

# INDEPENDENT AUDITOR'S REPORT

To the Members of VIRUPAKSHA ORGANICS LIMITED

Report on the Audit of Standalone Financial Statements

## Opinion

We have audited the accompanying Financial Statements of **M/s VIRUPAKSHA ORGANICS LIMITED ("the Company")** which comprise the Balance Sheet as at 31<sup>st</sup> March 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> 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: 2<sup>nd</sup> 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: 2<sup>nd</sup> 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 31<sup>st</sup> 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: 2<sup>nd</sup> 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 31<sup>st</sup> 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**

<b>VIRUPAKSHA ORGANICS LIMITED</b>			
<b>CIN: U24110TG1997PLC028281</b>			
<b>BALANCE SHEET AS AT 31st MARCH 2024</b>			
(₹ in Millions)			
Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	374.48	124.80
(b) Reserves & Surplus	4	2,486.36	1,918.10
<b>2. Share Capital Pending Allotment</b>	5	-	0.03
<b>3. Non-Current Liabilities</b>			
(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
<b>4. Current Liabilities</b>			
(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
<b>TOTAL</b>		<b>7,269.43</b>	<b>6,165.54</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(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
<b>2. Current Assets</b>			
(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
<b>TOTAL</b>		<b>7,269.43</b>	<b>6,165.54</b>
<b>Notes on Accounts &amp; Significant Accounting Policies</b>			
		<b>1 &amp; 2</b>	
As per our Report of even date		For and on behalf of the Board	
<b>For Suryachandra &amp; Associates</b>			
<b>Chartered Accountants</b>			
<b>Firm Registration No. 004297 S</b>		Sd/-	Sd/-
		(M. BALASUBBA REDDY)	(G. CHANDRA MOULISWAR REDDY)
		Whole Time Director	Managing Director
		JIN: 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			

<b>VIRUPAKSHA ORGANICS LIMITED</b>			
<b>CIN: U24110TG1997PLC028281</b>			
<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2024</b>			
(₹ in Millions)			
Particulars	Note	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>INCOME</b>			
Revenue from Operations	23	7,663.45	6,539.67
Other Income	24	68.84	85.65
<b>Total Income</b>		<b>7,732.28</b>	<b>6,625.33</b>
<b>EXPENSE</b>			
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
<b>Total Expenses</b>		<b>6,683.21</b>	<b>5,968.81</b>
<b>PROFIT BEFORE TAX</b>		<b>1,049.08</b>	<b>656.52</b>
Tax expense:			
(1) Current Tax		256.87	152.86
(2) Deferred Tax		-5.95	25.19
(3) Prior Period Tax		1.03	0.21
<b>Total Tax expense</b>		<b>251.96</b>	<b>178.26</b>
<b>PROFIT FOR THE YEAR</b>		<b>797.12</b>	<b>478.26</b>
<b>Earning Per Share (in Rs.)</b>	30		
- Basic		21.29	12.77
- Diluted		21.29	12.77
<b>Notes on Accounts &amp; Significant Accounting Policies</b>			
<b>1 &amp; 2</b>			
As per our Report of even date		For and on behalf of the Board	
<b>For Suryachandra &amp; Associates</b>			
<b>Chartered Accountants</b>			
<b>Firm Registration No. 004297 S</b>			
Sd/-	Sd/-	Sd/-	
<b>(R. SURYA CHANDRA REDDY)</b>	<b>(M. BALASUBBA REDDY)</b>	<b>(G. CHANDRA MOULISWAR REDDY)</b>	
<b>Partner</b>	<b>Whole Time Director</b>	<b>Managing Director</b>	
<b>Membership No. 025709</b>	<b>UIN: 01998852</b>	<b>DIN: 00046845</b>	
Sd/-	Sd/-	Sd/-	
<b>(PRASAD REDDY BATTINAPATLA)</b>	<b>(CS VIKAS KURADA)</b>	<b>(CS VIKAS KURADA)</b>	
<b>Chief Financial Officer</b>	<b>Company Secretary</b>		
<b>Place : Hyderabad</b>	<b>Membership No. A54105</b>		
<b>Date : 2nd October, 2024</b>			

