



INDEPENDENT AUDITOR'S REPORT

To the Members of

M/s.VIRINCHI CAPITALPRIVATE LIMITED

Report on the Audit of the Financial Statements

**Opinion**

We have audited the financial statements of M/s. **VIRINCHI CAPITALPRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2021, and 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 statements.

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 March 31,2021, 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 there under, 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.



### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 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 scepticism 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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.
2. As required by Section 143(3) of the Act, we further report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the Cash Flow Statement 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 as amended.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) 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:
- i. the Company has no pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For VNHR & CO  
Chartered Accountants  
FRN: 012221S

*R. Hari Haran*  


R. Hari Haran  
Partner  
M.NO: 216684  
UDIN: 21216684AAAADL1674

Place: Hyderabad  
Date: 24/06/2021

For VNHR & CO.  
CHARTERED ACCOUNTANTS  
*R. Hari Haran*  
R. HARI HARAN (Partner)  
M.No: 216684



**Annexure A to the Auditors Report**

Annexure referred to in Independent Auditors Report to the Members of M/s.VIRINCHI CAPITAL PRIVATE LIMITED on the financial statements for the year ended 31<sup>st</sup> March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipments.  
(b) As explained to us, Property Plant & Equipments have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.  
(c) According to the information and explanations given to us and based on the records of the company, the company is not holding any immovable property; hence this clause is not applicable to the company.
- ii. The Company has no Inventory. Accordingly, the provisions of this clause are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of The Companies Act, 2013.
- vii. a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues of income tax and other material statutory dues, as applicable, with the appropriate authorities in India ;



- (b) There were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears as at 31st March, 2021 for a period of more than 6 months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no material dues of Income Tax and any other material statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks or Government as at the balance sheet date. The company has not issued debentures as at the Balance Sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Term Loans from banks have been utilized for the purpose for which they have been raised.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. Being a private limited company, section 197 of the companies act, 2013 is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. Being the private company sec 177 is not applicable .Company has entered transactions with related parties during the year in accordance with the provisions of sec.188.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him.



- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.

For VNHR & CO  
Chartered Accountants  
FRN: 012221S

*R. Hari Haran*



R. Hari Haran

Partner

M.NO: 216684

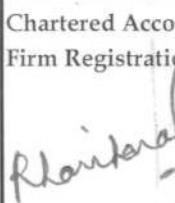


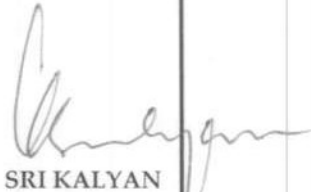
UDIN: 21216684AAAADL1674






Place: Hyderabad

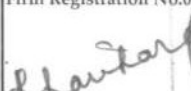

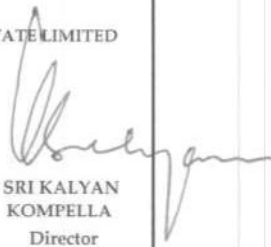
Date: 24/06/2021

For VNHR & CO  
CHARTERED ACCO.  
*R. Hari Haran*  
R. HARI HARAN (Partner)  
M.No: 216684



VIRINCHI CAPITAL PRIVATE LIMITED			
Balance Sheet as at			
Particulars	Note No	Mar 31, 2021	Mar 31, 2020
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment			-
Intangible Assets	1		-
<b>Financial Assets</b>			
Non-Current Investments		-	-
Long Term Loans and Advances		-	-
Other Non-Current assets	2	3,14,951.00	-
<b>CURRENT ASSETS</b>			
<b>Financial Assets</b>			
Trade and Other Receivables			-
Cash and Cash Equivalents	3	88,000.00	-
Short Term Loans and Advances	4	2,00,12,000.00	-
Other Current Assets	5	-	-
<b>Total Assets</b>		<b>2,04,14,951</b>	<b>-</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	6	2,00,00,000	
Other Equity	7	(29,500.00)	-
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Long Term Borrowings			-
Long Term Provision			-
Deferred Tax Liability			-
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Short Term Borrowings	7	-	-
Trade Payables	9	4,14,951.00	-
Short Term Provisions	10	29,500	-
<b>Total Equity and Liabilities</b>		<b>2,04,14,951</b>	<b>-</b>
Notes referred to above form an integral part of the Financial Statements			
As per our Report of Even Date		For and on behalf of the Board	
FOR VNHR & CO		For VIRINCHI CAPITAL PRIVATE LIMITED	
Chartered Accountants			
Firm Registration No.0122215			
 			
R. Hariharan		MADDALA VEERA	
Partner		Director	
M. No. 216684		DIN: 00816334	
			
		SRI KALYAN KOMPPELLA	
		Director	
		DIN: 03137506	
Place : Hyderabad			
Date: 24/06/2021			

