per share. Each holder of Equity Share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

B. PREFERENCE SHARES: The Company has only one class of Preference Shares having a par value of Rs.50 per share. Each holder of Preference Share is entitled to one vote per share.

**The Details of Shareholders holding more than 5% of Equity Shares along with number of Equity Shares held is set below:**

Name of the Share holder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	(%) of holding	No. of Shares held	(%) of holding
<b>Equity Shares</b>				
G. Vedavathi	22,61,250	18.12%	22,61,250	18.12%
G. Chandra Mouliswar Reddy	16,35,166	13.10%	13,89,420	11.13%
G. Sri Vidya	12,97,050	10.39%	12,97,050	10.39%



**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 4 - Reserves & Surplus****(Amount in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>A. Capital Reserve</b>		
Opening Balance	23.26	23.26
<b>Total A</b>	<b>23.26</b>	<b>23.26</b>
<b>B. Capital Redemption Reserve</b>		
Opening Balance	608.69	608.69
<b>Total B</b>	<b>608.69</b>	<b>608.69</b>
<b>C. Securities Premium</b>		
Opening Balance	51.00	0.00
Add: Transfer Pursuant to Scheme of Amalgamation	0.00	51.00
<b>Total C</b>	<b>51.00</b>	<b>51.00</b>
<b>D. Surplus</b>		
Profit and Loss Account (Opening Balance)	14,164.80	12,843.71
Add: Profit transferred from Statement of Profit & Loss	4,782.55	2,233.78
Less: Dividend on Equity Shares	(449.28)	(299.52)
Add: Transfer Pursuant to Scheme of Amalgamation	0.00	(1,145.24)
Add: Profit on Amalgamation of Kshatriya Laboratories Private Limited	0.00	377.28
Add: Profit on Amalgamation of Vector Bio Sciences Private Limited	0.00	154.80
<b>Total D</b>	<b>18,498.08</b>	<b>14,164.80</b>
<b>Closing Balance (A + B + C + D)</b>	<b>19,181.03</b>	<b>14,847.75</b>

**Note 5 - Share Capital Pending Allotment**

Particulars	As at 31st March, 2023	As at 31st March, 2022
2,512 Equity Shares of Rs. 10 each to be issued to the erstwhile shareholders of Kshatriya Laboratories Private Limited and Vector Bio Sciences Private Limited in Pursuant to the Scheme of Amalgamation with Virupaksha Organics Limited	0.25	0.25
<b>Total Share Capital Pending Allotment</b>	<b>0.25</b>	<b>0.25</b>

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 6 - Long-Term Borrowings****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
<b>A. Secured</b>		
- Term Loan from Banks		
a) Term Loan from Axis Bank	<b>2,524.17</b>	<b>3,407.17</b>
Less: Current Maturities on Long Term Loans (Note 9)	<b>(883.00)</b>	<b>(883.00)</b>
b) Term Loan from State Bank Of India	<b>497.83</b>	<b>748.55</b>
Less: Current Maturities on Long Term Loans (Note 9)	<b>(198.25)</b>	<b>(198.25)</b>
c) Term Loan from HDFC Bank	<b>1,578.35</b>	<b>1,897.74</b>
Less: Current Maturities on Long Term Loans (Note 9)	<b>(344.58)</b>	<b>(319.39)</b>
d) Term Loan from ICICI Bank	<b>1,426.10</b>	<b>1,426.10</b>
Less: Current Maturities on Long Term Loans (Note 9)		
There are no Current Maturities on account of moratorium offered by the Bank.	<b>0.00</b>	<b>0.00</b>
e) Term Loan from Bajaj Finance Limited	<b>1,454.30</b>	<b>0.00</b>
Less: Current Maturities on Long Term Loans (Note 9)	<b>(230.83)</b>	<b>0.00</b>
f) Term Loan under H.P. Agreements	<b>109.00</b>	<b>123.61</b>
Less: Current Maturities on Long Term Loans (Note 9)	<b>(76.26)</b>	<b>(86.26)</b>
<b>B. Unsecured</b>		
- Loan from Banks and Financial Institutions	<b>141.26</b>	<b>142.23</b>
Less: Current Maturities on Long Term Loans (Note 9)	<b>(8.05)</b>	<b>(7.28)</b>
- Loans and Advances from Related Parties		
From Directors & Relatives of Directors	<b>794.26</b>	<b>956.10</b>
<b>Total</b>	<b>6,784.30</b>	<b>7,207.32</b>

Refer to Note 6.1 for the Terms of the Repayment and Nature of Security of Term Loans

**VIRUPAKSHA ORGANICS LIMITED**

**CIN: U24110TG1997PLC028281**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**Note 6.1 - Terms of Repayment and Nature of Security for Secured Term Loans**