<b>VIRUPAKSHA ORGANICS LIMITED</b>		
<b>CIN: U24110TG1997PLC028281</b>		
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024</b>		
(₹ in Millions)		
Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>Cash flows from Operations</b>		
Profit Before Tax from Operations	1,049.08	656.52
<b>Adjustment for Non-Cash Items</b>	-	-
Depreciation and Amortization	150.62	127.74
Provision for Employee Benefits	12.17	17.08
Investment Written off	0.03	-
Dividend Payable	-	-44.93
<b>Adjustment for Non-Operating Items</b>	-	-
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
<b>Cash flow before Non-Cash &amp; Non-Operating Adjustments</b>	<b>1,434.86</b>	<b>940.36</b>
<b>Operating Profit before Working Capital Changes</b>	<b>1,434.86</b>	<b>940.36</b>
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
<b>Net Cash flow from / (used in) Operations before Tax</b>	<b>1,066.55</b>	<b>818.31</b>
Prior Period Tax	-1.03	-0.21
Interest on Income Tax Refund	1.15	-
Income Tax Paid	-152.86	-25.90
<b>Net Cash flow from / (used in) Operations (A)</b>	<b>913.81</b>	<b>792.21</b>
<b>Cash flows from Investing Activities</b>		
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	-
<b>Net Cash flow from / (used in) Investing Activities (B)</b>	<b>-1,051.11</b>	<b>-528.11</b>
<b>Cash flows from Financing Activities</b>		
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
<b>Net Cash flow from / (used in) Financing Activities (C)</b>	<b>138.03</b>	<b>-239.70</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents during the year (A+B+C)</b>	<b>0.73</b>	<b>24.40</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>109.59</b>	<b>84.69</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>110.32</b>	<b>109.09</b>
As per our Report of even date	For and on behalf of the Board	
<b>For Suryachandra &amp; Associates</b>		
<b>Chartered Accountants</b>		
<b>Firm Registration No. 004297 S</b>	Sd/- <b>(M. BALASUBBA REDDY)</b> Whole Time Director DIN: 01998852	Sd/- <b>(G. CHANDRA MOULISWAR REDDY)</b> Managing Director DIN: 00046845
Sd/- <b>(R. SURYA CHANDRA REDDY)</b> Partner Membership No. 025709	Sd/- <b>(PRASAD REDDY BATTINAPATLA)</b> Chief Financial Officer	Sd/- <b>(CS VIKAS KURADA)</b> 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 3<sup>rd</sup> November, 1997 under the Companies Act, 1956 applicable in India. The Company is headquartered in and has its registered office in Hyderabad. The Company is principally engaged in manufacturing and marketing of Active Pharmaceutical Ingredients (APIs), Generic Pharmaceuticals, Bulk Drugs, Intermediates and Differentiated Formulations. The Company’s principal manufacturing facilities are located in Kazipally, Pashamylaram, Humnabad, and Gandhi Nagar. The company has a predominance in exports with a presence in over 70+ countries.

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

Block of Asset	Depreciation Reserve as on 31 <sup>st</sup> March, 2024 Under WDV Method	Depreciation Reserve as on 31 <sup>st</sup> March, 2024 Under SLM Method	Effect of Change
Building	3,04,74,486	1,36,42,810	1,68,31,676
Plant & Machinery	5,84,37,115	2,24,02,305	3,60,34,810
Electrical	57,93,590	42,87,280	15,06,310

Equipments			
Lab Equipments	3,03,16,837	2,67,80,154	35,36,683
Office Equipments	26,315	26,315	0
Computers	9,87,564	9,17,606	69,958
Software – Intangibles	61,819	65,313	(3,494)
Furniture & Fixtures	3,63,620	2,56,939	1,06,681
Vehicle	3,92,223	2,39,774	1,52,449
	<b>12,68,53,569</b>	<b>6,86,18,496</b>	<b>5,82,35,073</b>