VIRINCHI CAPITAL PRIVATE LIMITED		(In Rs.)	
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED			
Particulars	Note No	Mar 31, 2021	Mar 31, 2020
I. Revenue from operations	11	-	-
II. Other Income			-
<b>III. Total Revenue</b>		-	-
<b>IV. Expenses:</b>			
Employee Benefit Expenses	12	-	-
Depreciation		-	-
Amortisation Expenses	13	-	-
Administrative Expenses	13	29,500	-
Finance Cost	14		-
<b>IV. Total Expenses</b>		29,500	-
<b>V. Profit Before Tax (III-IV)</b>		(29,500)	-
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax			-
<b>VII. Profit for the Period (V-VI)</b>		(29,500)	-
Other Comprehensive Income (Net of Tax)			-
<b>Total Comprehensive Income (Net of Tax)</b>		(29,500)	-
<b>VIII. Earning per equity share:</b>			
(1) Basic		-0.01	-
(2) Diluted		-0.01	-
Notes referred to above form an integral part of the Financial Statements			
As per our Report of Even Date		For and on behalf of the Board	
FOR VNHR & CO		For VIRINCHI CAPITAL PRIVATE LIMITED	
Chartered Accountants			
Firm Registration No.012221S			
  R. Hariharan Partner M. No. 216684	  MADDALA VEERA SRINIVASA RAO Director DIN: 00816334	 SRI KALYAN KOMPELLA Director DIN: 03137506	
Place : Hyderabad			
Date: 24/06/2021			

VIRINCHI CAPITAL PRIVATE LIMITED		
Cash Flow Statement for the Year Ended		(In Rs.)
Particulars	Mar 31, 2021	March 31, 2020
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/ (Loss) before Tax	(29,500)	-
<b>Adjustments for:</b>		
Amortisation Expenses	-	-
Finance Cost	-	-
Operating Profit before Working Capital Changes	(29,500)	-
<b>Working Capital Changes</b>		
Trade and Other Receivables	(2,00,12,000)	-
Trade and Other Payables	(2,85,451)	-
<b>Cash Generated from Operations</b>	<b>(2,03,26,951)</b>	-
Interest paid	-	-
Taxation for the year	-	-
<b>Net Cash from Operating Activities</b>	<b>(2,03,26,951)</b>	-
<b>B. Cash Flow from Investing Activities</b>		
Sale of Fixed Assets/(Purchase of Fixed Assets)	-	-
Intangible Assets	-	-
<b>Net Cash used in Investing Activities</b>	-	-
<b>C. Cash Flow From Financial Activities:</b>		
Net Proceeds from issue of share capital	2,00,00,000	-
Net Proceeds from Long Term Borrowings	4,14,951	-
<b>Net Cash used in Financing Activities</b>	<b>2,04,14,951</b>	-
<b>Net Increase In Cash And Cash Equivalents</b>	<b>88,000</b>	-
Cash and Cash equivalents as at Beginning of the Year	-	-
<b>Cash and Cash equivalents as at End of the Year</b>	<b>88,000</b>	-
Notes referred to above form an integral part of the Financial Statements		
As per our Report of Even Date		For and on behalf of the Board
FOR VNHR & CO Chartered Accountants Firm Registration No.0722219	For VIRINCHI CAPITAL PRIVATE LIMITED	
 R. Hariharan Partner M. No. 216684	 MADDALA VEERA SRINIVASA RAO Director DIN: 00816334	 SRI KALYAN KOMPPELLA Director DIN: 03137506
Place : Hyderabad Date: 24/06/2021		

**NOTE NO. 2 : OTHER NON CURRENT ASSETS**

Particulars	Mar 31, 2021	Mar 31,2020
Unamortised Expenses	3,14,951	-
<b>Total Other Current Assets</b>	<b>3,14,951</b>	<b>-</b>

**NOTE NO. 3 : CASH AND BANK BALANCES**

Particulars	Mar 31, 2021	Mar 31,2020
Balance at Bank	88,000	-
Cash on hand	-	-
<b>Total Cash and Cash Equivalents</b>	<b>88,000</b>	<b>-</b>

**NOTE NO. 4 : SHORT TERM LOANS AND ADVANCES**

Particulars	Mar 31, 2021	Mar 31,2020
Unsecured		
Pinnacle Capital solutions pvt ltd	12,000	-
Virinchi ltd	2,00,00,000	-
<b>Total Short Term Loans and Advances</b>	<b>2,00,12,000</b>	<b>-</b>

**NOTE NO. 5 : OTHER CURRENT ASSETS**

Particulars	Mar 31, 2021	Mar 31,2020
Tds Receivable 2020-21		-
<b>Total Other Non Current Assets</b>	<b>-</b>	<b>-</b>

**NOTE NO.6 : SHARE CAPITAL**

Particulars	Mar 31, 2021	Mar 31,2020
Share Capital ( For each class of capital )		
(a) Authorised	2,00,00,000	
(b) Issued	2,00,00,000	
(c) Subscribed & Fully Paid Up	2,00,00,000	
<b>Total Equity Share capital</b>	<b>2,00,00,000</b>	
<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
Equity Shares of Rs.10Each, Fully paid up :		
At the Beginning	20,00,000	-
At the end	20,00,000	-
<b>Details of Shareholder holding more than 5% shares of the company:</b>	<b>% of Share Holding</b>	<b>% of Share Holding</b>
Equity Shares of Rs. 10 each Held By Virinchi Limited	100	