**(Amount in Lakhs)**

Note 6.1 - Terms of Repayment and Nature of Security for Secured Term Loans

Particulars	Principal Outstanding as at 31st March, 2023	Principal Outstanding as at 31st March, 2022	Term of Repayment	Rate of Interest	Nature of Security
Term Loan from Axis Bank					
- Axis Bank - GECL Loan	343.75	468.75	The loan is repayable in monthly Installment of Rs. 10,41,667 by 31st December, 2025	Interest rate in the range of 7.25% p.a. to 8.90% p.a.	The loans are secured based on the following: a) Exclusive Charge based on the Fixed Assets created out of the Term Loans b) First Charge based on Immovable Assets in the name of the Company c) Second Charge based on the entire Current Assets and Unencumbered Movable Fixed Assets in the name of the Company; present and future
- Axis Bank Term Loan I	995.50	1,433.50	The loan is repayable in 60 monthly Installment of Rs. 36,50,000 by 30th June, 2025		
- Axis Bank Term Loan II	1,184.92	1,504.92	The term loan from Axis Bank is repayable in monthly Installment of Rs. 26,66,666 by 30th November, 2026.		
Term Loan from State Bank Of India					
- State Bank of India GECL Loan	497.83	748.55	The Company has been sanctioned term loan on 1st February, 2021. The loan is repayable in monthly Installments commencing from 30th January, 2022. The loan will be repaid by 30th December, 2025.	Interest rate in the range of 9.00% p.a. to 13.50% p.a.	The loans are secured based on the following: a) Exclusive Charge based on the Fixed Assets created out of the Term Loans b) First Charge based on Immovable Assets in the name of the Company c) Second Charge based on the entire Current Assets and Unencumbered Movable Fixed Assets in the name of the Company; present and future
Term Loan from HDFC Bank					
- HDFC Bank Term Loan I	970.63	1,176.07	The loan is repayable in 72 monthly Installments by 7th December, 2027.	Interest rate in the range of 7.50% p.a. to 9.50% p.a.	The loans are secured based on the following: a) Exclusive Charge based on the Fixed Assets created out of the Term Loans b) First Charge based on Immovable Assets in the name of the Company c) Second Charge based on the entire Current Assets and Unencumbered Movable Fixed Assets in the name of the Company; present and future
- HDFC Bank Term Loan II	607.72	721.66	The BBG WC Term loan is repayable in 72 monthly Installments by 7th July, 2027.		
Term Loan from ICICI Bank					
- ICICI Bank ELCGS Loan	1,426.10	1,426.10	The company has taken loan in Foreign currency and is repayable from 31st January, 2024 after completion of moratorium period offered by Bank. The loan is repayable in monthly Installments till 30th November, 2027.	Interest rate in the range of 6.00% p.a. to 9.00% p.a.	The loan is secured based on Second Charge basis on the following: a) Immovable Assets in the name of the Company b) Entire Current Assets and Unencumbered Movable Fixed Assets in the name of the Company; present and future

VIRUPAKSHA ORGANICS LIMITED

CIN: U24110TG1997PLC028281

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023

Note 6.1 - Terms of Repayment and Nature of Security for Secured Term Loans (Continued)

Particulars	Principal Outstanding as at 31st March, 2023	Principal Outstanding as at 31st March, 2022	Term of Repayment	Rate of Interest	Nature of Security	(Amount in Lakhs)
<b>Term Loan from Bajaj Finance Limited</b>						
- Bajaj Term Loan	1,454.30	0.00	During the year, the company availed term loan which is repayable in 60 monthly installments by 2nd February, 2028.	Interest rate in the range of 8.00% p.a. to 8.75% p.a.	The loan is secured based on First Charge and Second Charge basis on the following: a) Immovable Assets in the name of the Company b) Entire Current Assets and Unencumbered Movable Fixed Assets in the name of the Company; present and future	
<b>Term Loan under H.P. Agreements</b>						
- Axis Bank Vehicle Loan I	5.48	13.19	The loan is repayable in 24 monthly installments by 1st November, 2023.			
- Axis Bank Vehicle Loan II	0.00	7.03	The loan is repayable in 24 monthly installments by 1st March, 2023.			
- Axis Bank Vehicle Loan III	2.76	35.80	The loan is repayable in 24 monthly installments by 1st April, 2023.			
- Axis Bank Vehicle Loan IV	0.00	4.01	The loan is repayable in 24 monthly installments by 1st March, 2023.			
- Axis Bank Vehicle Loan V	38.63	0.00	During the year, the company availed term loan from Axis Bank which is repayable in 24 monthly installments by 10th January, 2025.			
- Axis Bank Vehicle Loan VI	32.81	0.00	During the year, the company availed term loan which is repayable in 24 monthly installments by 10th August, 2024.	Interest rate in the range of 5.10% p.a. to 11.50% p.a.	The Loans are secured on First Charge basis on the Assets on which Loans have been taken	
- HDFC Bank Vehicle Loan I	0.00	6.45	The balance outstanding has been repaid during the year ended 31st March, 2023.			
- HDFC Bank Vehicle Loan II	0.00	4.93	The balance outstanding has been repaid during the year ended 31st March, 2023.			
- HDFC Bank Vehicle Loan III	4.59	13.23	The loan is repayable in 36 monthly installments by 5th September, 2023.			
- HDFC Bank Vehicle Loan IV	14.66	22.41	The loan is repayable in 47 monthly installments by 5th August, 2024.			
- Sundaram Finance Eicher Vehicle Loan	10.08	16.55	The loan is repayable in 47 monthly installments by 17th July, 2024.			
	7,589.76	7,603.17				