**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

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

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

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

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

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

## **2.6 Cash and Cash Equivalents**

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

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

## **2.7 Revenue Recognition**

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

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

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

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

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

### **b) 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	Imports	
Receipts in Foreign Currency	2,40,13,95,410	1,06,75,000	2,23,55,000
Payment in Foreign Currency	2,40,46,37,958	47,42,02,285	36,05,88,894

### e) Expenditure in Foreign Currency on account of the followin

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

Particulars	FY 23-24	Consumption (Imports)	FY 22-23
Raw Materials	47,42,02,285	36,05,88,894	37,22,68,894
Carriage Inward Import	98,83,595	58,18,401	3,44,53,411
Components and Spare Parts	-	501	297
Capital Goods	31,17,216	(Total)	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
Opening	0	0
Purchases	85	94
Closing	4,36,22,993	1,06,75,000
Consumption (Imports)	44,12,54,292	37,22,68,894
Domestic Consumption (Total)	58,18,401	3,44,53,411
Consumption - Import Consumption)		
% of Consumption		
Imports	10.35%	9.75%
Domestic	89.65%	90.25%

### 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:

### 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
<b>Share Capital</b>		
<b>Authorised capital</b>		
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
	<b>381.50</b>	<b>311.50</b>
<b>Issued, Subscribed and Paid up</b>		
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
<b>Total</b>	<b>374.48</b>	<b>124.80</b>

**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.)
<b>Shares Outstanding at the Beginning of the Year</b>				
-Equity Shares	12.48	124.80	12.48	124.80
-Preference Shares	-	-	-	-
	<b>12.48</b>	<b>124.80</b>	<b>12.48</b>	<b>124.80</b>
<b>Issued during the Year</b>				
-Equity Shares				
On account of Scheme of Amalgamation	0.00	0.03	-	-
On account of Bonus Issue	24.97	249.65	-	-
-Preference Shares	-	-	-	-
<b>Shares Outstanding at the End of the Year</b>	<b>37.45</b>	<b>374.48</b>	<b>12.48</b>	<b>124.80</b>

**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
<b>Equity Shares</b>				
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%
Balsubba 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%

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**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
<b>A. Capital Reserve</b>		
Opening Balance	2.33	2.33
<b>Total A</b>	<b>2.33</b>	<b>2.33</b>
<b>B. Capital Redemption Reserve</b>		
Opening Balance	60.87	60.87
<b>Total B</b>	<b>60.87</b>	<b>60.87</b>
<b>C. Securities Premium</b>		
Opening Balance	5.10	5.10
<b>Total C</b>	<b>5.10</b>	<b>5.10</b>
<b>D. Surplus</b>		
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	-
<b>Total D</b>	<b>2,418.06</b>	<b>1,849.81</b>
<b>Closing Balance (A + B + C + D)</b>	<b>2,486.36</b>	<b>1,918.10</b>

**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
<b>Total</b>	-	<b>0.03</b>

**Note 6 - Long-Term Borrowings**

(Amount in Rs.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>A. Secured</b>		
- 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>B. Unsecured</b>		
- 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
<b>Total</b>	<b>1,118.76</b>	<b>669.52</b>

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
<b>Total</b>	<b>118.09</b>	<b>124.04</b>

**Note 8 - Long-Term Provisions**

Provision for Employee Benefits		
- Provision for Gratuity	46.78	33.16
- Provision for Leave Encashment	23.49	24.94
<b>Total</b>	<b>70.26</b>	<b>58.09</b>

**Note 9 - Short-Term Borrowings**

<b>Secured Loans</b>		
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
	<b>1,522.95</b>	<b>1,733.02</b>

**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
<b>Total</b>	<b>1,097.92</b>	<b>1,160.53</b>

**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
<b>Total</b>	<b>210.34</b>	<b>216.13</b>

**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
<b>Total</b>	<b>270.28</b>	<b>161.28</b>

**VIRUPAKSHA ORGANICS LIMITED**

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**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	More than 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	-	-	-	-	-	-
						<b>1,096.92</b>

