

VIRINCHI LIMITED

Regd Office: 8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate Road No.1,
Banjara Hills, Hyderabad- 500034, Telangana.
Tele: 040-48199999, Website: www.virinchi.com, Email: investors@virinchi.com,
CIN: L72200TG1990PLC011104

NOTICE OF POSTAL BALLOT

(Pursuant to Section 108 and Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

VOTING STARTS ON	VOTING ENDS ON
Thursday, 20 th January, 2022 at 9.00 AM (IST)	Friday, 18 th February, 2022 at 5.00 PM (IST)

Notice is hereby given pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, the General Circular No. 10/2021 dated June 23, 2021 and the General Circular No. 20/2021 dated December 8th, 2021 issued by Ministry of Corporate Affairs ("MCA Circulars"), read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the Resolutions appended below are proposed to be passed by the Members of the Company through postal ballot by remote e-voting process only ("E-Voting").

This postal ballot notice is originally approved by the board in the board meeting held on 12th January, 2022 and later modified/ratified through circular resolution dated 18th January, 2022

for incorporating the amendments of SEBI (ICDR Amendment) Regulations, 2022 notified on 14th January, 2022.

The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.

SPECIAL BUSINESS

Item no. 1: Increase in Authorized Share Capital and consequent amendment to Memorandum of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, and the provisions of Article 55 of the Articles of Association of the Company, approval of the Members be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs.45,00,00,000 (Rupees Forty Five Crores Only) divided into 4,50,00,000 (Rupees Four Crores Fifty Lacs only) equity shares of Rs.10/-each to Rs.100,00,00,000(Rupees One Hundred Crores Only) by creation of additional 5,50,00,000 (Five Crores Fifty Lacs) equity shares of Rs.10/-each.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

Item no. 2: Alteration of the Capital Clause of the Memorandum of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules issued there under (including any statutory modification or re-enactment thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and are hereby deleted and substituted by the following:

V. The Authorised Share Capital of the Company is Rs.100,00,00,000 (Rupees One Hundred Crores Only) divided into 10,00,00,000 (Ten Crores Only) Equity Shares of Rs.10/- (Rupees Ten Only) each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privilege or conditions as may be determined by or In accordance with the articles of the company for the time being and to vary modify or abrogate such rights, privileges or conditions in such manner as be permitted by the Act or provided by the articles of the Company for the time being.

“RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of any of its powers herein conferred to its Directors, Company Secretary or any other officer(s).”

Item No.3: Issue of Convertible Equity Warrants to Strategic Investors.

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

“RESOLVED THAT pursuant to the provisions of Sections 62(1)(c), read with Section 42, and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (“Act”), and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, the rules and regulations issued by the Securities and Exchange Board of India (“SEBI”), including the provisions of Chapter V – “Preferential Issue” and other applicable provisions, if any, of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”) and any other policies, rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India or any other competent authority, from time to time, to the extent applicable and subject to the permission(s), consent(s), sanction(s) and approval(s), if any, by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while

granting such approval(s), consent(s), permission(s) and sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer, and allot, from time to time in one or more tranches, 3,50,00,000 Convertible Equity Warrants (“Warrants”) on preferential basis to Strategic Investors as mentioned below (“Warrant Holder”), with a right to Warrant Holder to apply for and get allotted one equity share of face value of Rs. 10/- (Rupees Ten Only) each (the “Equity Shares”), ranking in all respects pari-passu with the existing equity shares of the Company, for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of Warrants, at a price as may be arrived in accordance with the part IV of chapter V of the SEBI (ICDR) Regulations, 2018 to the below mentioned allottees hereinafter referred to as “Allottees”:

DETAILS OF PROPOSED ALLOTEES:

Sl. No	Name of the Allottee	Category of Investor	Number of Convertible equity warrants applied
1	Zinnia Global Fund Pcc-Cell Dewcap Fund	Foreign Portfolio Investor	17,50,000
2	Northern Union Limited	Foreign body corporate	20,00,000
3	Sangitaben H Rupareliya	Individual	2,00,000
4	Kamala Bai	Individual	8,00,000
5	Ishan Prakash	Individual	10,00,000
6	Sanjay Sunil Dutt	Individual	5,00,000
7	UJR Media Private Limited	Body Corporate	50,00,000

