



VIRUPAKSHA ORGANICS LIMITED

Annual Report – FY 2023-24

CIN: U24110TG1997PLC028281

Registered Office: Plot no B1 & B2, IDA Gandhi Nagar, Kukatpally Hyderabad, 500037

Tele: 040-23075816

Email: info@virupaksha.com

website: www.virupaksha.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMMITTEES OF BOARD

AUDIT COMMITTEE

Mr. Janardhana Reddy Yeddula
Mr. Balasubba Reddy Mamilla
Mrs. Shruti Gupta
Mr. Gedupudi Venkatachalam*

CSR COMMITTEE

Mr. Janardhana Reddy Yeddula
Mr. Balasubba Reddy Mamilla
Mrs. Shruti Gupta
Mr. Gedupudi Venkatachalam*

NOMINATION AND REMUNERATION COMMITTEE

Mr. Janardhana Reddy Yeddula
Mrs. Vedavathi Gangavaram
Mrs. Shruti Gupta
Mr. Gedupudi Venkatachalam*

*Resigned on 9th May, 2023

CHIEF FINANCIAL OFFICER - Mr. Prasad Reddy Battinapatta

COMPANY SECRETARY - Mr. Vikas Kurada

AUDITORS

STATUTORY AUDITORS – M/s. Suryachandra & Associates, Chartered Accountants, Hyderabad
INTERNAL AUDITORS – M/s K. Bhaskar & Associates, Chartered Accountants, Hyderabad
SECRETARIAL AUDITORS – M/S.L.D. Reddy & Co., Company Secretaries, Hyderabad
COST AUDITORS – M/s Jithendra Kumar & Co., Cost Accountants, Hyderabad

BANKERS:

STATE BANK OF INDIA – Saifabad Branch, Hyderabad
ICICI BANK LTD – Begumpet Branch, Hyderabad
AXIS BANK LTD – Begumpet Branch, Hyderabad

REGISTRAR AND TRANSFER AGENT

BIGSHARE SERVICES PVT LTD
306, Rightwing, 3rd floor,
Amrutha vila opp. Yashoda hospital,
Rajbhavan rd Somajiguda,
Hydrabad Telangana – 500082

REGISTERED OFFICE

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

NOTICE

NOTICE OF TWENTY SEVENTH (27TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF VIRUPAKSHA ORGANICS LIMITED

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting (AGM) of the Members of **M/s. VIRUPAKSHA ORGANICS LIMITED** (CIN U24110TG1997PLC028281) will be held on Monday, the **30st December, 2024** at 11:00 A.M. at the Registered Office of the Company situated at # Plot No.: B-1& B-2, IDA Gandhi Nagar, Medchal-Malkajgiri (District), Hyderabad, Ranga reddy, 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, 2024, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr Chandra Mouliswar Reddy Gangavaram (DIN: 00046845) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Balasubba Reddy Mamilla (DIN: 01998852) who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of Auditor M/s C. Ramachandram & Co., Chartered Accountants (Firm Registration No. 002864S) as a Statutory auditor of the Company.

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

“**RESOLVED** That pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, M/s C. Ramachandram & Co., Chartered Accountants (Firm Registration No. 002864S), be and are hereby appointed as the Statutory Auditors, of the Company for a term of 5 (five) years i.e. from the conclusion of this Annual General Meeting till the conclusion of Thirty Second Annual General Meeting of the Company, at such remuneration as

may be approved by the Audit Committee/ Board of Directors of the Company from time to time.

RESOLVED Further That the Audit Committee/ Board of Directors of the Company, be and are hereby authorized to revise/ alter/ modify/ amend the terms and conditions and/ or remuneration, from time to time, as may be mutually agreed with the Auditors, during the tenure of their appointment.”

SPECIAL BUSINESS:

5. **Increase in Remuneration of Mr. Chandra Mouliswar Reddy Gangavaram (DIN 00046845) Managing Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act, as recommended by the nomination and remuneration committee and approved by the board of directors of the company at their respective meetings, the consent of the Members of the Company, be and is hereby accorded for upward revision in the remuneration payable to Mr. Chandra Mouliswar Reddy Gangavaram [DIN: 00046845], Managing Director of the Company to ₹ 36 million per annum w.e.f 1st April 2024 till the remaining period of his tenure i.e. up to Dec 31, 2025 as described below:

Salary of ₹ 36 million (Rupees Thirty-Six Million) per annum.

He shall be entitled to receive the following:

- 1) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company.
- 2) Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the

companies Act, 2013 & the Rules made there under, Income Tax Act, 1961 Rules made there under, FEMA Guidelines and as per RBI Regulations.

For VIRUPAKSHA ORGANICS LIMITED

Sd/-

CHANDRA MOULISWAR REDDY GANGAVARAM

Managing Director (DIN 00046845)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. Chandra Mouliswar Reddy Gangavaram including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate pursuant to the all the applicable provisions and Rules of the Companies Act, 2013 as amended thereof.

Place: Hyderabad

Date: 06.12.2024

RESOLVED FURTHER THAT all the Directors of the Company be and are hereby severally authorized to take all such steps including filing of necessary e-forms with ROC, Hyderabad as may be as necessary, proper, expedient to give to this resolution.”

6. Ratification of Cost Auditors' remuneration

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 ₹. 2,00,000/- plus GST and out of pocket expenses and XBRL conversion charges etc., payable to M/s Jithendra Kumar & Co., Cost Accountants, Hyderabad, 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, 2025.”

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.”

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under item nos. 4-6 of the notice is annexed hereto.
2. 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.
3. The proxy form, in order to be effective, must be duly filled signed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.
4. 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.
5. 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.

6. Members who have not registered/updated their e-mail addresses so far, are requested to register their e-mail address with RTA/ Depository Participants for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company.
7. Members must quote their Demat Account number and contact details such as email address, contact number etc. in all correspondence with the Company/Registrar and Share Transfer Agents.
8. 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.
9. 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 and google map link for the location of the aforesaid meeting is pasted below:

<https://maps.app.goo.gl/NBN69rdV6vhkE2M28>



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. 4-6 of the accompanying notice)

Item No. 4

At the 22nd Annual General Meeting of the Company held on September 30, 2019, the Members have approved the appointment of M/s Suryachandra & Associates, Chartered Accountants, (Firm Registration No. 004297S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 27th Annual General Meeting. The term of Suryachandra & Associates, will be expiring at the conclusion of the ensuing 27th Annual General Meeting of the Company.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., and on completion of the term of M/s Suryachandra & Associates, the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting proposed the appointment of M/s. C. Ramachandram & Co., Chartered Accountants (Firm Registration No. 002864S) as a Statutory auditor of the Company. for a term of five consecutive years from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company, at a remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors

M/s C. Ramachandram & Co., Chartered Accountants (Firm Registration No. 002864S), have consented to act as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

Item No. 5

Mr. Chandra Mouliswar Reddy Gangavaram (DIN: 00046845) is a Promoter of the company The Company has achieved new heights under his effective leadership and guidance] and achieved the turnover of ₹ 7732.29 million in financial year 2023-2024. He was appointed as Managing Director of the company at 23rd Annual General Meeting held on

December 28, 2020 for a period of five years from Jan 1, 2021 to Dec 31, 2025.

With the recommendation of Nomination and Remuneration committee the Board considered following, if thought fit can be taken for consideration and approval.

Mr. Chandra Mouliswar Reddy Gangavaram [DIN: 00046845] has been working as Managing Director. In view of his dedicated efforts and his contribution in the growth of the Company the board proposes to increase his remuneration to ₹ 36 Million (Rupees Thirty-Six Million) per annum and other perquisites commensurate with the prevailing market conditions. Therefore, the approval of the shareholders is being sought for the resolution no. 5 in the notice as a Special Resolution.

Mr. Chandra Mouliswar Reddy Gangavaram, Managing Directors of the Company or their respective relatives are concerned or interested in this Resolution.

INFORMATION IN ACCORDANCE WITH SCHEDULE V OF COMPANIES ACT, 2013

I. GENERAL INFORMATION

1. Nature of Industry: Pharmaceutical
2. Date or expected date of commencement of commercial: The Company Incorporated on 03rd November 1997.
3. In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable.
4. Financial performance based on given indications:

Particulars	2021-22 (Rs. in Mn.)	2022-23 (Rs. in Mn.)	2023-24 (Rs. in Mn.)
Turnover	4894.57	6539.67	7663.45
Net Profit after Tax	271.01	478.26	797.12
Profits as per Sec 198	284.93	492.78	831.22

5. Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT MR. CHANDRA MOULISWAR REDDY GANGAVARAM:

1. Background Details: Mr. Chandra Mouliswar Reddy Gangavaram, has a Masters degree in Organic Chemistry from Garhwal University, with experience of over 30 years in the industry. He has been associated with Virupaksha for over 20 years and has also given immense support in the Operations, Strategies and Management.
2. Past Remuneration: The remuneration drawn by Mr. Chandra Mouliswar Reddy Gangavaram (DIN: 00046845) for the FY 2023-24 was Rs. 24 Million p.a.