**As on 31st March, 2023**

Particulars	Outstanding for following periods from Date of Transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	64.15	-	-	-	64.15
(ii) Others	1,091.35	4.38	0.56	0.09	1,096.38
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-
					<b>1,160.53</b>

**VIRUPAKSHA ORGANICS LIMITED**  
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**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	As at 31-03-2024	As at 31-03-2023
<b>(i) Property, Plant and Equipments</b>										
Land	30,75,31,815	14,77,94,086	0	45,53,25,901	0	0	0	0	45,53,25,901	30,75,31,815
Buildings	58,03,89,201	6,19,89,878	0	64,23,79,079	9,57,02,147	1,95,18,761	0	11,52,20,908	52,71,58,171	48,46,87,055
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	40,24,35,678	1,23,87,29,351	1,07,17,80,054
Electrical Equipment	13,96,40,128	1,08,94,648	0	15,05,34,776	4,60,36,015	1,17,28,280	0	5,77,64,295	9,27,70,481	9,36,04,113
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	14,46,98,028	23,19,62,988	19,48,12,444
Office Equipment	2,35,23,285	32,34,003	0	2,67,57,288	1,18,63,469	36,15,994	0	1,54,79,463	1,12,77,825	1,16,59,816
Computers & Softwares	2,42,12,150	1,18,54,318	0	3,60,66,468	1,37,41,149	63,30,613	0	2,00,71,762	1,59,94,706	1,04,71,001
Furniture & Fixtures	4,34,07,708	1,50,93,810	0	5,85,01,518	93,36,813	47,40,304	0	1,40,77,117	4,44,24,401	3,40,70,895
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	3,77,84,334	5,70,29,570	3,77,98,105
<b>Total Property, Plant &amp; Equipment (i)</b>	<b>2,90,48,51,200</b>	<b>58,57,48,154</b>	<b>83,94,375</b>	<b>3,48,22,04,979</b>	<b>65,84,35,904</b>	<b>15,06,23,397</b>	<b>15,27,716</b>	<b>80,75,31,585</b>	<b>2,67,46,73,394</b>	<b>2,24,64,15,298</b>
<b>Previous Year</b>	<b>2,50,16,97,115</b>	<b>40,31,54,100</b>	<b>0</b>	<b>2,90,48,51,215</b>	<b>58,89,34,938</b>	<b>12,77,39,530</b>	<b>0</b>	<b>71,66,74,468</b>	<b>2,18,81,76,747</b>	<b>1,91,27,62,177</b>
<b>(ii) Intangible Assets</b>										
Computer Software	68,750	0	0	68,750	65,313	0	0	65,313	3,437	3,437
<b>Total Intangibles (ii)</b>	<b>68,750</b>	<b>0</b>	<b>0</b>	<b>68,750</b>	<b>65,313</b>	<b>0</b>	<b>0</b>	<b>65,313</b>	<b>3,437</b>	<b>3,437</b>
<b>Previous Year</b>	<b>68,750</b>	<b>0</b>	<b>0</b>	<b>68,750</b>	<b>59,387</b>	<b>2,432</b>	<b>0</b>	<b>61,819</b>	<b>6,931</b>	<b>9,363</b>

**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**

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**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	448.18
<b>Total</b>	<b>173.39</b>	<b>302.86</b>	<b>28.07</b>	<b>448.18</b>	<b>448.18</b>
Previous Year	94.63	96.87	18.11	173.39	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	
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	
Projects in Progress	96.87	29.90	45.17	173.39
Projects Temporarily Suspended	-	-	-	-

**Note 14 - Non-Current Investments**

<b>A. Investments in Limited Liability Partnership</b>		
M/s. Virupaksha Lifesciences LLP (Contributed towards 48% Share)	0.96	0.96
<b>Total (A)</b>	<b>0.96</b>	<b>0.96</b>
<b>B. Investments in Equity Shares - Unquoted</b>		
Vamsi Labs Limited (28,853 Equity Shares of Face value Rs. 10 each, at Rs. 866.46 each)	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
<b>Total (B)</b>	<b>151.47</b>	<b>45.03</b>
<b>C. Investments in Equity Share - Quoted</b>		
Investment in Mutual Funds - Cost (Market value of Investments in Mutual Funds - Rs. 1,48,64,579.94)	13.30	-
<b>Total (C)</b>	<b>13.30</b>	<b>-</b>
<b>Total - (A+B+C)</b>	<b>165.73</b>	<b>45.99</b>