8	Trikaya Media Private Limited	Body Corporate	40,00,000
9	Dwight Technologies Private Limited	Body Corporate	30,00,000
10	Techinstinct Softwares Private Limited	Body Corporate	50,00,000
11	Antique Infotech Private Limited	Body Corporate	40,00,000
12	Wilson Holdings Private Limited	Body Corporate	25,00,000
13	Raj Ratan Commodities Private Limited	Body Corporate	22,50,000
14	Biyani Complex LLP	Body Corporate	30,00,000
	TOTAL		3,50,00,000

RESOLVED FURTHER THAT the relevant date, as per Regulation 161(a) or 161(b) of the SEBI ICDR Regulations, 2018 for the determination of issue price of the Warrants to be allotted pursuant to the preferential issue is fixed as Rs. 150/- which is arrived based on 19th January, 2022 as relevant date i.e. 30 days prior to the date of passing of special resolution through Postal Ballot to approve the proposed preferential issue in terms of Section 62(1) (c) of the Act.

RESOLVED FURTHER THAT the equity shares to be allotted upon exercise of Warrants shall rank pari - passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs.10/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals, in accordance with provisions of ICDR Regulations.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- i) The proposed allottees of Warrants shall, on the date of allotment of Warrants, pay an amount equivalent to at least 25% [Twenty-five percentage only] of the exercise price determined in compliance with the provisions of the SEBI (ICDR) Regulations, 2018;
- ii) The balance 75% [Seventy-five percentage only] of the exercise price shall be payable on or before the conversion of said Warrants into Equity Shares, within a maximum permissible period of 18 months from the allotment thereof;
- iii) The proposed allottees of Warrants will be entitled to apply for and obtain allotment of one equity share of face value of Rs. 10/- (Rupees Ten only) each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of 18 (Eighteen) months from the date of allotment (“Tenor”) thereof, in one or more tranches;
- iv) In the event the Warrant Holder does not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- v) The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall

accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder;

- vi) The Company make an application for Listing, within 20 days from date of allotment of Equity Shares, upon conversion of warrants, to the stock Exchanges where shares of the Company are listed in accordance with SEBI (LODR) Regulations, 2015;
- vii) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing fully paid Equity Shares of the Company;
- viii) Upon exercise of the Warrants by the Warrant Holder, the Company shall issue and allot appropriate number of Equity Shares and perform such actions as are required to credit the Equity Shares to the depository account of Warrant Holder and entering the name of Warrant Holder in the records of the Company as the registered owner of such Equity Shares;
- ix) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof;
- x) In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant holder: (a) receives such number of Equity Shares that Warrant holder would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Warrant holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
- xi) The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant holder to the Company in accordance with the provisions of ICDR Regulations;

- xii) The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under Chapter V of ICDR Regulations, 2018 relating to preferential issues;
- xiii) The Warrants by itself, until exercise of conversion option and Equity Shares allotted, does not give to the Warrant holder thereof any rights with respect to that of a shareholder(s) of the Company; and
- xiv) Until the Warrants are transferred, the Company shall treat Warrant Holder as the absolute owner for all purposes without being affected by any notice to the contrary.
- xv) Warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in as provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.

RESOLVED FURTHER THAT the Board / Board Committee be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents without being required to seek any fresh approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto

expressly by the authority of this resolution and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and utilization of proceeds of the Warrants and Equity Shares issued upon exercise of such Warrants, take all other steps which may be incidental, consequential, relevant or ancillary to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Any Director(s) and the Company Secretary be and are hereby severally authorized to do all such other acts, deeds and things and sign and execute and file such papers and documents as may be necessary to give effect to this resolution and for matter connected therewith or incidental thereto.

Item No. 4: Approval of Virinchi Limited Employee Stock Option Scheme 2022 and Grant of Employees Stock Options to employees of the Company thereunder.

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

“RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the **“SEBI SBEB & SE Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **“SEBI LODR Regulations”**) (collectively referred as **“SEBI Regulations”**), the Foreign Exchange Management Act, 1999, and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), as may be applicable, and subject to any approvals, sanctions and permissions as may be necessary from any/various regulatory authority(ies), and subject to condition(s) or modification(s) as may be prescribed or imposed by such authorities while granting such approvals, sanctions and permissions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred as the **“Board”**, which term shall include Nomination and Remuneration Committee or any other committee that may be constituted by the Board to exercise the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to create, offer and grant from time to time up to 1,00,00,000 (One Crore) Employee Stock Options (**“Options”**) under ‘Virinchi Employee Stock Options Scheme, 2022’(VESOS, 2022) (hereinafter referred to as the **“VESOS,2022”/ “Scheme”**) in one or more tranches, to the employees as designated by the Company who are exclusively working in India or outside India, and/or to the directors of the Company as may be allowed under SEBI SBEB & SE Regulations (herein collectively referred as **“Eligible Employees”**), except an employee/director who is a promoter or a person belonging to the promoter group,

an Independent director or a director who either himself/herself or through his/her relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, exercisable into 1,00,00,000 (One Crore) Equity Shares of face value INR 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the ESOP Scheme.