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 7 - Deferred Tax Liability (Net)****(Amount in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	988.42	853.51
Add: Transfer Pursuant to Scheme of Amalgamation	0.00	(369.41)
Add: Deferred Tax Liability during the year	251.93	504.32
<b>Total</b>	<b>1,240.35</b>	<b>988.42</b>

**Note 8 - Long-Term Provisions**

Provision for Employee Benefits		
- Provision for Gratuity	331.56	292.84
- Provision for Leave Encashment	249.38	117.32
<b>Total</b>	<b>580.94</b>	<b>410.16</b>

**Note 9 - Short-Term Borrowings**

<b>Secured Loans</b>		
Working Capital Loans from:		
- ICICI Bank	4,135.78	2,364.20
- State Bank of India	3,152.46	3,507.72
- Axis Bank	3,336.39	956.82
- ICICI PCFC	0.00	244.85
- Bajaj Finance Limited	1,500.00	0.00
The Loans are secured based on the following:		
a) Exclusive Charge based on the Fixed Assets created out of the respective Bank Term Loan		
b) First Charge based on Immovable Assets in the name of the Company and on the entire Current Assets ; present and future		
c) Second Charge based Unencumbered Movable Fixed Assets in the name of the Company ; present and future		
Current Maturities of Long-Term Borrowings (Refer Note 6)	1,740.98	1,494.18
	<b>13,865.61</b>	<b>8,567.77</b>

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 10 - Trade Payables****(Amount in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Sundry Creditors for Supplies		
- Micro, Small and Medium Enterprise	3,219.78	6,262.69
- Other than Micro, Small and Medium Enterprise	13,551.30	12,567.64
Less : Inter Branch Owings	(1,790.36)	(1,584.83)
<b>Total</b>	<b>14,980.72</b>	<b>17,245.50</b>

**Note 11 - Other Current Liabilities**

Creditors for Capital Items	980.56	462.97
Advance from Customers	187.64	713.08
Dividend Payable	449.28	299.52
Expenses Payable	440.98	287.77
Statutory Payables	102.88	138.18
<b>Total</b>	<b>2,161.34</b>	<b>1,901.52</b>

**Note 12 - Short-Term Provisions**

Provision for Income Tax	1,528.64	258.96
Provision for Employee Benefits		
- Provision for Gratuity	75.60	56.59
- Provision for Leave Encashment	8.57	2.40
<b>Total</b>	<b>1,612.81</b>	<b>317.95</b>

**Note 14 - Non-Current Investments**

<b>- Investments in Limited Liability Partnership</b>		
M/s. Virupaksha Lifesciences LLP (Contributed towards 48% Share)	9.60	9.60
<b>- Investments in Equity Shares - Unquoted</b>		
Vamsi Labs Limited (28,853 Equity Shares of Face value Rs. 10 each, at Rs. 866.46 each)	250.00	0.00
<b>- Investment in Government Securities</b>		
(a) Investment in Karnataka Udyog Mitra	0.05	0.05
(b) Investment in National Savings Scheme (NSS)	0.25	0.25
<b>Total</b>	<b>259.90</b>	<b>9.90</b>

**Note 15 - Long-Term Loans and Advances**

<b>Unsecured, Considered good</b>		
Advance for Investment	200.00	200.00
Advance for Land	39.50	39.50
<b>Total</b>	<b>239.50</b>	<b>239.50</b>

**VIRUPAKSHA ORGANICS LIMITED**

**CIN : U24110TG1997PLC028281**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**Note 10 - Trade Payables**

**FY 2022-23**

**Trade Payables Ageing Schedule**

**(Amount in Lakhs)**

Particulars	Outstanding for following periods from Date of Transactions				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3,219.78	0.00	0.00	0.00	3,219.78
(ii) Others	11,710.66	43.83	5.57	0.88	11,760.94
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
					<b>14,980.72</b>

**FY 2021-22**

**Trade Payables Ageing Schedule**

Particulars	Outstanding for following periods from Date of Transactions				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	6,262.69	0.00	0.00	0.00	6,262.69
(ii)Others	10,847.90	114.62	20.00	0.30	10,982.82
(iii) Disputed dues — MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues — Others	0.00	0.00	0.00	0.00	0.00
					<b>17,245.50</b>