3. Recognition or awards: None

4. Job Profile and his suitability:
The Industry in which Virupaksha operates demands from the top management a great amount of experience in the field of pharmaceutical manufacturing. And Mr. Chandra Mouliswar Reddy Gangavaram, is a Post-graduate from Garhwal University, with experience of over 30 years in the Industry. He has been associated with Virupaksha for over 20 years and has also given immense support in the Operations, Strategies and Management.

5. Remuneration proposed:
As set out in the resolutions for the Item No. 5 the revision in the remuneration of Mr. Chandra Mouliswar Reddy Gangavaram, Managing Director is recommended by the Nomination and Remuneration Committee and Board of Directors.

Increase of Remuneration payable to Mr. Chandra Mouliswar Reddy Gangavaram, Whole Time Director from Rs. 24 millions p.a. stated above to Rs. 36 million per annum w.e.f. 1st April 2024.

6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration of the size of the Company, the profile of Mr. Chandra Mouliswar Reddy Gangavaram and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, he is holding 37,49,763 equity shares which amounts to approx. 9.14% of the paid-up capital of the company. His wife (relative) Mrs. Vedavathi Gangavaram (DIN 02870966), is a non-executive director and one of the promoters of the company and she holds 70,74,774 equity shares representing approx. 17.25 % of paid-up capital in the company. His Daughters (relative) Sri Vidya Gangavaram and Sri Lakshmi Gangavaram holds 38,91,150 equity shares and 40,92,747 equity shares representing approx 9.49% and 9.98% respectively.

III. OTHER INFORMATION:

1. Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the production and efficiency, which in turn will add to the growth of the business as well as the profitability.
2. Expected increase in productivity and profit in measurable terms: The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company

will increase considerably in the coming years.

Item No. 6

The Members are informed that on the recommendations of the Audit Committee, the Board, at its meeting, 03rd May 2024, 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 2024-25 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 2024-25.

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. 6 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval of the Members.

For VIRUPAKSHA ORGANICS LIMITED

CHANDRA MOULISWAR REDDY GANGAVARAM

Managing Director (DIN 00046845)

Place: Hyderabad

Date: 06.12.2024

BOARDS' REPORT

Dear Members,

Your directors have pleasure in presenting 27th Annual Report together with the Audited Financial Statements for the year ended 31st March 2024.

FINANCIAL HIGHLIGHTS

(₹ in Millions)		
Particulars	FY 24	FY 23
Revenue from Operations	7,663.45	6,539.67
Other Income	68.84	85.65
Total Income	7,732.28	6,625.33
Less: Total Expenditure	6,683.21	5,968.81
Profit Before Tax	1,049.08	656.52
Less: Tax Expense	251.95	178.26
Profit After Tax	797.12	478.26

CURRENT YEAR PERFORMANCE REVIEW AND STATE OF COMPANY AFFAIRS

During the year under review, total income was ₹ 7,732.28 million which is 16.70% growth from previous year total income ₹ 6,625.33 million. Profit After Tax ("PAT") was ₹ 797.12 million which 66.67% growth from previous year PAT ₹ 478.26 million.

During the year under review our company has served 300+ customers located across 100+ countries.

During the year under review, our company has received Bronze Rating from Ecovadis for our efforts towards sustainable planet.

CHANGE IN CAPITAL STRUCTURE

During the period under review, there were following changes in the Company's capital structure:

a) As per the scheme approved by the National Company Law Tribunal, Hyderabad Bench, vide order dated 3rd July 2023, and pursuant to the merger order passed, upon merger, the authorised equity share capital of the Company was increased to 24.15 million shares, whereas the authorised preferential shares remained at 1.4 million. The shareholders of M/s Kshatriya Labs Private Limited (subsidiary company) ("Transferor Company -1") and M/s Vector Bio Sciences Private Limited (associate company) ("Transferor Company -2") were issued 2,512 shares. The Transferor Companies were dissolved without

winding-up, and the merger was effected from 1st April 2021 upon filing of a certified copy of the NCLT order with the Registrar of Companies, Hyderabad.

b) Pursuant to the approval of the members in the Extraordinary General Meeting on 11th March 2024, the authorised equity capital of the company was increased by 14.00 million equity shares, thereby increasing the overall authorised capital to ₹374.47 million by:

- Reclassifying 1.40 million authorised preference shares of ₹50 each into 7.00 million equity shares of ₹10 each, and
- Adding 70.00 million equity shares divided into 7.00 million equity shares of ₹10 each.

c) The shareholders, in the Extraordinary General Meeting dated 28th March 2024, approved the issue of bonus shares in the proportion of 2 (two) equity shares for every 1 (one) equity share held by the members by capitalizing a sum of ₹249.65 million, thereby increasing the overall paid-up equity capital to ₹374.47 million and equity shares to 37.44 million shares of ₹10 each.

DIVIDEND

During the year, the Company paid an interim dividend at Rs 3.00 per Equity share of ₹10/- each on 1,24,82,512 Shares, aggregating to ₹ 37.45 million.

WEB LINK OF ANNUAL RETURN, IF ANY

The Annual Return of the Company as on March 31, 2024 is available on the Company's website and can be accessed at www.virupaksha.com

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, Fourteen Board Meetings were held on 1st April, 2023, 10th May, 2023, 17th June, 2023, 19th August, 2023, 05th September, 2023, 18th November, 2023, 9th December 2023, 06th January 2024, 27th January 2024, 17th February 2024, 16th March 2024, 23rd March 2024, 28th March 2024, and 30th March 2024, with requisite quorum present throughout the meetings. Wherever required.

Further the gap between two consecutive Board meetings held during the financial year was not more than 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

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, 2024, 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

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

During the year 2023-24 under review there were Two independent directors namely Mrs. Shruti Gupta, Mr. Janardhana Reddy Yeddula. Mr. Gedupudi Venkatachalam (Independent Director) Resigned on 09th May 2023.

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

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

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:

- Their qualification,
- Past record, especially their credentials and achievements, experience, past remuneration
- Job profile and suitability
- Comparative remuneration with the industry in line with size and profits of the company
- Their pecuniary relationship with the promoters.

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

- Their qualification,
- Credentials, past experience in the fields of finance, management, technology, taxation and other related fields
- Expertise in similar industry
- 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. Janardhana Reddy Yeddula
 - Mrs. Shruti Gupta
 - Mrs. Vedavathi Gangavaram
 - Mr. Gedupudi Venkatachalam*
- *(Resigned on May 2023)

AUDIT REPORTS

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.

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.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees, security and investments covered under section 186 of the Companies Act, 2013 forms part of the notes to the financial statements (please refer note no. 14.) During the financial year, the Company has not given any loans and advances to the firms/ Companies where directors of the Company are interested During the year under review, the Company did not extend any Loans or Guarantees.

PARTICULARS OF CONTRACTS WITH RELATED PARTIES

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**

COMPANY AFFAIRS

Research and Development

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.

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 01st April 2021 upon filing of certified copy of NCLT Order on 29 July 2023 in INC-28.

CHANGE IN THE NATURE OF BUSINESS

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

CHANGE IN THE DIRECTORS OR KEY MANAGERIAL PERSONNEL

As per the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company; Mr Chandra Mouliswar Reddy Gangavaram (DIN: 00046845), Managing Director of the company and Mr. Balasubba Reddy Mamilla (DIN: 01998852), Whole Time Director are retiring by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

On 9th May 2023 Mr. Venkatachalam Gedupudi (DIN 00282267) (Independent Director) resigned and on 10th May 2023.

The company appointed Key Managerial Persons during the financial year as follows:

Mr. S. Pratap Kumar Resigned as Company Secretary on 17th June 2023, and on 10th May 2023 Mr. Vikas Kurada, was appointed as a Company Secretary of the Company.

Changes in the Key Managerial Person after the end of the financial Year

On 3rd May 2024, Mr. Prasad Reddy Battinapatla was appointed as Chief Financial Officer in place of Mr. Balasubba Reddy Mamilla.

SUBSIDIARIES AND ASSOCIATES

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 01st April 2021 upon filing of certified copy of NCLT Order on 29 July 2023 in INC-28.

DEPOSITS

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.

SIGNIFICANT AND MATERIAL ORDERS

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 01st April 2021 upon filing of certified copy of NCLT Order on 29 July 2023 in INC-28.

INTERNAL FINANCIAL CONTROLS

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.

MAINTENANCE OF COST RECORDS

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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.

GENERAL RESERVE

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

MATERIAL CHANGES AND COMMITMENTS

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 Hon'ble National Company Law Tribunal, Hyderabad Bench.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUT GO

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

RISK MANAGEMENT

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.

CORPORATE SOCIAL RESPONSIBILITY

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.

VIGIL MECHANISM

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.

AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Suryachandra & Associates., Chartered Accountants (FRN 004297S) were appointed as the Statutory Auditors of the Company for a period of five consecutive years at the 22nd Annual General Meeting and shall hold office until the conclusion of the ensuing 27 Annual General Meeting of the Company.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on December 06, 2024, have recommended the appointment of M/s C. Ramachandram & Co., Chartered Accountants, Hyderabad (Firm Registration No. 002864S) as the

Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years from the conclusion of the ensuing 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting to be held in the year 2029 subject to the approval of the members.

The Auditors have confirmed their eligibility for appointment as a Statutory Auditors for a term of 5 (five) years subject to the various certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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.

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.