RESOLVED FURTHER THAT the Virinchi Employees Stock Option scheme, 2022(VESOS, 2022) will be implemented by the company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of Options from time to time in accordance with VESOS, 2022 for the implementation of the Scheme as per applicable laws and regulations.

RESOLVED FURTHER THAT the number of Options that may be granted to any employee and director of the Company, during any one year under the VESOS, 2022 shall not exceed 1% of the Issued Capital of the Company.

RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc. as decided by the Board or Committee from time to time in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

RESOLVED FURTHER THAT the total ESOPs to be created, offered and granted and further conversion in shares on exercise of ESOPs, shall not exceed 1,00,00,000 (One Crore only) ESOPs/ shares or such expanded number of ESOPs/shares, which has been revised due to any corporate action(s).

RESOLVED FURTHER THAT in case of any change in capital structure such as Rights issue/ bonus issue, subdivision or consolidation, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs.10 per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the VESOS, 2022 on the Stock Exchanges, where the Shares of the Company are listed and to determine all other terms which for the purpose of giving effect to any offer, issue or allotment of Equity Shares or

securities or instruments representing the same, as described above under VESOS, 2022 and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Employee Stock Options or of the Scheme from time to time including but not limited to suspend, withdraw, terminate or revise the VESOS 2022 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 and any other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary to appoint Merchant Bankers, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of VESOS, 2022 and also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

Item No.5: Grant of Employee Stock Options to the Eligible Employees of the Subsidiary (ies) of the Company under Virinchi Limited Employee Stock Option Scheme 2022.

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

“RESOLVED THAT pursuant to the provisions of Section 62 of the Companies Act, 2013 (the “Act”) and all other applicable provisions, if any, of the Act and the rules notified thereunder, the Memorandum and Articles of Association of the Company, pursuant to the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “SEBI SBEB & SE Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations”) (collectively referred as “SEBI Regulations”), the Foreign Exchange Management Act, 1999, and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-

enactment(s) thereof, for the time being in force), as may be applicable, and subject to approvals, sanctions and permissions as may be necessary from any/various regulatory authority(ies), and subject to condition(s) or modification(s) as may be prescribed or imposed by such authorities while granting such approvals, sanctions and permissions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred as the “Board”, which term shall include Nomination and Remuneration Committee or any other committee that may be constituted by the Board to exercise the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to create, offer and grant from time to time up to 1, 00,00,000(One Crore only) Options to the eligible employees, existing and future directors, including the Whole-time Directors (but excluding the Independent Director) of the existing and future Subsidiary Company(ies) of the Company whether in or outside India (Including the permanent employees, existing and future directors, including the Whole-time Directors (but excluding the Independent Director) of Virinchi Limited, under the Virinchi Employee Stock Option Scheme 2022’ (hereinafter referred to as the “VESOS, 2022”/ “Scheme”), as may be decided solely by the Board under the Scheme, exercisable into 1,00,00,000(One Crore Only) Equity Shares of face value of Rs. 10/- each fully paid up by the Company, at such price or prices, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the law or guidelines issued by the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of Options from time to time in accordance with VESOS, 2022 for the implementation of the Scheme as per applicable laws and regulations.

RESOLVED FURTHER THAT the number of Options that may be granted to any employee and director of the Company, during any one year under the VESOS 2022 shall not exceed 1% of the Issued Capital of the Company.

RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, and others, if any additional Equity Shares are required to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 1,00,00,000 (One Crore only) Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc. as decided by the Committee from time to time in accordance with the SEBI Regulations.

RESOLVED FURTHER THAT in case of any change in capital structure such as Right issue/bonus issue, subdivision or consolidation, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs. 10 per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the VESOS, 2022 on the Stock Exchanges, where the Shares of the Company are listed and to determine all other which for the purpose of giving effect to any offer, issue or allotment of Equity Shares or securities or instruments representing the same, as described above under VESOS, 2022 and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Employee Stock Options or of the Scheme from time to time including but not limited to suspend, withdraw, terminate or revise the VESOS, 2022 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI (Shares Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of VESOS, 2022 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

Item no.6: To Approve Grant of options to equal to or exceeding one per cent but not exceeding four per cent of the issued Capital of the Company during any one financial year to identified employees under Virinchi Employees Stock Option Scheme, 2022 (VESOS, 2022).