**VIRUPAKSHA ORGANICS LIMITED**

**CIN : U24110TG1997PLC028281**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**Note 13 - Property, Plant & Equipment and Intangible Assets**

(Amount in Lakhs)

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Block as at 01st April, 2022	Additions During the Year	Sales During the Year	Total Cost as at 31st March, 2023	Upto 31st March, 2022	For the year	Depreciation on Deletions	Total as at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
<b>(i) Property, Plant &amp; Equipment</b>										
Land	3,016.31	59.01	0.00	3,075.32	0.00	0.00	0.00	0.00	3,075.32	3,016.31
Buildings	5,388.84	415.05	0.00	5,803.89	940.74	184.60	0.00	1,125.34	4,678.55	4,448.10
Plant & Machinery	11,868.71	2,202.46	0.00	14,071.17	3,092.06	621.65	0.00	3,713.71	10,357.46	8,776.65
Furniture & Fixtures	357.84	76.23	0.00	434.07	54.40	40.03	0.00	94.93	339.64	303.44
Vehicles	557.86	135.13	0.00	692.99	250.99	65.54	0.00	316.53	376.46	306.87
Office Equipment	194.16	41.07	0.00	235.23	85.36	33.28	0.00	118.64	116.60	108.80
Electrical Equipment	1,036.00	360.40	0.00	1,396.40	379.64	95.79	0.00	475.43	920.98	656.36
Lab Equipment and Factory Equipment	2,436.66	660.66	0.00	3,097.32	978.15	206.40	0.00	1,184.56	1,912.76	1,458.51
Computers & Software	160.59	81.53	0.00	242.12	108.02	30.10	0.00	138.12	104.00	52.57
<b>Total Property, Plant &amp; Equipment (i)</b>	<b>25,016.97</b>	<b>4,031.54</b>	<b>0.00</b>	<b>29,048.51</b>	<b>5,889.35</b>	<b>1,277.39</b>	<b>0.00</b>	<b>7,166.75</b>	<b>21,881.77</b>	<b>19,127.62</b>
<b>(ii) Intangible Assets</b>										
Computer Software	0.69	0.00	0.00	0.69	0.59	0.02	0.00	0.62	0.07	0.09
<b>Total Intangibles (ii)</b>	<b>0.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.69</b>	<b>0.59</b>	<b>0.02</b>	<b>0.00</b>	<b>0.62</b>	<b>0.07</b>	<b>0.09</b>
<b>Capital Work-in-Progress (iii)</b>	<b>946.26</b>	<b>968.73</b>	<b>181.09</b>	<b>1,733.89</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,733.89</b>	<b>946.26</b>

**VIRUPAKSHA ORGANICS LIMITED**

**CIN : U24110TG1997PLC028281**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**Note 13 - Capital Work-in-Progress**

(Amount in Lakhs)

DESCRIPTION OF ASSET	Block as at 1st April, 2022	Additions During the Year	Capitalised During the Year	Block as at 31st March, 2023	Upto 1st April, 2022	For the Year	Depreciation on Deletion	Total as at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Building Under WIP - Unit I	71.97	116.97	0.00	188.94	0.00	0.00	0.00	0.00	188.94	71.97
Production Block Under WIP - Unit II	62.34	7.70	62.34	7.70	0.00	0.00	0.00	0.00	7.70	62.34
Building Under WIP - Unit III	648.30	236.92	0.00	885.22	0.00	0.00	0.00	0.00	885.22	648.30
Building WIP - New Shed 4	0.00	5.34	0.00	5.34	0.00	0.00	0.00	0.00	5.34	0.00
Production Block Under WIP - Unit V	44.90	601.80	0.00	646.69	0.00	0.00	0.00	0.00	646.69	44.90
Building Under WIP - Kshatriya	118.75	0.00	118.75	0.00	0.00	0.00	0.00	0.00	0.00	118.75
<b>Total</b>	<b>946.26</b>	<b>968.73</b>	<b>181.09</b>	<b>1,733.89</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,733.89</b>	<b>946.26</b>

**Capital Work-in-Progress Ageing Schedule**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	968.73	65.16	0.00	0.00	1,733.89
Projects Temporarily Suspended	0.00	0.00	0.00	0.00	0.00

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 16 - Other Non - Current Assets**

(Amount in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	248.76	202.40
Prepaid CSR Expense	21.08	0.00
<b>Total</b>	<b>269.84</b>	<b>202.40</b>

**Note 17 - Inventories**

Raw Materials (At Cost)	3,921.02	1,459.84
Work-in-Progress (At Cost)	4,349.80	4,769.83
Finished Goods (At Cost)	2,001.15	6,497.28
<b>Total</b>	<b>10,271.97</b>	<b>12,726.95</b>

**Note 18 - Trade Receivables**

<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	2,774.45	2,387.64
Other Debts	19,320.67	14,618.96
Less : Inter Branch Owings	(1,790.36)	(1,584.83)
<b>Total</b>	<b>20,304.77</b>	<b>15,421.76</b>