COMPOSITION OF COMMITTEES OF THE BOARD OF DIRECTORS

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 5 times i.e. on 1st April, 2023, 17th June, 2023, 5th September, 2023, 18th November, 2023, 27th January 2024

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

Name of the Director	Category	Meetings attended
Mr. Janardhana Reddy Yeddula	Independent Director	05
Mr. Balasubba Reddy Mamilla	Executive Director	05
Mrs. Shruti Gupta	Independent Director	05
Mr. Gedupudi Venkatachalam*	Independent Director	0

*(Resigned on May 2023)

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.

During the year the Committee meetings held 2 times i.e. on May 10, 2023, 5th September, 2023.

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

*(Resigned on May 2023)

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 Twice. i.e. on April 1st, 2023 and September 5th, 2023

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

Name of the Director	Category	Meetings attended
Mr. Janardhana Reddy Yeddula	Independent Director	02
Mr. Balasubba Reddy Mamilla	Executive Director	02
Mrs. Shruti Gupta	Independent Director	02
Mr. Gedupudi Venkatachalam*	Independent Director	0

*(Resigned on May 2023)

DETAILS OF REMUNERATION TO DIRECTORS

Remuneration To Executive Directors (₹ in Millions):

Name of the Director	Salary	Others	Total
Mr. G. Chandra Mouliswar Reddy	24	0	24.00
Mr. M. Bala Subba Reddy	5.80	0	5.80
Mr. G. Chandrasekhar Reddy	4.80	0	4.80

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As required under the provisions of Schedule IV of the Companies Act, 2013 the performance evaluation of independent directors has been done by the entire Board of Directors, excluding the director being evaluated.

Name of the Director	Category	No. of Meetings attended
Mr. Janardhana Reddy Yeddula	Independent Director	02
Mrs. Shruti Gupta	Independent Director	02
Mrs. Vedavathi Gangavaram	Director	02
Mr. Gedupudi Venkatachalam*	Independent Director	0

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure, and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

The Independent Directors of the Company had also convened a separate Meeting for this purpose. The results from this evaluation process have been informed to the Chairman of the Board of Directors.

HUMAN RELATIONS

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

INSOLVENCY AND BANKRUPTCY CODE, 2016:

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

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

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 Hon'ble National Company Law Tribunal, Hyderabad Bench.

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.

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

Sd/-
Chandra Mouliswar Reddy Gangavaram
Managing Director (DIN 00046845)

Sd/-
Balasubba Reddy Mamilla
Whole Time Director (DIN 01998852)

Place: Hyderabad
Date: 02nd October 2024

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 ₹ 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, 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.

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**

Sd/-

Chandra Mouliswar Reddy Gangavaram
Managing Director (DIN 00046845)

Sd/-

Balasubba Reddy Mamilla
Whole Time Director (DIN 01998852)

Place: Hyderabad

Date: 02nd October 2024

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, Rent & Job works
3	Duration of the contracts/arrangements/ transaction	Continuing Transaction
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase: 934.19 Million Sales: 442.60 Million Rent: 3.54 Million
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	Purchase: Nil Sales: 135.70 Million
5	Date of approval by the Board	N.A.
6	Amount paid as advances, if any	Nil

By order of the Board of Directors
For VIRUPAKSHA ORGANICS LIMITED

Sd/-

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

BALASUBBA REDDY MAMILLA
Whole Time Director (DIN 01998852)

Place: Hyderabad
Date: 02nd October 2024

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.)

B
y
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d

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

Sd/-

CHANDRA MOULISWAR REDDY GANGAVARAM
Managing Director (DIN 00046845)

Sd/-

BALASUBBA REDDY MAMILLA
Whole Time Director (DIN 01998852)

Place: Hyderabad
Date: 02nd October 2024

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 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 calculations 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 were ₹ 240.14 millions and outgo were ₹ 240.46 million for the period under review

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

Sd/-

Chandra Mouliswar Reddy Gangavaram
Managing Director (DIN 00046845)

Sd/-

Balasubba Reddy Mamilla
Whole Time Director (DIN 01998852)

Place: Hyderabad
Date: 02nd October 2024

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 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	Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1.	Mr. Janardhana Reddy Yeddula	Independent Director	2	2
2.	Mrs. Shruti Gupta	Independent Director	2	2
3.	Mr. Balasubba Reddy Mamilla	Director	2	2
4.	Mr. Gedupudi Venkatachalam*	Independent Director	0	0

*(Resigned on May 2023)

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

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 ₹ million)	Amount required to be set-off for the financial year, if any (in ₹ million)
1	22-23	2.11	0
2	23-24	4.57	0
	Total	6.68	0

6. Average net profit of the company as per section 135(5): ₹ 511.60 million

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 10.23 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NA

(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): ₹ 10.23 million

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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 23-24	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 ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	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 million)	Mode of Implementation - Direct.	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Promotion of Education	Promotion of Education	yes	Telangana	Hyderabad	2.10	No	Savithramma Memorial Charitable Trust	CSR00012297
2.	Eradicating hunger	Medical and Health Care, Eradication hunger	yes	Telangana	Hyderabad	0.90	Yes	Sri Jayalakshmi Mata Yoga Charitable Trust	CSR00059444
3.	Women Empowerment	Women Empowerment, Medical and Health Care, Rural Development,	No	Gujrat	Ahmedabad	4.00	Yes	Ragini Ben Bipin chandra seva karya Trust	CSR00012645
4.	Safe Drinking water	Promoting health care	Yes	Telangana	Sanga Reddy	0.54	Yes	-	-
5.	Promotion of Education	Rural development, Community Mobilization and Livelihood promotion activity.	No	Maharashtra	Mumbai Suburban	3.00	Yes	Anvi Medical & Educational foundation	CSR00012251

6.	Promoting education	Promotion of Education, Construction of School Building	Yes	Telangana	Sanga Reddy	4.22	No	-	-
7.	ZPHS Kazipet	Promoting of Sports	Yes	Telangana	Kadapa	0.04	Yes	-	-
	Total					14.80			

(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) ; ₹ 14.80 million

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ million)
(i)	Two percent of average net profit of the company as per section 135(5)	10.23
(ii)	Total amount spent for the Financial Year	14.80
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.57
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.68

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

(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

Sd/-

CHANDRA MOULISWAR REDDY GANGAVARAM
Managing Director (DIN 00046845)

Sd/-

BALASUBBA REDDY MAMILLA
Whole Time Director (DIN 01998852)

Place: Hyderabad

Date: 02nd October 2024

Annexure-VI

Secretarial Audit Report

For the Period from 01.04.2023 to 31.03.2024
[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-1 & B-2, 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 01.04.2023 to 31.03.2024, 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 01.04.2023 to 31.03.2024 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.
 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:
 - Minutes of proceedings of General Meetings and of the Board and its 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.
 6. We further Report that during the audit period the Company has:
 - Bonus Issue of Shares
 - 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 3rd 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")

For L.D. Reddy & C o.,
Company Secretaries

Sd/-

L. Dhanamjay Reddy
(Proprietor)
CP No. 3752
UDIN: A013104E000933078

Date: 02/09/2024
Place: Hyderabad

ANNEXURE

To

The Board of Directors,
M/s. Virupaksha Organics Limited
Plot No.: B-1 & B-2, 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.

For L.D. Reddy & C o.
Company Secretaries

Sd/-
L. Dhanamjay Reddy
(Proprietor)
CP No. 3752
UDIN: A013104E000933078
Date: 02/09/2024
Place: Hyderabad

General Shareholder Information

1. Annual General Meeting

Date : 30th December 2024

Time : 11.00 A.M.

Venue: Registered Office at #

Plot No.: B-1 & B-2, IDA, Gandhi Nagar,
Medchal-Malkajgiri (District),
Hyderabad, Ranga Reddy,
Telangana, India - 500037
Tel: +9140-23075816
E-Mail: cs@virupaksha.com.

2. Financial Year: From 1st April 2023 to 31st March 2024

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

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 31st March 2024, 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 31st March 2024, 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 and FY 2022-23. The current Financial Year (FY 2023-24)

represents the first full year of operations of the Company as a merged entity, with the complete integration of the amalgamated companies.

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) We do not have any observation or comment on the Financial Statements or matters which have any adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) We do not have any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected herewith.
 - h) 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;
 - i) 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 has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32 to the Financial Statements.
 - 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. The Board of

Directors have not proposed final dividend for the current year.

- ii. The Interim dividend declared and paid by the Company during the year, is in compliance with the provisions of Section 123 of the Companies Act, 2013.
- f. The Company has used such accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail feature has been preserved by the Company as per the Statutory requirements for record retention.

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

Sd/-
(R. Suryachandra Reddy)
Partner
Membership No. 025709
UDIN: 24025709BKATMO3008

Place: Hyderabad
Date: 2nd October, 2024

“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)

i. 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, 2024 for holding any benami property under the

Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

ii.

a) The inventories were physically verified during the year 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 books of accounts of the Company.

iii. 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(c), (d), (e) and (f) of the Order is not applicable to the Company.
- iv. 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 to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable. In respect of the investments made by the Company and the loans provided to the parties covered under Section 186 of the Act, the provisions of Section 186 of the Act have been complied with.
- v. 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.
- vi. 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.
- vii. 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 2024 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.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any 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.
- ix.
 - 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.
- x.
- 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.
- xi.
- 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.
- xii. 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.
- xiii. 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.
- xiv.
- 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.
- xv. 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.
- xvi.
- 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.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There is no change of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- xix. 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.
- xx. 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.
- 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.
- xxi. 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. 00429 S

Sd/-
(R. Suryachandra Reddy)
Partner
Membership No.025709
UDIN: 24025709BKATMO3008

Place: Hyderabad
Date: 2nd October, 2024

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 31st March 2024, 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.