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

“RESOLVED THAT pursuant to the provisions of Section 62 of the Companies Act, 2013 (the “Act”) and all other applicable provisions, if any, of the Act and the rules notified thereunder, the Memorandum and Articles of Association of the Company, pursuant to the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “SEBI SBEB & SE Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations”) (collectively referred as “SEBI Regulations”), the Foreign Exchange Management Act, 1999, and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), as may be applicable, and subject to approvals, sanctions and permissions as may be necessary from any/various regulatory authority(ies), and subject to condition(s) or modification(s) as may be prescribed or imposed by such authorities while granting such approvals, sanctions and permissions and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred as the “Board”, which term shall include Nomination and Remuneration Committee or any other committee that may be constituted by the Board to exercise the powers conferred by this resolution), notwithstanding ceiling limit for Grant of Option during any one Financial Year to any employee or director of the Company not exceeding one per cent of the issued Capital of the Company the approval of the members of the Company be and is hereby accorded respectively to the ‘Virinchi Employee Stock Option Scheme 2022’ (VESOS, 2022) and to the Board for Grant of option to identified employees, during any one year, equal to or exceeding one per cent but not exceeding four per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of option in one or more tranches, on such terms and in such manner in the ‘Virinchi Employee Stock Option Scheme 2022’ (hereinafter referred to as the “VESOS, 2022”/ “Scheme”).

RESOLVED FURTHER THAT the Board of Directors and Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

By order of the Board

For Virinchi Limited

Sd/-

Place: Hyderabad
Date: 18th January, 2022

K. Ravindranath Tagore
Company Secretary
M.No: A18894

NOTES:

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of Special Business of the Company is appended and forms part of the Notice.
2. The Notice is being sent to all the Members whose names appear in the Register of Members/ Record of Depositories as on Friday, 14th January, 2022 (Cut-off date). Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Members as on that date.
3. As per the MCA Circulars, the Postal Ballot Notice is being sent only through electronic mode to those Members whose E-Mail addresses are registered with the Company/Depositories. Members may please note that the Postal Ballot Notice will also be available on the Company's website at <https://www.virinchi.com>, website of Stock Exchange i.e., BSE Limited at www.bseindia.com, and on the website of Central Depository Services India Limited at <https://www.evotingindia.com/>.
4. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500029, Telangana State, India i.e., at info@arthiconsultants.com.
5. As per the MCA Circulars, Shareholders can vote only through the remote e-voting process. Physical copies of the Postal Ballot Notice and pre-paid business reply envelopes are not being sent to shareholders. Shareholders, whose names appear on the Register of Members/List of Beneficial Owners as on Friday, 14th January, 2022 will be considered for the purpose of e-voting.
6. Resolutions passed by the shareholders through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
7. The voting rights for Equity Shares are one vote per one Equity Share, registered in the name of the members. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the shareholders as on Friday, 14th January, 2022. A person who is not a shareholder on the relevant date should treat this notice for information purpose only.

8. In compliance with Sections 108 and 110 of the Act and the rules made there under, the MCA Circulars and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility provided by Central Depository Services India Limited. The instructions for e-voting are provided as part of this Postal Ballot Notice.
9. Shareholders desiring to exercise their vote through the e-voting process are requested to read the instructions in the Notes under the section “Instructions for E-Voting” in this Postal Ballot Notice. Shareholders are requested to cast their vote through the e-voting process from 9:00 AM (IST) on Thursday, 20th January, 2022 to 5:00 PM (IST) on Friday, 18th February, 2022 to be eligible for being considered, failing which it will be considered that no response has been received from the shareholder.
10. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting by postal ballot through the e-voting process will be announced by the Chairman or any Director of the Company duly authorised, on or before Tuesday, 22th February, 2022 and will also be displayed on the website of the Company at <https://www.virinchi.com> besides being communicated to the Stock Exchange.
11. The resolutions, if passed with the requisite majority, shall be deemed to have been passed on Friday, 18th February, 2022 i.e., the last date specified for receipt of votes through the e-voting process.
12. The result of the voting with details of the number of votes cast for and against the Resolution, invalid votes and whether the resolution has been carried or not, along with the Scrutinizer’s report will be displayed for at least three days on the notice board of the Company at the registered office of the Company and on the website of the Company.

13. All the material documents referred to in the explanatory statement will be available for inspection electronically. Members seeking to inspect such documents can send an email to investors@virinchi.com.