**NOTE NO.7 : OTHER EQUITY**

Particulars	Mar 31, 2021	Mar 31,2020
Surplus:		
Opening Profit & Loss Balance	-	-
Add: Profit / Loss of Current Year	(29,500)	-
<b>Total Other Equity</b>	<b>(29,500)</b>	<b>-</b>

**NOTE NO.8 : SHORT TERM BORROWINGS**

Particulars	Mar 31, 2021	Mar 31,2020
Unsecured	-	-
<b>Total Short Term Borrowings</b>	<b>-</b>	<b>-</b>



*[Handwritten signature]*

NOTE NO. 11 : REVENUE FROM OPERATIONS

Particulars	Period Ended Mar 2021	Year Ended Mar 2020
Revenue from Operations	-	-
<b>Total Revenue from Operations</b>	<b>-</b>	<b>-</b>

NOTE NO. 12 : EMPLOYEE BENEFIT EXPENSES

Particulars	Period Ended Mar 2021	Year Ended Mar 2020
Salaries	-	-
<b>Total Employee Benefit Expenses</b>	<b>-</b>	<b>-</b>

NOTE NO. 13 : ADMINISTRATIVE EXPENSES

Particulars	Period Ended Mar 2021	Year Ended Mar 2020
Office Maintenance	-	-
Audit Fee	29,500	-
Amortization Expenses	-	-
<b>Total Administrative Expenses</b>	<b>29,500</b>	<b>-</b>

NOTE NO. 14 : FINANCE COST

Particulars	Period Ended Mar 2021	Year Ended Mar 2020
Bank Charges	-	-
<b>Total Finance Cost</b>	<b>-</b>	<b>-</b>



*ap.v. b.s.*  
*[Signature]*

## NOTE NO. 9 : TRADE PAYABLES

Particulars	Mar 31, 2021	Mar 31,2020
Unsecured Considered Good	4,14,951	
Total Short Term Borrowings	4,14,951	-

## NOTE NO. 10 : SHORT TERM PROVISIONS

Particulars	Mar 31, 2021	Mar 31,2020
Audit Fee Payable	29,500	-
Provision for Expenses	-	-
Provision for Tax	-	-
Total Short Term Provisions	29,500	-



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**VIRINCHI CAPITAL PRIVATE LIMITED**

**SIGNIFICANT ACCOUNTING POLICIES:**

a) Basis of accounting and preparation of financial statements

These financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the Historical Cost convention on the accrual basis except for certain financial instrument which are measured at Fair Values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) REVENUE RECOGNITION:

- i) The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.
- ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

c) Property Plant and Equipment (PPE):

PPE are stated at cost. Cost comprises the Purchase price and other attributable expenses

d) DEPRECIATION:

The company has completed the project but did not provide for depreciation since only a trial batch has taken place and commercial production has not yet started.

e) PROVISIONS

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

f) CASH FLOW STATEMENT

Cash flow statements are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



g) EARNINGS PER SHARE

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

h) TAXATION:

The current charge for income tax is calculated in accordance with the relevant regulations applicable to the company. Deferred tax asset or liability is recognized for future tax consequences attributable to the timing differences that result between profit offered for Income tax and the profit as per the financial statements. Deferred tax asset or liability is measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

i. FOREIGN CURRENCIES

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.





**VIRINCHI CAPITAL PRIVATE LIMITED**

**Notes to Accounts**

15. The Company has not received any intimation from "Suppliers" regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosure if any, relating to the amount unpaid as at the year end together with interest paid/payable as required under the said act have not been given.

16. Auditors Remuneration

Particulars	31-03-2021( in rupees)	31-03-2020( in rupees)
Audit Fee	29500/-	Not applicable

17. Foreign Currency flows:

Particulars	31-03-2021 (Rs.)	31-03-2020 (Rs.)
Export Sales	Nil	NA
Advances received	Nil	Na

18. Related Party Disclosures

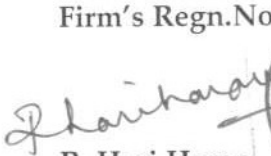
Sl.No	Name of the related party	Relation	Nature of Transaction	Amount
1	Virinchi Limited	Holding Company	Advance for Software Development	2,00,00,000

19. Figures have been rounded off to the nearest rupee.




SIGNATURE TO NOTES 1 To 19

As per our report of even date  
For VNHR & Co  
Chartered Accountants,  
Firm's Regn.No:0122215

  
R. Hari Haran  
Partner  
M.No:216684



For and on behalf of the Board  
VIRINCHI CAPITALPRIVATE LIMITED

  
M.V. Srinivasa Rao  
Director  
DIN: 00816334

  
K. Sri Kalyan  
Director  
DIN: 03137506

Place : Hyderabad  
Date : 24/06/2021  
UDIN: 21216684AAAADL1674

For VNHR & CO.  
CHARTERED ACCOUNTANTS  
  
R. HARI HARAN (Partner)  
M.No: 216684