Place: Hyderabad
Date: 2nd October, 2024

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 31st March 2024, based on the criteria for internal financial control established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suryachandra & Associates
Chartered Accountants
Firm Registration No. 004297S
Sd/-
(R. Suryachandra Reddy)
Partner
Membership No. 025709
UDIN: 24025709BKATMO3008

VIRUPAKSHA ORGANICS LIMITED			
CIN: U24110TG1997PLC028281			
BALANCE SHEET AS AT 31st MARCH 2024			
(₹ in Millions)			
Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	374.48	124.80
(b) Reserves & Surplus	4	2,486.36	1,918.10
2. Share Capital Pending Allotment	5	-	0.03
3. Non-Current Liabilities			
(a) Long-Term Borrowings	6	1,118.76	669.52
(b) Deferred Tax Liabilities (Net)	7	118.09	124.04
(c) Long-Term Provisions	8	70.26	58.09
4. Current Liabilities			
(a) Short-Term Borrowings	9	1,522.95	1,733.02
(b) Trade Payables	10	-	-
(A) Total Outstanding dues of Micro Enterprises and Small Enterprises; and		37.19	26.69
(B) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.		1,060.73	1,133.84
(c) Other Current Liabilities	11	210.34	216.13
(d) Short-Term Provisions	12	270.28	161.28
TOTAL		7,269.43	6,165.54
II. ASSETS			
1. Non- Current Assets			
(a) Property, Plant & Equipment and Intangible Assets	13		
(i) Property, Plant & Equipment		2,674.67	2,188.18
(ii) Intangible Assets		0.00	0.01
(iii) Capital Work-in-Progress		448.18	173.39
(b) Non-Current Investments	14	165.73	45.99
(c) Long-Term Loans and Advances	15	92.76	23.95
(d) Other Non-Current Assets	16	40.97	28.01
2. Current Assets			
(a) Current Investment	17	0.11	-
(b) Inventories	18	1,006.65	1,027.20
(c) Trade Receivables	19	2,073.82	2,031.43
(d) Cash and Cash Equivalents	20	110.32	109.59
(e) Short-Term Loans and Advances	21	261.72	235.38
(f) Other Current Assets	22	394.49	302.41
TOTAL		7,269.43	6,165.54
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			
		Sd/-	Sd/-
		(M. BALASUBBA REDDY)	(G. CHANDRA MOULISWAR REDDY)
		Whole Time Director	Managing Director
		IN: 01998852	DIN: 00046845
Sd/-		Sd/-	Sd/-
(R. SURYA CHANDRA REDDY)		(PRASAD REDDY BATTINAPATLA)	(CS VIKAS KURADA)
Partner		Chief Financial Officer	Company Secretary
Membership No. 025709			Membership No. A54105
Place : Hyderabad			
Date : 2nd October, 2024			

VIRUPAKSHA ORGANICS LIMITED			
CIN: U24110TG1997PLC028281			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2024			
(₹ in Millions)			
Particulars	Note	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
INCOME			
Revenue from Operations	23	7,663.45	6,539.67
Other Income	24	68.84	85.65
Total Income		7,732.28	6,625.33
EXPENSE			
Cost of Materials Consumed	25	4,259.87	3,817.61
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	26	66.87	160.62
Employee Benefits Expense	27	758.53	566.45
Finance Costs	28	228.33	188.48
Depreciation and Amortization	13	150.62	127.74
Other Expenses	29	1,218.99	1,107.91
Total Expenses		6,683.21	5,968.81
PROFIT BEFORE TAX		1,049.08	656.52
Tax expense:			
(1) Current Tax		256.87	152.86
(2) Deferred Tax		-5.95	25.19
(3) Prior Period Tax		1.03	0.21
Total Tax expense		251.96	178.26
PROFIT FOR THE YEAR		797.12	478.26
Earning Per Share (in Rs.)	30		
- Basic		21.29	12.77
- Diluted		21.29	12.77
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			
		Sd/-	Sd/-
		(M. BALASUBBA REDDY)	(G. CHANDRA MOULISWAR REDDY)
		Whole Time Director	Managing Director
		UIN: 01998852	DIN: 00046845
Sd/-			
(R. SURYA CHANDRA REDDY)			
Partner			
Membership No. 025709		Sd/-	Sd/-
		(PRASAD REDDY BATTINAPATLA)	(CS VIKAS KURADA)
		Chief Financial Officer	Company Secretary
Place : Hyderabad			
Date : 2nd October, 2024		Membership No. A54105	

VIRUPAKSHA ORGANICS LIMITED		
CIN: U24110TG1997PLC028281		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024		
	₹ in Millions	
Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Cash flows from Operations		
Profit Before Tax from Operations	1,049.08	656.52
Adjustment for Non-Cash Items	-	-
Depreciation and Amortization	150.62	127.74
Provision for Employee Benefits	12.17	17.08
Investment Written off	0.03	-
Dividend Payable	-	-44.93
Adjustment for Non-Operating Items	-	-
Other Incomes	-0.24	-1.11
Interest Income	-4.45	-3.42
Interest on Income Tax Refund	-1.15	-
Income from Mutual Fund	-1.15	-
Loss on Sale of Property, Plant & Equipment (Net)	1.62	-
Financial Expenses	228.33	188.48
Cash flow before Non-Cash & Non-Operating Adjustments	1,434.86	940.36
Operating Profit before Working Capital Changes	1,434.86	940.36
Changes in Working Capital:		
Decrease / (Increase) in Inventories	20.55	245.50
Decrease / (Increase) in Trade Receivables	-42.39	-489.26
Decrease / (Increase) in Short-Term Loans and Advances	-26.33	-137.71
Decrease / (Increase) in Other Current Assets	-92.08	-80.81
Increase / (Decrease) in Short-Term Borrowings	-210.06	201.16
Increase / (Decrease) in Trade Payables	-62.61	111.06
Increase / (Decrease) in Other Current Liabilities	39.13	25.98
Increase / (Decrease) in Short-Term Provisions	4.99	2.52
Net Cash flow from / (used in) Operations before Tax	1,066.55	818.31
Prior Period Tax	-1.03	-0.21
Interest on Income Tax Refund	1.15	-
Income Tax Paid	-152.86	-25.90
Net Cash flow from / (used in) Operations (A)	913.81	792.21
Cash flows from Investing Activities		
Dividend Income	0.24	1.11
Interest Income	4.45	3.42
Purchase of Plant, Property & Equipment including movement in Capital Work-in-Progress	-860.54	-481.92
Proceeds from Sale of Plant, Property & Equipment	5.24	-
Investment in Equity Shares	-106.47	-45.00
Investment in Mutual Funds	-13.41	-
Income from Mutual Funds	1.15	-
Increase in Other Non-Current Assets	-12.96	-5.72
Long-Term Loans and Advances	-68.81	-
Net Cash flow from / (used in) Investing Activities (B)	-1,051.11	-528.11
Cash flows from Financing Activities		
Proceeds from Long-Term Borrowings	1,051.44	377.50
Repayment of Long-Term Borrowings	-602.20	-428.72
Dividend Paid	-82.38	-
Financial Expenses	-228.33	-188.48
Net Cash flow from/ (used in) Financing Activities (C)	138.03	-239.70
Net Increase / (Decrease) in Cash and Cash Equivalents during the year (A+B+C)	0.73	24.40
Cash and Cash Equivalents at the beginning of the year	109.59	84.69
Cash and Cash Equivalents at the end of the year	110.32	109.09
As per our Report of even date	For and on behalf of the Board	
For Suryachandra & Associates		
Chartered Accountants		
Firm Registration No. 004297 S	Sd/- (M. BALASUBBA REDDY) Whole Time Director DIN: 01998852	Sd/- (G. CHANDRA MOULISWAR REDDY) Managing Director DIN: 00046845
Sd/- (R. SURYA CHANDRA REDDY) Partner Membership No. 025709	Sd/- (PRASAD REDDY BATTINAPATLA) Chief Financial Officer	Sd/- (CS VIKAS KURADA) Company Secretary Membership No. A54105
Place : Hyderabad Date : 2nd October, 2024		

1. CORPORATE INFORMATION

1.1 Description of Company

Virupaksha Organics Limited (the “Company”) is an unlisted public company and was incorporated on 3rd 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.

The financial statements for the year ended 31st March, 2024, were approved by the Board of Directors and authorized for issue on 2nd October, 2024.

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, 2024 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, 2024 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 rupee**, 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) Change in Accounting Policy – Method of Depreciation

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.

Under the scheme of Amalgamation, all the assets of the Transferor Companies were taken over at book values. The assets taken over from Vector Biosciences Private Limited were being depreciated under the Straight Line Method (SLM) while the assets of Kshatriya Laboratories Private Limited were being depreciated under the Written Down Value (WDV) method till the year ended 31st March, 2023, in their respective books.