14. The Board of Directors have appointed Mr. G. Vinay Babu, Practising Company Secretary (Membership No. 20592 and CP No. 20707) as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

15. The instructions for E-Voting:

a) In view of the threat of Covid-19, the Company is unable to get the Postal Ballot Notice and Form printed and dispatched. The approval of Members is being sought through Remote E-voting only.

b) You are requested to carefully read the instructions before exercising the vote and complete the E-voting between 9:00 AM (IST) on Thursday, 20th January, 2022 to 5.00 PM (IST) on Friday, 18th February, 2022.

c) The Company is offering only Remote E-voting facility to its Members to enable them to cast their vote. A Member has to carefully follow the instructions as given for Evoting. He/ She can use the facility and log in any number of times till he/she has voted on the Resolution or till the end of the voting period, whichever is earlier.

d) Members who have not registered their E-mail ID for receipt of documents in electronic mode under the green initiative of Ministry of Corporate Affairs need to send an email to info@arthiconsultants.com along with supporting documents and they would get an email with the link to participate in Remote E-voting.

e) Voting through electronic means

In terms of the provisions of Section 108 and Section 110 of the Companies Act, 2013 (the Act) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular No. 14/2020 dated April 8, 2020, the General Circular No.

17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021 the General Circular No. 10/2021 dated June 23, 2021 and the General Circular No. 20/2021 dated December 8th, 2021 issued by Ministry of Corporate Affairs (“MCA Circulars”), the Company is providing facility to exercise votes on the item of business given in the Notice through electronic voting system only, to members holding shares as on Friday, 14th January, 2022 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the E-voting process, through the Evoting platform provided by CDSL.

- f) The voting period begins on 9.00 AM (IST) Thursday, 20th January, 2022 and ends on 5.00 PM (IST) Friday, 18th February, 2022. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 14th January, 2022 the cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- g) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless

authentication but also enhancing ease and convenience of participating in e-voting process.

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

Pursuant to above said SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

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

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

login through
their
**Depository
Participants**

can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

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

i) Login method for e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

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

7) After entering these details appropriately, click on “SUBMIT” tab.

8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- 12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- 14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

j) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

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

investors@virinchi.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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

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

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

General Instructions

- i) In case Members of the Company have not registered their e-mail address:

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circular mentioned hereinabove, the Company will send Postal Ballot Notice in Electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot Forms and prepaid business envelope will not be sent to the Members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the Members would take place through the E-voting system only. Therefore, those Members who have not yet registered their e-mail address are requested to get their e-mail addresses temporarily registered by visiting http://www.arthiconsultants.com/investor_services/ Post successful registration of email, the Member would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable remote e-voting for this Postal Ballot. In case of any queries, member may write to info@arthiconsultants.com.

- ii) The Remote E-voting period commences from 9.00 AM (IST) on Thursday, 20th January, 2022 and ends at 5.00 PM (1ST) Friday, 18th February, 2022. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date i.e., Friday, 14th January, 2022 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iii) The Scrutinizer shall, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith submit to the Chairman of the Company.
- iv) Subject to the receipt of sufficient votes, the Resolutions shall be deemed to be passed on the last date of voting i.e., on Friday, 18th February, 2022. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at <https://www.virinchi.com> and also on the notice board placed at the Registered Office of the Company and on the website of CDSL.
- v) Mr. K.Ravindranath Tagore, Company Secretary, Virinchi Limited, Regd. Off. 8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate Road No.1, Banjara Hills, Hyderabad - 500034, Telangana State, India, Email: investors@virinchi.com, Phone No. 040-48199999 is responsible to address the grievances connected with the E-voting and Postal Ballot.
- vi) To receive communication through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with the Company RTA i.e. Aarthi Consultants Private Limited on http://www.aarthiconsultants.com/investor_services.
- vii) Members holding shares either in demat or physical mode who are in receipt of Notice and entitled to vote, may cast their votes through e-voting.

By order of the Board
For Virinchi Limited
Sd/-

Place: Hyderabad
Date: 18th January, 2022

K.Ravindranath Tagore
Company Secretary
M.No: A18894

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution Nos. 1 to 6.