**Note 19 - Cash and Cash Equivalents**

Balances with Banks		
- In Current Account	333.43	404.56
- Deposits with original maturity less than 12 months	757.19	429.36
Cash on hand	5.27	12.95
<b>Total</b>	<b>1,095.89</b>	<b>846.87</b>

**Note 20 - Short-Term Loans and Advances**

<b>Unsecured, considered good</b>		
Advances for Investment	450.00	0.00
Advances for Capital Items	1,184.64	256.44
Advances for Employees & Others	176.52	245.85
Advances for Supplies	752.24	474.49
<b>Total</b>	<b>2,563.40</b>	<b>976.78</b>

**Note 21 - Other Current Assets**

Advance Tax and TDS & TCS Receivables	2,167.97	888.11
Amalgamation Expenses to be Written-Off	0.00	0.28
Balances with Excise, VAT & GST	403.94	1,048.58
Prepaid Insurance	279.12	235.21
Deposits	10.23	9.84
Balances with Chit Fund Companies	173.09	54.50
<b>Total</b>	<b>3,034.35</b>	<b>2,236.52</b>

**VIRUPAKSHA ORGANICS LIMITED****CIN : U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 18 - Trade Receivables****FY 2022-23****Trade Receivables Ageing Schedule****(Amount in Lakhs)**

Particulars	Outstanding for following periods from Date of Transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	19,025.64	733.67	93.67	108.73	8.30	19,970.01
(ii) Undisputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Disputed Trade Receivables - Considered Good	0.00	0.00	0.00	327.02	7.73	334.75
(iv) Disputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00
						<b>20,304.77</b>

**FY 2021-22****Trade Receivables Ageing Schedule**

Particulars	Outstanding for following periods from Date of Transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	14,548.53	456.42	330.33	0.00	0.00	15,335.28
(ii) Undisputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	86.48	86.48
(iii) Disputed Trade Receivables - Considered Good	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables - Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00
						<b>15,421.76</b>

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 22 - Revenue from Operations****(Amount in Lakhs)**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Sale of Products	69,762.19	55,285.31
Less : Inter Branch transactions		
- Virupaksha Inter Unit Sales	(349.46)	(486.29)
- Transfer from Virupaksha to Kshatriya	(2,025.46)	(2,531.07)
- Transfer from Virupaksha to Vector	0.00	(2.72)
- Transfer from Kshatriya to Virupaksha	(1,938.58)	(3,296.99)
- Transfer from Vector to Virupaksha	0.00	(22.50)
Sale of Service	15.11	0.00
<b>Total</b>	<b>65,463.80</b>	<b>48,945.74</b>

**Note 23 - Other Income**

Export Incentives	299.21	341.53
Bad Debts Recovered	11.33	0.00
Foreign Exchange Gains	246.13	54.48
Dividend on Chit Funds	11.10	0.56
Interest Income	34.18	52.87
Insurance Income	37.93	0.00
Sundry Creditors Written Off	216.65	0.00
Other Income	0.02	14.16
<b>Total</b>	<b>856.55</b>	<b>463.60</b>

**Note 24 - Cost of Materials Consumed**

Opening Stock	4,769.83	2,465.08
Add : Purchases	41,610.12	39,124.30
Less : Inter Branch Transactions		
- Virupaksha Inter Unit Purchases	(333.59)	(466.61)
- Transfer from Kshatriya to Virupaksha	(1,931.08)	(3,296.44)
- Transfers from Vector to Virupaksha	0.00	(22.50)
- Transfer from Virupaksha to Kshatriya	(2,018.16)	(2,530.68)
- Transfer from Virupaksha to Vector	0.00	(2.72)
	42,097.12	35,270.43
Less : Closing Stock	(3,921.02)	(4,769.83)
<b>Total</b>	<b>38,176.10</b>	<b>30,500.60</b>

**VIRUPAKSHA ORGANICS LIMITED****CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 25 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade****(Amount in Lakhs)**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
<b>Work-in-Progress</b>		
Opening	6,497.28	6,782.28
Closing	4,349.80	6,497.28
	2,147.48	285.00
<b>Finished Goods</b>		
Opening Stock	1,459.84	0.00
Closing Stock	2,001.15	1,459.84
	(541.31)	(1,459.84)
<b>Total</b>	<b>1,606.17</b>	<b>(1,174.84)</b>

**Note 26 - Employee Benefits Expense**

Salaries & Wages	2,888.42	2,615.52
Contract Labour Charges	1,910.78	1,513.95
Bonus	202.70	156.19
Staff Welfare	201.53	197.12
Directors Remuneration	151.20	139.20
PF Contribution	98.06	78.58
ESI Contribution	8.89	7.66
Gratuity	63.81	(8.72)
Leave Encashment	139.15	43.75
<b>Total</b>	<b>5,664.54</b>	<b>4,743.25</b>