During the year ended March 31, 2024, the Company has changed its method of providing depreciation on assets taken over by Kshatriya Laboratories Private Limited, from **Written Down Value (WDV) method to Straight Line Method (SLM)**.

This change ensures uniformity of accounting policies in the books of Transferee company and results in a more appropriate presentation. Also, this change is in compliance with the conditions of merger as specified by AS 14 Amalgamation of Companies.

The Company has retrospectively applied the change in the method of depreciation which has resulted in **surplus of Rs. 5,82,35,074**. This surplus has been adjusted in the Statement of Profit and Loss.

Bloc k of Ass et	Depre ciation Reserv e as on 31 st March , 2024 Under WDV Metho d	Depre ciation Reserv e as on 31 st March , 2024 Under SLM Metho d	Effe ct of Cha nge
Buil ding	3,04,74,4 86	1,36,42,8 10	1,68,3 1,676
Plant & Machi nery	5,84,37,1 15	2,24,02,3 05	3,60,3 4,810
Electric al	57,93,590	42,87,280	15,06, 310

Equip ments			
Lab Equip ments	3,03,16,8 37	2,67,80,1 54	35,36, 683
Office Equip ments	26,315	26,315	0
Compu ters	9,87,564	9,17,606	69,958
Softwa re – Intangi bles	61,819	65,313	(3,494)
Furnitu re & Fixture s	3,63,620	2,56,939	1,06,6 81
Vehicle	3,92,223	2,39,774	1,52,4 49
	12,68,53, 569	6,86,18,4 96	5,82,3 5,073

d) 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 classifies its investments as either Current or Non-Current based on their nature and intended holding period. The cost of investments includes acquisition charges such as brokerage, fees and duties.

Non-Current Investments

Non-Current investments in Equity Instruments, Associates, Subsidiaries and Government Bonds are recognized at cost in accordance with Accounting Standard 13 (AS-13). The carrying amounts are assessed at each reporting date for indications of permanent impairment. When such indications exist, the recoverable amount is estimated to determine the impairment loss. Permanent impairments are established on an individual investment basis, representing a decline in value that is not merely temporary. Any impairment or reversal thereof is recognized in the Statement of Profit and Loss.

Current Investments

Current Investments, including investments in mutual funds, are carried at the lower of cost and fair value, determined either on an individual investment basis or by category of investment. Reductions in carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Disposal of Investments

On disposal of any 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

- Raw Materials,
- Work-in-Progress and
- 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) Sale of Services

Revenue from services rendered is recognized in accordance with Accounting Standard 9 (AS-9) when services are performed and the related economic benefits are expected to flow to the Company. Revenue is measured at the fair value of consideration received or receivable, net of returns, trade discounts, and taxes such as Goods and Services Tax (GST). The Company recognizes service revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the Company, and specific criteria have been met for each type of service contract.

Revenue from services rendered under a service contract is recognized based on the nature of the agreement with the customer. Revenue is recognized when the

services are substantially rendered or the performance obligation is completed and accepted by the customer, corresponding to the point at which the significant risks and rewards of service delivery are considered transferred. For contracts completed in full, revenue is recognized using the completed service contract method upon full performance and delivery, as evidenced by customer acceptance. For contracts that include specific, measurable performance milestones, revenue is recognized based on the achievement of these milestones, provided the stage of completion can be reliably measured.

If any portion of revenue is subject to contingencies or uncertainties, recognition is deferred until those uncertainties are resolved.

c) 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.

d) Dividend Income

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

e) 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 Rs
Receipts in Foreign Currency	2,40,13,95,410
Payment in Foreign Currency	2,40,46,37,958

e) Expenditure in Foreign Currency on account of the followin

I. Value of Imports calculated on C.I.F Basis

Particulars	FY 23-24	FY 22-23
Raw Materials	47,42,02,285	36,05,88,894
Carriage Inward Import	98,83,595	3,44,53,411
Components and Spare Parts	-	2,97
Capital Goods	31,17,216	4,60,70,213

II. Expenditure in Foreign currency other than above

Particulars	FY 23-24	FY 22-23
Royalty	-	-
Know, how	-	-
Professional and	11,76,340	6,34,429

Consultation charges		
Interest	-	-
Others	1,82,20,768	1,84,59,199

III. Total value if all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.

Particulars	FY 23-24	FY 22-23
Total Consumption as per Audited Financial statements	4,25,98,65,793	3,81,76,10,192
Imports	1,06,75,000	2,23,55,000
Opening	0	0
Closing	47,42,02,285	36,05,88,894
Purchases	85	94
Consumption (Imports)	44,12,54,292	37,22,68,894
Domestic Consumption (Total)	3,81,86,411	3,44,53,411
% of Consumption	10.35%	9.75%
Imports	89.65%	90.25%
Domestic		

IV. Earnings in foreign exchange

classified under the following heads, namely:

Particulars	FY 23-24	FY 22-23
Export of goods calculated on F.O.B. basis;	1,98,47,29,980	2,20,28,30,130
Export of Services	8,27,000	14,48,985
Royalty, know-how, professional and consultancy fees;	-	-
Interest and Dividend	-	-
Other Income Indicating the Nature thereof	-	-

2.14 Provisions and Contingent Liabilities and Assets:

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.

Note 3 - Share Capital

(₹ in Millions)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Share Capital		
Authorised capital		
3,81,50,000 Equity Shares of Rs. 10/- each (Previous year: 2,41,50,000 Equity Shares of Rs. 10/- each)	381.50	241.50
Preference Shares of Rs. 50/- each (Previous year: 14,00,000 Preference Shares of Rs. 50/- each)	-	70.00
	381.50	311.50
Issued, Subscribed and Paid up		
3,74,47,536 Equity Shares of Rs. 10/- each (Out of the above, 2,49,65,024 fully paid up Equity Shares of Rs. 10/- each, were issued by way of Bonus)	374.48	124.80
Total	374.48	124.80

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares Outstanding at the Beginning of the Year				
-Equity Shares	12.48	124.80	12.48	124.80
-Preference Shares	-	-	-	-
	12.48	124.80	12.48	124.80
Issued during the Year				
-Equity Shares				
On account of Scheme of Amalgamation	0.00	0.03	-	-
On account of Bonus Issue	24.97	249.65	-	-
-Preference Shares	-	-	-	-
Shares Outstanding at the End of the Year	37.45	374.48	12.48	124.80

Rights, Preference and Restrictions attached to Shares

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.

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, 2024		As at 31st March, 2023	
	No. of Shares held	(%) of holding	No. of Shares held	(%) of holding
Equity Shares				
G. Vedavathi	7.07	18.89%	2.26	18.12%
G. Chandra Mouliswar Reddy	3.75	10.01%	1.39	11.13%
G. Sri Vidya	3.89	10.39%	1.30	10.39%
G. Sri Lakshmi	4.09	10.93%	0.41	3.28%

Equity Shares allotted as fully paid up Bonus shares for the period of five year immediately preceding 31st March, 2024

The Board of Directors, at its meeting held on March 23, 2024, approved and recommended the issuance of fully paid bonus shares in the ratio of 2:1 (two bonus shares for every one existing share) out of its free reserves created out of profits.

Pursuant to the approval given by the shareholders in the Extraordinary General Meeting held on March 28, 2024, the Company has allotted 2,49,65,024 fully paid-up equity shares of face value Rs. 10/- each as bonus shares. The bonus shares were issued by capitalizing a sum of Rs. 24,96,50,240/- from the Free Reserves of the Company.

Consequently, the paid-up share capital of the Company has increased from Rs. 12,48,25,120/- to Rs. 37,44,75,360/-, consisting of 3,74,47,536 equity shares of Rs. 10/- each.

The Bonus shares, once allotted, shall rank pari passu in all respects and carry the same rights as the existing equity shares. They shall be entitled to participate in full in any dividend and other corporate actions recommended and declared after the new equity shares are allotted.