Item no.: 1&2

Presently, the Authorised Share Capital of your Company is Rs.45,00,00,000 (Rupees Forty Five Crores only) comprising of 4,50,00,000 (Four Crores Fifty Lacs Only) Equity Shares of Rs.10 (Rupees Ten) each. Considering the overall business growth and operational needs of the Company, the Company may propose to raise additional capital, as mentioned under Resolution No.3 of this Notice, by way of preferential issue, and / or private placement. Therefore, it is proposed to increase the Authorised Share capital of the Company from Rs.45,00,00,000 (Rupees Forty Five Crores only) comprising of 4,50,00,000 (Four Crores Fifty Lacs Only) Equity Shares of Rs.10 (Rupees Ten) each to Rs.100,00,00,000 (Rupees One Hundred Crores only) comprising of 10,00,00,000 (Ten Crores Only) Equity Shares of Rs.10 (Rupees Ten) each .Consequently, the existing Clause V of the Memorandum of Association needs to be altered accordingly. Therefore, the consent of the Members of the Company is being sought under the applicable provisions of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their Relatives is, in any way, concerned or interested in these Resolutions.

A draft of altered Memorandum with the aforesaid alterations, shall be available for inspection by the Members of the Company on any working day between 11.00 a.m. and 1.00 p.m. up to 18th February, 2022 at the Registered Office of the Company.

Your Board recommends the resolution set out in Item No. 1& 2 for approval of the members as Ordinary resolutions.

Item No. 3

The Company wants to raise long term funds to finance growth plans of the Company, strengthen financial structure, to reduce the debt of the company, make investments, enhancing liquidity, working capital resources and for general corporate purposes. Hence, the Board of Directors of the company in their meeting held on 12th January,2022 and also through circular resolution dated 18th January, 2022 has considered and approved the proposal to issue 3,50,00,000(Three Crore Fifty Lacs Only) Warrants having attached thereto the right to subscribe for equal number of Equity Shares of Rs.10/ each at an issue/exercise price of Rs.150/- (including premium of Rs.140/-)determined in accordance with part IV of chapter V of the SEBI ICDR Regulations, 2018 in one or more tranches. The members are requested to note that as per Section 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder and Chapter V of the

SEBI (ICDR) Regulations, 2018 as amended, prior approval of the shareholders by way of Special Resolution is required to issue convertible equity warrants to the Strategic Investors

Salient features of the preferential issue of Warrants are as under:

The proposed issue and allotment of Warrants, on a preferential basis, shall be governed by the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) and the Companies Act, 2013 read with rules made thereunder (“Act”).

Without generality to the above, the salient features of the preferential issue of Warrants are as under:

- The “Relevant Date” as per the Regulation 161 of SEBI (ICDR) Regulations, 2018 for determining the minimum price for the preferential issue of Warrants is 19.01.2022, which is 30 [thirty] days prior to the date of the shareholders’ meeting to be held on 18.02.2022.
- 25% [Twenty-five percentage only] of the consideration for preferential issue of Warrants shall be received by the Company prior to the allotment of said warrants. The Warrants shall be exercised within a period of 18 (eighteen) months from the date of their allotment, in one or more tranches.
- At the time of exercise, the Warrant Holder shall pay the balance 75% [Seventy-five percentage only] of the consideration payable in respect of the Warrants so being exercised. The amount paid will be adjusted / set off against the issue price of the resultant equity shares. The Board (or a Committee thereof) upon receipt of the entire payment towards issue price, shall allot one equity share per warrant .If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 [eighteen] months, such entitlement shall lapse and the amount paid on such warrants shall stand forfeited.
- The Company has not made any preferential issue of securities in this financial year, other than the proposed issue of Warrants as stated in this notice.
- The Warrant Holders has not sold any equity shares during the 90 Trading Days preceding the Relevant Date. The Warrant Holders has not subscribed to any warrants of the Company during last one year.

The other information prescribed under Regulation 163 of the ICDR Regulations, 2018 and other applicable laws in relation to the Proposed Special Resolution as set out at item No.3 are given hereunder:

a) **Object of the preferential issue of Warrants and details of utilization of proceeds:** The proceeds of the preferential issue will be utilized towards to finance growth plans of the Company, strengthen financial structure, to reduce the debt of the company, make investments, enhancing liquidity, working capital resources and for general corporate purposes

b) **Maximum number of specified securities to be issued:**

3,50,00,000(Three Crores Fifty Lacs Only) Convertible Equity Warrants (“Warrants”) on a preferential basis to Strategic Investors as mentioned below (“Warrant Holders”), with a right to Warrant Holder to apply for and get allotted one equity share of face value of Rs. 10/- (Rupees Ten Only) each (the “Equity Shares”)

c) **The proposal or intention of the Promoter / Promoter group, Directors or Key Managerial Personnel to subscribe to the proposed preferential issue, if any:**

The Warrants are being offered to the select group of persons who do not belong to promoter or promoter group.