**Note 27 - Finance Costs**

Interest on Working Capital Loans	616.60	425.02
Interest Paid on Term Loans	553.01	481.17
Interest Paid on Unsecured Loans	263.96	116.63
Letter of Credit Charges	309.02	228.96
Finance Charges	144.54	52.25
<b>Total</b>	<b>1,887.13</b>	<b>1,304.03</b>

**VIRUPAKSHA ORGANICS LIMITED**

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 28 - Other Expenses**

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Power & Fuel	3,333.63	2,460.52
Conversion Charges	205.29	161.92
Stores & Consumables	1,664.45	1,341.23
Carriage Inwards & Outwards	1,000.93	1,000.66
Travelling & Conveyance	251.32	143.91
Printing & Stationery	85.36	52.33
Postage & Telephone Charges	18.93	18.40
Rates & Taxes	197.17	1,148.48
Security Charges	140.07	120.71
Auditors Remuneration	20.50	19.00
Effluent Treatment Charges	363.16	442.10
FDA & ISO Expenses	110.15	10.25
Factory Expenses	136.04	150.46
Office Maintenance	17.46	25.14
Professional Charges	375.80	189.40
Sales Commission	1,175.41	791.77
Insurance Charges	684.83	435.82
Membership & Subscriptions	17.98	0.00
Corporate Social Responsibility Expenses	82.70	97.99
Repairs & Maintenance		
- Building	404.70	278.97
- Plant & Machinery	207.31	312.37
- Vehicles	22.90	39.13
- Others	108.25	75.61
Sales Discount	67.06	14.56
Testing Charges	162.42	107.54
Bank Charges	7.28	9.46
Business Promotion Expenses	197.21	121.07
Bad Debts Written Off	8.15	54.76
Amalgamation Expenses Written Off	0.28	0.28
Interest on GST	2.83	586.36
Donation	21.96	10.59
Prior Period Expenses	13.00	6.58
Rent	29.94	12.00
Other Expenses	9.35	10.33
<b>Total</b>	<b>11,143.82</b>	<b>10,249.67</b>

**Note 29 - Earnings Per Share**

Profit / (Loss) for the Period	4,782.55	2,233.78
Net Profit / (Loss) for Calculation of Diluted EPS	4,782.55	2,233.78
Weighted average number of Equity Shares for Calculating EPS	1,24,80,000	1,24,80,000
Earnings Per Share - Basic and Diluted (in Rs.)	38.32	17.90

**Note 30 - Contingent Liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Guarantees</b>		
- Outstanding Bank Guarantees	23.87	8.00



**VIRUPAKSHA ORGANICS LIMITED**

**CIN : U24110TG1997PLC028281**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**Note 31 - Related Parties**

**A) Name of the related party and Nature of Relationship**

Name of the Related Party	Nature of Relationship
Virupaksha Lifesciences LLP	Associate
G. Chandra Sekhar Reddy	Key Managerial Personnel
G. Chandra Mouliswar Reddy	Key Managerial Personnel
M .BalaSubba Reddy	Key Managerial Personnel
S Prathap Kumar	Key Managerial Personnel
G. Vedavathi	Relative of KMP
M. Nagarjuna Reddy	Relative of KMP
Suraj Reddy	Relative of KMP
Sandeep Reddy	Relative of KMP
G. Sri Lakshmi	Relative of KMP
G. Sri Vidya	Relative of KMP
M. Padmaja	Relative of KMP
G Sreerami Reddy	Relative of KMP
G. Rukmini	Relative of KMP
Virupaksha Laboratories Private Limited	Enterprise over which KMP exercise significant influence
Virupaksha Minerals LLP	Enterprise over which KMP exercise significant influence
Viruj Pharmaceuticals Private Limited	Enterprise over which KMP exercise significant influence
Virupaksha Securities Private Limited	Enterprise over which KMP exercise significant influence
V Indaf Overseas Private Limited	Enterprise over which KMP exercise significant influence
Chandra Mouliswar Reddy G. - HUF	Enterprise over which KMP exercise significant influence