Shareholding of Promoters at the end of the year:

Name of Promoter	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	No. of Shares held	% of Total Shares	No. of Shares held	% of Total Shares	
G. Vedavathi	7.07	18.89%	2.26	18.12%	212.87%
G. Sri Lakshmi	4.09	10.93%	0.41	3.28%	898.67%
G. Sri Vidya	3.89	10.39%	1.30	10.39%	200.00%
G. Chandra Mouliswar Reddy	3.75	10.01%	1.64	13.10%	129.32%
Balasubba Reddy Mamilla	1.00	2.67%	0.33	2.66%	200.19%
Chandrasekhar Reddy Gangavaram	0.31	0.83%	0.10	0.81%	210.64%
Nagarjun Reddy Mamilla	0.19	0.51%	0.18	1.44%	5.90%
Kotla Suraj Reddy	0.00	0.00%	-	0.00%	100.00%

VIRUPAKSHA ORGANICS LIMITED**CIN: U24110TG1997PLC028281****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****Note 4 - Reserves & Surplus****(₹ in Millions)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Capital Reserve		
Opening Balance	2.33	2.33
Total A	2.33	2.33
B. Capital Redemption Reserve		
Opening Balance	60.87	60.87
Total B	60.87	60.87
C. Securities Premium		
Opening Balance	5.10	5.10
Total C	5.10	5.10
D. Surplus		
Profit and Loss Account (Opening Balance)	1,849.81	1,416.48
Add: Profit transferred from Statement of Profit & Loss	797.12	478.26
Less: Dividend on Equity Shares	-	-44.93
Less: Interim Dividend on Equity Shares	-37.45	-
Less: Utilisation for Bonus Issue	-249.65	-
Add: Surplus on account of change in Accounting Policy (Refer Note 2.2(c))	58.24	-
Total D	2,418.06	1,849.81
Closing Balance (A + B + C + D)	2,486.36	1,918.10

Note 5 - Share Capital Pending Allotment

Particulars	As at 31st March, 2024	As at 31st March, 2023
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	-	0.03
Total	-	0.03

Note 6 - Long-Term Borrowings**(Amount in Rs.)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Secured		
- Term Loan from Banks	562.41	612.54
- Term Loan from Financial Institutions	362.75	146.44
Less: Current Maturities on Long Term Loans (Note 9)	-279.71	-182.21
B. Unsecured		
- Loan from Financial Institutions	-	14.13
Less: Current Maturities on Long Term Loans (Note 9)	-	-0.81
- Loans and Advances from Related Parties	-	-
From Directors & Relatives of Directors	473.30	79.43
Total	1,118.76	669.52

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

Note 7 - Deferred Tax Liability (Net)

Opening Balance	124.04	98.84
Add: Deferred Tax Liability during the year	-5.95	25.19
Total	118.09	124.04

Note 8 - Long-Term Provisions

Provision for Employee Benefits		
- Provision for Gratuity	46.78	33.16
- Provision for Leave Encashment	23.49	24.94
Total	70.26	58.09

Note 9 - Short-Term Borrowings

Secured Loans		
Working Capital Loans - From Bank	871.71	1,134.66
Working Capital Loans - From Financial Institutions	150.86	150.00
Bills Discounting	220.68	265.35
Current Maturities of Long-Term Borrowings (Refer Note 6)	279.71	183.01
	1,522.95	1,733.02

Terms of Repayments:

The Loans are secured based on the following:

- Exclusive Charge based on the Fixed Assets created out of the respective Bank Term Loan
- First Charge based on Immovable Assets in the name of the Company and on the entire Current Assets ; present and future
- Second Charge based Unencumbered Movable Fixed Assets in the name of the Company ; present and future

Note 10 - Trade Payables**(Amount in Rs.)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total Outstanding Dues of Micro Enterprises and Small Enterprises	37.19	26.69
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1,060.73	1,312.88
Less : Inter Branch Owings	-	-179.04
Total	1,097.92	1,160.53

Note 11 - Other Current Liabilities

Creditors for Capital Items		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	7.58	9.09
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	90.91	88.96
Advance from Customers	9.97	18.76
Dividend Payable	-	44.93
Expenses Payable	88.06	44.10
Statutory Payables	13.82	10.29
Total	210.34	216.13

Note 12 - Short-Term Provisions

Provision for Income Tax	256.87	152.86
Provision for Employee Benefits	-	-
- Provision for Gratuity	11.01	7.56
- Provision for Leave Encashment	2.40	0.86
Total	270.28	161.28

VIRUPAKSHA ORGANICS LIMITED

CIN : U24110TG1997PLC028281

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

Note 10 - Trade Payables

Trade Payables Ageing Schedule

As on 31st March, 2024

Particulars	No Due	Outstanding for following periods from Due Date of Payment			Total
		Less than 1 year	1-2 years	2-3 years	
(i) MSME	108.05	97.15	-	-	205.21
(ii) Others	579.21	301.47	5.97	6.05	892.71
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
					1,096.92

As on 31st March, 2023

Particulars	Outstanding for following periods from Date of Transaction			
	Less than 1 year	1-2 years	2-3 years	Total
(i) MSME	64.15	-	-	64.15
(ii) Others	1,091.35	4.38	0.56	1,096.38
(iii) Disputed dues — MSME	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-
				1,160.53

VIRUPAKSHA ORGANICS LIMITED
CIN: U24110TG1997PLC028281
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 13 - Property, Plant & Equipment and Intangible Assets

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Block as at 01-04-2023	Additions during the year	Deletions during the year	Total Cost as at 31-03-2024	Upto 31-03-2023	For the year	Depreciation on Deletions	Total as at 31-03-2024
(i) Property, Plant and Equipments								
Land	30,75,31,815	14,77,94,086	0	45,53,25,901	0	0	0	45,53,25,901
Buildings	58,03,89,201	6,19,89,878	0	64,23,79,079	9,57,02,147	1,95,18,761	0	52,71,58,171
Plant & Machinery	1,40,71,16,767	24,08,63,280	68,15,018	1,64,11,65,029	33,53,36,713	6,74,55,279	3,56,314	1,23,87,29,351
Electrical Equipment	13,96,40,128	1,08,94,648	0	15,05,34,776	4,60,36,015	1,17,28,280	0	9,27,70,481
Lab Equipments and Factory Equipment	30,97,31,299	6,69,29,717	0	37,66,61,016	11,49,18,856	2,97,79,172	0	23,19,62,988
Office Equipment	2,35,23,285	32,34,003	0	2,67,57,288	1,18,63,469	36,15,994	0	1,12,77,825
Computers & Softwares	2,42,12,150	1,18,54,318	0	3,60,66,468	1,37,41,149	63,30,613	0	1,59,94,706
Furniture & Fixtures	4,34,07,708	1,50,93,810	0	5,85,01,518	93,36,813	47,40,304	0	4,44,24,401
Vehicles	6,92,98,847	2,70,94,414	15,79,357	9,48,13,904	3,15,00,742	74,54,994	11,71,402	5,70,29,570
Total Property, Plant & Equipment (i)	2,90,48,51,200	58,57,48,154	83,94,375	3,48,22,04,979	65,84,35,904	15,06,23,397	15,27,716	80,75,31,585
Previous Year	2,50,16,97,115	40,31,54,100	0	2,90,48,51,215	58,89,34,938	12,77,39,530	0	2,18,81,76,747
(ii) Intangible Assets								
Computer Software	68,750	0	0	68,750	65,313	0	0	65,313
Total Intangibles (ii)	68,750	0	0	68,750	65,313	0	0	65,313
Previous Year	68,750	0	0	68,750	59,387	2,432	0	61,819
								6,931
								9,363

NOTE - The difference between the balance of Accumulated Depreciation as on 31st March, 2023 and 1st April, 2023 is on account of change in method of depreciation, as mentioned in Note 2.2(b).

VIRUPAKSHA ORGANICS LIMITED

CIN : U24110TG1997PLC028281

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

Note 13 - Property, Plant & Equipment and Intangible Assets

(Amount in Rs.)

DESCRIPTION OF ASSET	Block as at 1st April, 2023	Additions During the Year	Capitalised During the Year	Block as at 31st March, 2024
(iii) Capital Work-in-Progress	173.39	302.86	28.07	448.18
Total	173.39	302.86	28.07	448.18
Previous Year	94.63	96.87	18.11	173.39

Capital Work in Progress Ageing Schedule

As on 31st March, 2024

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	293.68	85.18	22.90	447.68
Projects Temporarily Suspended	-	-	-	-

As on 31st March, 2023

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	96.87	29.90	45.17	173.39
Projects Temporarily Suspended	-	-	-	-

Note 14 - Non-Current Investments

A. Investments in Limited Liability Partnership		
M/s. Virupaksha Lifesciences LLP (Contributed towards 48% Share)	0.96	0.96
Total (A)	0.96	0.96
B. Investments in Equity Shares - Unquoted		
Vamsi Labs Limited (28,853 Equity Shares of Face value Rs. 10 each, at Rs. 866.46 each)	25.00	25.00
	-	-
ATGC Biotech Private Limited (6,814 Equity Shares of Face value Rs. 100 each, at Rs. 9,021.00 each)	61.47	-
	-	-
Acintyo Local Oriented Customer Applications Private Limited (80,000 Equity Shares of Face value Rs. 10 each, at Rs. 500.00 each)	40.00	20.00
	-	-
Standard Glass Lining Technology Limited (36,284 Equity Shares of Face value Rs. 10 each, at Rs. 688.91 each)	25.00	-
	-	-
Investment in Government Securities	-	-
(a) Investment in Karnataka Udyog Mitra	-	0.01
(b) Investment in National Savings Scheme (NSS)	-	0.03
Total (B)	151.47	45.03
C. Investments in Equity Share - Quoted		
Investment in Mutual Funds - Cost (Market value of Investments in Mutual Funds - Rs. 1,48,64,579.94)	13.30	-
Total (C)	13.30	-
Total - (A+B+C)	165.73	45.99

Note 15 - Long-Term Loans and Advances

Unsecured, Considered good		
Advance for Investment	-	20.00
Advance for Land	92.76	3.95
Total	92.76	23.95

Note 16 - Other Non-Current Assets**(Amount in Rs.)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits	34.29	25.90
Prepaid CSR Expense	6.68	2.11
Total	40.97	28.01

Note 17 - Current Investment

Investment in Mutual Funds	1.12	-
Total	1.12	-

Note 18 - Inventories

Raw Materials (At Cost)	438.42	392.10
Work-in-Progress (At Cost)	406.54	434.98
Finished Goods (At Cost)	161.69	200.12
Total	1,006.65	1,027.20