None of the Promoter and promoter Group, directors or key managerial personnel intends to subscribe to any shares pursuant to this preferential issue of equity shares.

d) Shareholding pattern of the issuer before and after the preferential issue:

S.No	Category of Shareholder	Pre issue holding		Post Issue Holding Details	
A	Promoters and Promoter Group Holding	No. of	% of Shares	No. of Shares	% of Shares
1	Indian Promoters / Promoter Group :				
	Individuals / HUF	1,49,99,550	37.88	1,49,99,550	20.11
	Bodies Corporate	35,86,742	9.06	35,86,742	4.81
	Sub Total	1,85,86,292	46.94	1,85,86,292	24.92
	Foreign Promoters / Promoter Group :				
	Individuals	9,35,974	2.36	9,35,974	1.25
	Body Corporates	40,645	0.1	40,645	0.05
	Sub Total	9,76,619	2.47	9,76,619	1.31
	Sub Total (A)	1,95,62,911	49.41	1,95,62,911	26.23
B	Non Promoters Holding				
	Institutions				
	Foreign Portfolio Investors	35,000	0.09	17,85,000	2.39
	Non-Institutions				
	Individuals - Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	71,87,499	18.15	71,87,499	9.64
	Individuals-Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	56,87,253	14.36	81,87,253	10.98
	Non-Resident Indian-Non Repatriable	7,95,558	2.01	7,95,558	1.07
	Non-Resident Indian- Repatriable	3,12,091	0.79	3,12,091	0.42
	Corporate Bodies	48,09,754	12.15	3,35,59,754	44.99
	Clearing Member	5,81,621	1.47	5,81,621	0.78
	Corporate Bodies- OCB	5,00,000	1.26	25,00,000	3.35
	IEPF	1,24,547	0.31	1,24,547	0.17
	Total Non-Promoter Holding (B)	2,00,33,323	50.59	5,50,33,323	73.77
C	Employee Benefit Trust (under SEBI Employee	0	0	0	0
	Sub-Total-C	0	0	0	0
	TOTAL(A+B+C)	3,95,96,234	100.00	7,45,96,234	100.00

***After considering the conversion of the above mentioned warrants into equity shares.**

e) Time frame within which the preferential issue shall be completed:

As required under the ICDR Regulations the preferential issue/allotment of Warrants shall be completed, within a period of 15 [Fifteen] days from the date of passing of the special resolution contained in this Notice. Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of receipt of last such approvals.

f) The Identity of the natural persons who are the ultimate beneficial owners of the shares/ Warrants proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of pre and post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue

S. No.	Name of proposed allottee	Pre preferential Holding	% of Pre preferential share capital	Proposed Warrants	Post Preferential Share capital considering Conversion of warrants	% of Post Preferential share capital considering Conversion of warrants.**
1	Zinnia Global Fund Pcc-Cell Dewcap Fund	Nil	Nil	17,50,000	17,50,000	2.35
2	Northern Union Limited	Nil	Nil	20,00,000	20,00,000	2.68
3	Sangitaben H Rupareliya	Nil	Nil	2,00,000	2,00,000	0.27
4	Kamala Bai	Nil	Nil	8,00,000	8,00,000	1.07
5	Ishan Prakash	Nil	Nil	10,00,000	10,00,000	1.34
6	Sanjay Sunil Dutt	Nil	Nil	5,00,000	5,00,000	0.67
7	UJR Media Private Limited	Nil	Nil	50,00,000	50,00,000	6.70

8	Trikaya Media Private Limited	Nil	Nil	40,00,000	40,00,000	5.36
9	Dwight Technologies Private Limited	Nil	Nil	30,00,000	30,00,000	4.02
10	Techinstinct Softwares Private Limited	Nil	Nil	50,00,000	50,00,000	6.70
11	Antique Infotech Private Limited	Nil	Nil	40,00,000	40,00,000	5.36
12	Wilson Holdings Private Limited	Nil	Nil	25,00,000	25,00,000	3.35
13	Raj Ratan Commodities Private Limited	Nil	Nil	22,50,000	22,50,000	3.02
14	Biyani Complex LLP	Nil	Nil	30,00,000	30,00,000	4.02