**B) Summary of Transactions with Related Parties :**

**(Amount in Lakhs)**

Name of the Related party	Nature of Transaction	For the Year Ended 31st March, 2023
G. Chandra Sekhar Reddy	Directors Remuneration	42.00
G. Chandra Mouliswar Reddy	Borrowings	283.00
	Repayment of Loan	340.00
	Directors Remuneration	60.00
	Interest on Unsecured Loan	3.88
	Borrowings	265.00
M .BalaSubba Reddy	Repayment of Loan	116.00
	Directors Remuneration	49.20
	Interest on Unsecured Loan	8.31
	Employee Benefit Expense	6.00
S Prathap Kumar	Employee Benefit Expense	6.00
G. Vedavathi	Borrowings	387.00
	Repayment of Loan	491.00
	Interest on Unsecured Loan	54.71
M. Nagarjuna Reddy	Borrowings	68.00
	Repayment of Loan	68.00
	Employee Benefit Expense	37.20
	Interest on Unsecured Loan	6.45
Suraj Reddy	Employee Benefit Expense	37.20
Sandeep Reddy	Employee Benefit Expense	37.20
G. Sri Lakshmi	Employee Benefit Expense	7.80
G Sreerami Reddy	Employee Benefit Expense	48.00
G. Rukmini	Employee Benefit Expense	6.00
Virupaksha Laboratories Private Limited	Purchase of Raw Material	8,377.68
	Rent Expense	29.94
	Other Expense	1.49
	Revenue from Operations	4,968.31
Viruj Pharmaceuticals Private Limited	Purchase of Raw Material	0.15
	Revenue from Operations	1,412.85
V Indaf Overseas Private Limited	Loans and Advances Given	8.44
	Loans and Advances Returned	7.08
Chandra Mouliswar Reddy Gangavaram - HUF	Borrowings	5.00
	Repayment of Loan	162.00
	Interest on Unsecured Loan	18.49

**VIRUPAKSHA ORGANICS LIMITED****CIN : U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 31 - Related Party (Continued)****C) The Amount Outstanding from Related Parties are as follows:****(Amount in Lakhs)**

<b>Name of the Related Party</b>	<b>Nature of Amount Outstanding</b>	<b>As at 31st March, 2023</b>
Virupaksha Lifesciences LLP	Non Current Investment	9.60
Virupaksha Lifesciences LLP	Short-Term Loan and Advances	92.41
G. Chandra Mouliswar Reddy	Long-Term Borrowings - Unsecured	101.20
M .BalaSubba Reddy	Long-Term Borrowings - Unsecured	167.80
G. Vedavathi	Long-Term Borrowings - Unsecured	404.59
M. Nagarjuna Reddy	Short- Term Loan and Advances	7.00
Virupaksha Laboratories Private Limited	Trade Receivables	1,045.73
Virupaksha Laboratories Private Limited	Trade Payables	0.10
Viruj Pharmaceuticals Private Limited	Trade Receivables	681.29
V Indaf Overseas Private Limited	Short- Term Loan and Advances	1.36
Chandra Mouliswar Reddy Gangavaram - HUF	Long-Term Borrowings - Unsecured	120.27

**Note 32 - Ratios**

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>Variance</b>
Current Ratio	1.14	1.15	-1%
Debt-Equity Ratio	1.01	0.98	3%
Debt Service Coverage Ratio	2.18	1.83	19%
Return on Equity Ratio*	3.83	1.79	114%
Inventory Turnover Ratio*	3.46	2.71	100%
Trade Receivables Turnover Ratio	3.66	3.68	0%
Trade Payables Turnover Ratio	2.32	2.33	0%
Net Capital Turnover Ratio*	14.83	11.19	33%
Net Profit Ratio*	0.07	0.05	60%
Return on Capital Employed*	0.32	0.17	83%
Return on Investment	0.00	0.00	0%

**\* Notes for more than 25% variance in Ratios**

- Return on Equity Ratio has increased on account of increase in Net Profit.
- Inventory Turnover Ratio has increased on account of increase in Cost of goods sold.
- Net Capital Turnover Ratio has increased on account of increase in Net Sales during the year.
- Net Profit Ratio has increased on account of increase in Net Profit and Net Sales during the year.
- Return on Capital Employed Ratio has increased on account of increase in Earning before Interest and tax.

**VIRUPAKSHA ORGANICS LIMITED**

**CIN: U24110TG1997PLC028281**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**Note 32 - Ratios**

S No.	Ratio Name	Formula	Details Used	Amount in Lakhs		Ratio	
				FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
1	Current Ratio	= Current Assets / Current Liabilities	Current Assets	37,270.38	32,208.88	1.14	1.15
			Current Liabilities	32,620.48	28,032.73		
2	Debt-Equity Ratio	= Total Debts/ Share Holders Funds	Total Debts	20,649.91	15,775.10	1.01	0.98
			Shareholders' Funds	20,429.03	16,095.75		
3	Debt Service Coverage Ratio	=Earnings Available for Debt Service/ Debt Service	Profit Before Tax + Interest Expense + Depreciation	9,276.18	4,809.43	2.18	1.83
			Interest Expense + Principal Repayment of Long Term Debts	4,253.20	2,634.98		
4	Return on Equity Ratio	= (Profit After Tax - Preference Dividend if any)/ Equity Share Capital	Profit After Tax - Preference Dividend if any	4,782.55	2,233.78	3.83	1.79
			Equity Share Capital	1,248.00	1,248.00		
5	Inventory Turnover Ratio	= Cost of Goods Sold/ Average Inventory	Cost of Goods Sold	39,782.27	29,325.75	3.46	2.71
			Average Inventory	11,499.46	10,807.13		
6	Trade Receivables Turnover Ratio	= Credit Sales/ Average Trade Receivables	Credit Sales	65,463.81	48,945.74	3.66	3.68
			Average Trade & Account Receivable	17,863.26	13,305.48		
7	Trade Payables Turnover Ratio	= Credit Purchases / Average Trade Payables	Credit Purchases	37,327.29	32,805.34	2.32	2.33
			Average Trade Payables	16,113.11	14,091.66		
8	Net Capital Turnover Ratio	= Net Sales/ Average Working Capital	Net Sales	65,463.81	48,945.74	14.83	11.19
			Average Working Capital	4,413.03	4,373.62		
9	Net Profit Ratio	= Net Profit/ Net Sales	Net Profit	4,782.55	2,233.78	0.07	0.05
			Net Sales	65,463.81	48,945.74		
10	Return on Capital Employed	= Earnings Before Interest and Tax/ Average Capital Employed	Earnings Before Interest and Tax	7,998.76	3,732.90	0.32	0.17
			Average Capital Employed	25,258.20	21,549.14		
11	Return on Investment	=Interest Income/Average Investments	Interest Income	0.00	0.00	0.00	0.00
			Average Investment	134.90	282.34		