Note 19 - Trade Receivables

Unsecured and considered good	2,073.82	2,210.47
Less : Inter Branch Owings	-	-179.04
Total	2,073.82	2,031.43

VIRUPAKSHA ORGANICS LIMITED

CIN : U24110TG1997PLC028281

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

Note 19 - Trade Receivables

Trade Receivables Ageing Schedule

As on 31st March, 2024

Particulars	No Due	Outstanding for following periods from Due date of Payment					(Amount in Rs.)
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered Good	1,175.63	824.53	15.30	8.35	6.44	10.09	2,040.35
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered Good	-	-	-	-	-	33.48	33.48
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-	-
							2,073.82

As on 31st March, 2023

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	1,902.63	74.26	9.37	10.87	0.83	1,997.96
(ii) Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - Considered Good	-	-	-	32.70	0.77	33.48
(iv) Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-
						2,031.43

Note 20 - Cash and Cash Equivalents

Balances with Banks		
- In Current Account	65.39	33.34
- Deposits with original maturity less than 12 months	43.75	75.72
Cash on hand	1.18	0.53
Total	110.32	109.59

Note 21 - Short-Term Loans & Advances

Unsecured, considered good		
Advances to Related Parties	5.01	5.14
Advances for Investment	80.00	25.00
Advances for Capital Items	11.82	118.46
Advances for Employees & Others	23.76	12.65
Advances for Supplies	106.13	74.13
Other Loans and Advances	35.00	-
Total	261.72	235.38

Note 22 - Other Current Assets

Advance Tax and TDS & TCS Receivables	282.81	215.36
Balances with Excise, VAT & GST	65.31	40.39
Prepaid Expense	38.64	27.91
Other Current Assets	7.73	18.75
Total	394.49	302.41

Note 23 - Revenue from Operations**(Amount in Rs.)**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of Products	8,059.36	6,969.51
Less : Inter Branch transactions	-	-
- Virupaksha Inter Unit Sales	-396.74	-34.95
- Transfer from Virupaksha to Kshatriya	-	-202.55
- Transfer from Kshatriya to Virupaksha	-	-193.86
Sale of Service	0.83	1.51
Total	7,663.45	6,539.67

Note 24 - Other Income

Export Incentives	38.07	29.92
Bad Debts Recovered	-	1.13
Foreign Exchange Gains	21.19	24.61
Income from Mutual Funds- Short-term Capital Gains	1.15	-
Interest Income	4.45	3.42
Interest on Income Tax Refund	1.15	-
Sundry Creditors Written Off	0.15	21.67
Other Income	2.68	4.90
Total	68.84	85.65

Note 25 - Cost of Materials Consumed

Opening Stock	392.10	476.98
Add : Purchases - Raw Material	4,702.93	4,161.01
Less : Inter Branch Transactions	-	-
- Virupaksha Inter Unit Purchases	-396.74	-33.36
- Transfer from Kshatriya to Virupaksha	-	-193.11
- Transfer from Virupaksha to Kshatriya	-	-201.82
	4,698.29	4,209.71
Less : Closing Stock	-438.42	-392.10
Total	4,259.87	3,817.61

Note 26 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade**(Amount in Rs.)**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Work-in-Progress		
Opening	434.98	649.73
Closing	406.54	434.98
	28.44	214.75
Finished Goods		
Opening Stock	200.12	145.98
Closing Stock	161.69	200.12
	38.43	-54.13
Total	66.87	160.62

Note 27 - Employee Benefits Expense

Salaries & Wages	393.15	282.09
Contract Labour Charges	219.20	197.83
Bonus	51.35	20.27
Staff Welfare	23.65	20.15
Directors Remuneration	34.68	15.12
PF Contribution	15.79	9.81
ESI Contribution	1.32	0.89
Gratuity	18.54	6.38
Leave Encashment	0.85	13.91
Total	758.53	566.45

Note 28 - Finance Costs

Interest on Working Capital Loans	91.79	75.40
Interest Paid on Term Loans	69.95	56.90
Interest Paid on Unsecured Loans	31.66	10.82
Letter of Credit Charges	23.35	30.90
Finance Charges	11.58	14.45
Total	228.33	188.48

Note 29 - Other Expenses**(Amount in Rs.)**

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Power & Fuel	311.18	333.36
Conversion Charges	43.93	20.53
Stores & Consumables	206.64	166.44
Carriage Inwards & Outwards	91.98	100.09
Travelling & Conveyance	47.02	25.13
Printing & Stationery	10.36	8.54
Postage & Telephone Charges	2.46	1.89
Rates & Taxes	15.69	19.95
Security Charges	17.53	14.01
Auditors Remuneration	-	-
(i) Statutory Audit	1.30	1.55
(ii) Tax Audit	0.50	0.50
Effluent Treatment Charges	35.38	36.32
FDA & ISO Expenses	11.69	11.01
Factory Expenses	26.46	13.60
Office Maintenance	1.92	1.75
Professional & Legal Charges	38.42	37.58
Sales Commission	103.93	117.54
Insurance Charges	80.45	68.48
Membership & Subscriptions	0.55	1.80
Corporate Social Responsibility Expenses	10.23	8.27
Repairs & Maintenance	-	-
- Building	57.62	40.47
- Plant & Machinery	25.60	20.73
- Vehicles	3.76	2.29
- Others	18.85	10.83
Testing Charges	9.41	16.24
Bank Charges	3.76	0.73
Business Promotion Expenses	30.81	19.72
Bad Debts Written Off	0.81	0.82
Amalgamation Expenses Written Off	-	0.03
Interest on GST	1.21	0.28
Donation	0.55	2.20
Prior Period Expenses	-	1.30
Rental Expense	5.69	2.99
Loss on Sale of Asset	1.62	-
Other Expenses	1.68	0.94
Total	1,218.99	1,107.91

Note 30 - Earnings Per Share

Profit / (Loss) for the Period	797.12	478.26
Net Profit / (Loss) for Calculation of Diluted EPS	797.12	478.26
Weighted average number of Equity Shares for Calculating EPS	37.45	37.45
Earnings Per Share of face value Rs.10/- - Basic and Diluted (in Rs.)	21.29	12.77

Note 31 - Gratuity

The Following tables summarise the components of Gratuity

1) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Defined Benefit Obligation	52.17	40.62
Transfer in/(out) Obligation	1.81	-
Current Service Cost	10.58	6.65
Interest Cost	3.83	2.92
Actuarial loss/(gain)	5.13	2.59
Past Service Cost	-	-
Loss/(gain) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in an Amalgamation in the nature of Purchase	-	-
Exchange differences on Foreign Plans	-	-
Benefit paid from Fund	-	-
Benefits paid by Company	1.47	0.61
Closing Defined Benefit Plan	72.04	52.17

2) An Analysis of the defined benefit obligation into amounts arising from plans that are wholly unfunded and amounts arising from

Present Value of Unfunded Obligations	-	-
Present Value of Funded Obligations	72.04	52.17
Fair value of Plan Assets	-14.26	-13.26
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	57.78	38.91

3) A reconciliation of the opening and closing balances of the fair value of plan assets, the effects during the period attributable to each of the following:

Opening value of plan assets	13.26	8.56
Transfer in/(out) plan assets	-	-
Expected return	1.12	0.79
Actuarial gain/(loss)	-0.12	0.10
Assets distributed on settlements	-	-
Contributions by employer	-	1.00
Contribution by employee	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Adjustment to the Opening fund	-	2.80
Closing value of plan assets	14.26	13.26

4) Funded Status of the Plan

Present Value of Unfunded Obligations	-	-
Present Value of Funded Obligations	72.04	52.17
Fair value of Plan Assets	-14.26	-13.26
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	57.78	38.91

5) The total expense recognised in the Statement of Profit and loss

(Amount in Rs.)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Current Service Cost	10.58	6.65
Interest on Obligation	3.83	2.92
Expected return on Plan Assets	-1.12	-0.79
Net Actuarial loss/(gain)	5.26	2.49
Total included in 'Employee Benefit Expense'	18.54	11.27

6) Composition of Plan Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Government of India Securities	-	-
State Government Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Policy of Insurance	0.00	0.00
Bank Balance	-	-
Other Investments	-	-
Total	1.00	1.00

7) The principal actuarial assumptions used as at the balance sheet date

Discount Rate	7.20% p.a.	7.50% p.a.
Salary growth	10.00% p.a.	10.00% p.a.
Expected rate of return	7.20% p.a.	7.50% p.a.
Withdrawals rate	Age 25 & Below : 20%	Age 25 & Below : 1%
	25 to 35 : 15 % p.a.	25 to 35 : 1 % p.a.
	35 to 45 : 10 % p.a.	35 to 45 : 1 % p.a.
	45 to 55 : 5 % p.a.	45 to 55 : 1 % p.a.
	55 & above : 1 % p.a.	55 & above : 1 % p.a.