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

<b>Unsecured, Considered good</b>		
Advance for Investment	-	20.00
Advance for Land	92.76	3.95
<b>Total</b>	<b>92.76</b>	<b>23.95</b>

**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
<b>Total</b>	<b>40.97</b>	<b>28.01</b>

**Note 17 - Current Investment**

Investment in Mutual Funds	1.12	-
<b>Total</b>	<b>1.12</b>	<b>-</b>

**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
<b>Total</b>	<b>1,006.65</b>	<b>1,027.20</b>

**Note 19 - Trade Receivables**

<b>Unsecured and considered good</b>		
Less : Inter Branch Owings	-	-179.04
<b>Total</b>	<b>2,073.82</b>	<b>2,031.43</b>

**VIRUPAKSHA ORGANICS LIMITED**

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**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					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	1,175.63	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	-	-	-	-	-	-	-
							<b>2,073.82</b>

**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	-	-	-	-	-	-
						<b>2,031.43</b>

**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
<b>Total</b>	<b>110.32</b>	<b>109.59</b>

**Note 21 - Short-Term Loans & Advances**

<b>Unsecured, considered good</b>		
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	-
<b>Total</b>	<b>261.72</b>	<b>235.38</b>

**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
<b>Total</b>	<b>394.49</b>	<b>302.41</b>

**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
<b>Total</b>	<b>7,663.45</b>	<b>6,539.67</b>

**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
<b>Total</b>	<b>68.84</b>	<b>85.65</b>

**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
<b>Total</b>	<b>4,259.87</b>	<b>3,817.61</b>

**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
<b>Work-in-Progress</b>		
Opening	434.98	649.73
Closing	406.54	434.98
	<b>28.44</b>	<b>214.75</b>
<b>Finished Goods</b>		
Opening Stock	200.12	145.98
Closing Stock	161.69	200.12
	<b>38.43</b>	<b>-54.13</b>
<b>Total</b>	<b>66.87</b>	<b>160.62</b>

**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
<b>Total</b>	<b>758.53</b>	<b>566.45</b>

**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
<b>Total</b>	<b>228.33</b>	<b>188.48</b>

**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
<b>Total</b>	<b>1,218.99</b>	<b>1,107.91</b>

**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.)	<b>21.29</b>	<b>12.77</b>

**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
<b>Closing Defined Benefit Plan</b>	<b>72.04</b>	<b>52.17</b>

**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	-	-
<b>Net Liability (Asset)</b>	<b>57.78</b>	<b>38.91</b>

**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
<b>Closing value of plan assets</b>	<b>14.26</b>	<b>13.26</b>

**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	-	-
<b>Net Liability (Asset)</b>	<b>57.78</b>	<b>38.91</b>

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
<b>Total included in 'Employee Benefit Expense'</b>	<b>18.54</b>	<b>11.27</b>

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	-	-
<b>Total</b>	<b>1.00</b>	<b>1.00</b>

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
<b>Surplus/(Deficit)</b>	<b>57.78</b>	<b>38.91</b>
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
<b>Net Actuarial loss/ (gain) for the year</b>	<b>5.26</b>	<b>2.49</b>

Note 32 - Contingent Liabilities

<b>Guarantees</b>		
- Outstanding Bank Guarantees	1.49	2.39
<b>Legal Proceedings initiated by Electricity Board</b>	<b>19.05</b>	<b>-</b>

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

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
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 27<sup>th</sup> Annual General Meeting of the company, to be held on Monday, the 30<sup>th</sup> 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
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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**

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**ATTENDANCE SLIP**

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

**27<sup>th</sup> Annual General Meeting on Monday, the 30<sup>th</sup> 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 27<sup>th</sup> 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 30<sup>th</sup> 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.