**VIRUPAKSHA ORGANICS LIMITED****CIN : U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****Note 33 - Corporate Social Responsibility**

Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended March 31, 2023 is Rs 82.70 Lakhs (during the year ended March 31, 2022 is Rs 97.99 Lakhs).

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
a) Amount required to be spent by the Company during the year	82.70	90.08
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	82.70	97.99
c) (Excess) spend of prior years set off during the year	0.00	0.00
d) (Excess)/Shortfall at the end of the year [(d)=(a)-(b)+(c)]	(7.91)	(7.91)
e) Total of previous years shortfall	0.00	0.00
f) Reason for shortfall	NA	NA

**Nature of CSR Activity undertaken:**

- Eradication of hunger, poverty and malnutrition
- Preventive Healthcare and Sanitation
- Promoting education and employment skills
- Rural Development

**VIRUPAKSHA ORGANICS LIMITED**  
**CIN: U24110TG1997PLC028281**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**Note - 34 Events occurring after the Balance Sheet Date**

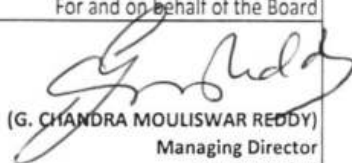
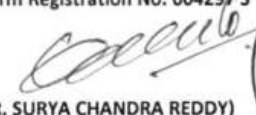
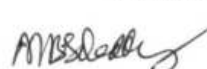


- (i) The Board of Directors of the Company on their meeting dated 5th September, 2023, recommended a dividend of Rs. 3.60 per Equity share (of Face value of Rs. 10/- per share) for the financial Year Ended 31st March, 2023, which is subject to members approval at the forthcoming Annual General Meeting.
- (ii) The Share Application Money amounting to Rs. 25,120, which was pending for allotment as of 31st March 2023, has been duly allotted on **19th August, 2023** to the erstwhile Shareholders of Kshatriya Laboratories Private Limited and Vector Bio Sciences Private Limited in Pursuant to the Scheme of Amalgamation.

**Note - 35 Additional regulatory disclosures as per Schedule III of Companies Act, 2013**

- (i) No proceeding have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The Company has sanctioned facilities from Banks on the basis of security of Current Assets. The Periodic returns filed by the Company with such Banks are in agreement with the books of account of the Company.
- (iii) The Company has not been declared as wilful defaulter by any Bank or Financial Institution or other lender.
- (iv) The Company does not have any Transactions with companies which has been struck off by ROC under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (v) The Company does not have any Charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (vii) As per the NCLT Amalgamation order No CP(CAA) No. 15/230/2023 Dated 3rd July, 2023 the effect of the Amalgamation order has been Accounted in the books as per the Scheme of arrangements mentioned there in and has also complied with the relevant Accounting Standards.
- (viii) The Company have not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company has not made any such Transactions which is not recorded in the books of account that has been surrendered or disclosed as income During the Year in the Tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961)
- (xi) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial Year.

**Note - 36**

The Company has made relevant disclosures which are applicable as per Schedule III of Companies Act 2013 and the figures for the previous year are reclassified/regrouped and rearranged wherever necessary.

As per Our report of even date		For and on behalf of the Board	
For Suryachandra & Associates			
Chartered Accountants		(G. CHANDRA MOULISWAR REDDY)	
Firm Registration No. 004297 S		Managing Director	
		DIN: 00046845	
(R. SURYA CHANDRA REDDY)			
Partner		(M. BALASUBBA REDDY)	
Membership No. 025709		Executive Director & CFO	
		DIN: 01998852	
			
(CS VIKAS KURADA)			
Company Secretary			
Membership No. A54105			
Place : Hyderabad			
Date : 5th September, 2023			