8) Experience Adjustments

Defined Benefit Obligation	72.04	52.17
Plan Assets	14.26	13.26
Surplus/(Deficit)	57.78	38.91
Experience Adjustments on Plan Liabilities	-0.13	4.00
Actuarial loss/(gain) due to change in financial assumptions	1.70	-1.41
Actuarial loss/ (gain) due to change in demographic assumption	3.57	-
Experience adjustments on plan assets	0.12	-0.10
Net Actuarial loss/ (gain) for the year	5.26	2.49

Note 32 - Contingent Liabilities

Guarantees		
- Outstanding Bank Guarantees	1.49	2.39
Legal Proceedings initiated by Electricity Board	19.05	-

Note 32 - Related Parties**A) Name of the Related Party and Nature of Relationship**

Name of the Related Party	Nature of Relationship
G. Chandra Mouliswar Reddy	Key Managerial Personnel
M .BalaSubba Reddy	Key Managerial Personnel
G. Chandra Sekhar Reddy	Key Managerial Personnel
S. Prathap Kumar*	Key Managerial Personnel
Vikas Kurada**	Key Managerial Personnel
Prasad Reddy Battinapatla***	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 Lifesciences LLP	Associate
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
Sreekari Developers	Enterprise over which KMP exercise significant influence

* Resigned as Company Secretary on 10th May 2023

** Appointed as Company Secretary on 17th June, 2023

*** Appointed as Chief Financial Officer on 3rd May, 2024

B) Summary of Transactions with Related Parties :

Name of the Related Party	Nature of Transaction	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
G. Chandra Sekhar Reddy	Directors Remuneration	4.80	4.20
G. Chandra Mouliswar Reddy	Borrowings	122.25	28.30
	Repayment of Loan	52.80	34.00
	Directors Remuneration	24.00	6.00
	Interest on Unsecured Loan	5.73	0.39
M .BalaSubba Reddy	Borrowings	27.30	26.50
	Repayment of Loan	36.47	11.60
	Directors Remuneration	5.88	4.92
	Interest on Unsecured Loan	1.91	0.83
S. Prathap Kumar*	Employee Benefit Expense	0.07	0.60
Vikas Kurada**	Employee Benefit Expense	0.67	0.00
G. Vedavathi	Borrowings	404.00	38.70
	Repayment of Loan	68.54	49.10
	Interest on Unsecured Loan	21.05	5.47
M. Nagarjuna Reddy	Borrowings	0.00	6.80
	Repayment of Loan	0.00	6.80
	Employee Benefit Expense	4.68	3.72
	Interest on Unsecured Loan	0.00	0.64
Suraj Reddy	Employee Benefit Expense	4.72	3.72
Sandeep Reddy	Employee Benefit Expense	4.72	3.72
G Sreerami Reddy	Employee Benefit Expense	5.76	4.80
G. Sri Lakshmi	Employee Benefit Expense	0.00	0.78
G. Rukmini	Employee Benefit Expense	0.00	0.60
Virupaksha Laboratories Private Limited	Purchase of Raw Material	934.19	837.77
	Rent Expense	3.54	2.99
	Other Expense	0.86	0.15
	Revenue from Operations	442.60	496.83
Viruj Pharmaceuticals Private Limited	Purchase of Raw Material	0.00	0.01
	Revenue from Operations	135.70	141.29
V Indaf Overseas Private Limited	Loans and Advances Given	0.06	0.84
	Loans and Advances Returned	0.19	0.71
Chandra Mouliswar Reddy Gangavaram - HUF	Borrowings	1.50	0.50
	Repayment of Loan	2.82	16.20
	Interest on Unsecured Loan	1.25	1.85

Note 32 - Related Party (Continued)**C) The Amount Outstanding from Related Parties are as follows:**

Name of the Related Party	Nature of Amount Outstanding	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Virupaksha Lifesciences LLP	Trade Receivables	9.24	9.24
Virupaksha Lifesciences LLP	Non Current Investment	0.00	0.96
G. Chandra Sekhar Reddy	Directors Remuneration	0.40	0.35
G. Chandra Mouliswar Reddy	Long-Term Borrowings - Unsecured	81.91	10.12
G. Chandra Mouliswar Reddy	Directors Remuneration	0.00	0.50
M.BalaSubba Reddy	Long-Term Borrowings - Unsecured	7.47	16.78
M.BalaSubba Reddy	Directors Remuneration	0.49	0.41
G. Vedavathi	Long-Term Borrowings - Unsecured	375.56	40.46
Virupaksha Laboratories Private Limited	Trade Receivables	52.91	104.57
Virupaksha Laboratories Private Limited	Trade Payables	0.00	0.01
Viruj Pharmaceuticals Private Limited	Trade Receivables	39.65	68.13
V Indaf Overseas Private Limited	Short-Term Loan and Advances	0.01	0.14
Chandra Mouliswar Reddy Gangavaram - HUF	Long-Term Borrowings - Unsecured	10.68	12.03
Sreekari Developers	Short-Term Loan and Advances	5.00	0.00
Vikas Kurada**	Other Current Liabilities	0.06	0.00
M. Nagarjuna Reddy	Short-Term Loan and Advances	0.00	0.70
M. Nagarjuna Reddy	Other Current Liabilities	0.39	0.31
Suraj Reddy	Other Current Liabilities	0.39	0.31
Sandeep Reddy	Other Current Liabilities	0.39	0.31
G. Rukmini	Other Current Liabilities	0.00	0.05
S. Prathap Kumar*	Other Current Liabilities	0.00	0.05
G Sreerami Reddy	Other Current Liabilities	0.48	0.40

Note 33 - Ratios

Particulars	FY 2023-24	FY 2022-23	Variance
Current Ratio	1.24	1.13	9%
Debt-Equity Ratio	0.92	1.18	-21%
Debt Service Coverage Ratio*	0.84	1.27	-34%
Return on Equity Ratio*	2.13	3.83	-44%
Inventory Turnover Ratio*	4.25	3.46	100%
Trade Receivables Turnover Ratio	3.73	3.66	2%
Trade Payables Turnover Ratio*	2.93	1.98	48%
Net Capital Turnover Ratio	12.98	15.34	-15%
Net Profit Ratio*	0.10	0.07	42%
Return on Capital Employed	0.37	0.32	17%
Return on Investment	0.01	0.00	0%

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

- Debt Service Coverage Ratio has declined on account of increase in Borrowing during the year.
- Return on Equity Ratio has declined on account of increase in Share Capital during the year due to Bonus Issue and borrowings
- Inventory Turnover Ratio has increased on account of better inventory management during the year.
- Trade Payables Turnover Ratio has increased on account of increase in Purchases and decrease in average Trade Payables.
- Net Profit Ratio has increased on account of increase in Net Profit and Net sales during the year.

Note 34 - Corporate Social Responsibility

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
a) Amount required to be spent by the Company during the year	10.23	8.27
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	14.80	10.38
c) (Excess) spend of prior years set off during the year	-2.11	-
d) (Excess)/Shortfall at the end of the year [(d)=(a)-(b)+(c)]	-6.68	-2.11
e) Total of previous years shortfall	0	0
f) Reason for shortfall	NA	NA

Nature of CSR Activities undertaken:

During the year, the Company has undertaken the following CSR activities:

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

Form No. MGT-11**PROXY Form**

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

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID*	DP ID*

I/We, being the member(s) of **VIRUPAKSHA ORGANICS LIMITED** holding _____ shares of the above-named company. Hereby appoint:

Name:	E-mail Id:
Address:	
Signature, or failing him	

Name:	E-mail Id:
Address:	
Signature, or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on Monday, the 30th day of December, 2024 at 11.00 A.M at its registered office situated at # Plot No.: B-1 & B-2 (Part), IDA Gandhi Nagar, Medchal-Malkajgiri (District), Hyderabad, Rangareddy, Telangana, India - 500037; and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(S)	Vote	
		For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Mr Chandra Mouliswar Reddy Gangavaram (DIN: 00046845) who retires by rotation and being eligible offers himself for re-appointment.		
3	To appoint a Director in place of Mr. Balasubba Reddy Mamilla (DIN: 01998852) who retires by rotation and being eligible offers himself for re-appointment.		
4	Appointment of Auditor M/s C. Ramachandram & Co., Chartered Accountants (Firm Registration No. 002864S) as a Statutory auditor of the Company.		
5	Increase in Remuneration of Mr. Chandra Mouliswar Reddy Gangavaram (DIN 00046845) Managing Director of the Company.		
6	Ratification of Cost Auditors' remuneration		

Signed this _____ day of _____, 2024

Affix
Revenue
Stamps

Signature of Shareholder Signature of Proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company before the commencement of the Meeting. The proxy need not be a member of the company.

VIRUPAKSHA ORGANICS LIMITED
CIN U24110TG1997PLC028281

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

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

27th Annual General Meeting on Monday, the 30th day of December, 2024 at 11.00 A.M. (IST)

Full name of the member(s) attending _____

(In block capitals)

Ledger Folio No. /Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 27th Annual General Meeting of the **M/s. VIRUPAKSHA ORGANICS LIMITED** at its registered office situated at # Plot No.: B-1 & B-2, IDA Gandhi Nagar, Medchal-Malkajgiri (District), Hyderabad, Ranga reddy, Telangana, India - 500037 on Monday, the 30th day of December, 2024 at 11:00 A.M.

(Member's /Proxy's Signature)

Note:

1. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2. The Proxy, to be effective should be deposited at the Registered Office of the Company before the commencement of the meeting.
3. A Proxy need not be a member of the Company.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.