**Post Issue holding and % of post issue Holding -Assuming full conversion of proposed issue of 3,50,00,000 warrants.

Details of Ultimate Beneficiaries

Sl.No	Name of Proposed Alottee	Ultimate Beneficiary Name
1	UJR Media Private Limited	1.Venkata satya sesha suryanarayana rao nedunuri 2.Sriamani iluri
2	Trikaya Media Private Limited	1.Parita vipul anam 2.Swapna gangone
3	Dwight Technologies Private Limited	1.Raghavendra Subrahmanyam Bharadwaj Jalamangala 2.Vydehi Chandra Shekar
4	Techinstinct Softwares Private Limited	1.Sushma Bingi 2.Venkata Ratna Rao Nalla
5	Antique Infotech Private Limited	1.Satyajana Lakshmi Prasanna Pusuluri

		2.Sri Saradamba Bethanabhatla
6	Biyani Complex LLP	1.Reshma Biyani 2.Shobha Mimani
7	Zinnia Global Fund PCC-Cell Dewcap Fund*	NA
8	Wilson Holdings Private Limited	1.Minaxi Mehta 2.Rushina Mehta
9	Raj Ratan Commodities Private Limited	1.Deepak Dugar,2.Prakash Dugar, 3.Brijesh Tiwari, 4.Jai Prakash Jajoo
10	Northern Union Limited	Vasanthi K Ramachandran

*Allottee is an FPI with no single natural person's stake being more than the threshold limit

The current and proposed status of the allottee(s) post the preferential issues namely, Promoter or non-promoter:

The current status of allottees- Non- Promoter

Proposed status of the allottee post the preferential issue- Non Promoter

g) Relevant Date:

The Relevant Date for the purpose of determining the pricing of shares arising out of Warrants in accordance with Chapter V of SEBI (ICDR) Regulations, 2018 is 19th January, 2022 (i.e., 30 days prior to the date of General Meeting, (Deemed to be the last date of receipt of postal ballot) i.e., 18th February, 2022). The Warrants will be allotted in accordance with the price determined in terms of Part IV of Chapter V of the SEBI (ICDR) Regulations, 2018.

h) Pricing of the Issue:

The issue of warrants and equity shares arising through issuance will be at a price not less than higher of following:

- The 90 (Ninety) Trading Days volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 90 Trading Days preceding the relevant date
Or
- The 10 (Ten) Trading Days volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the 10 Trading Days preceding the relevant date.

i) The Company hereby undertakes that:

- The Company hereby undertakes that the company shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- The Company further undertakes that if the amount payable on account of the re-

computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the proposed allottees.

j) Certificate of Practicing Company Secretary

Copy of the certificate of Practicing Company will be available for inspection at registered office of the Company till 18th February, 2022 during business hours, considering the proposed preferential issue, certifying that the issue is being made in accordance with the requirements of these regulations.

The above Certificate is available on the website of the company at <https://corporate.virinchi.com/postalBallot.php>

k) Change in control, if any, in the Company consequent to the preferential issue

As a result of the proposed issue of Warrants on a preferential basis, and upon conversion of the Warrants, there will be no change in the control of the Company

l) Consequential Changes in the Voting Rights:

Voting rights will change in tandem with the shareholding pattern. However, there shall not be any change in the management control of the Company.

m) Lock-in-period

- The entire pre-preferential shareholding of Warrant Holder, if any, shall also be locked-in as per Regulation 167 of the ICDR Regulations, 2018.
- Warrants being allotted to strategic investors shall be locked-in for a period of 6(Six) months from the date of trading approval or such other period as may be prescribed by the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2018.
- Lock-in of the equity shares allotted pursuant to conversion of convertible securities other than warrants, issued on preferential basis shall be reduced to the extent the convertible securities have already been locked-in

n) Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price Post 31st March, 2021 and up to the date of this Notice, the following preferential allotments has been made:

Date of Allotment	No of Securities allotted	Issue Price	No of allottees	Type of Securities
05/05/2021	3,50,000	40	2	Equity Share on Conversion of warrants
21/05/2021	9,16,667	40	3	Equity Share on Conversion of warrants

o) **Class or Classes of persons to whom the allotment is proposed to be made:** The allotment is proposed to be made to the Strategic Investors

p) **Other Disclosure:**

- It is hereby confirmed that neither the Company nor any of its Promoters or Directors are a wilful defaulter.
- The Board, in its meeting held on 12th January, 2022 and also through circular resolution dated 18th January, 2022 has approved the issuance of Warrants on preferential basis to the Warrant Holder in the manner stated hereinabove, subject to the approval of members and other approvals, as may be required.
- Regulation 160(b) of the ICDR Regulations, 2018 provides that preferential issue of specified securities by a listed company would require approval of its shareholders by way of a Special Resolution. The Board, therefore, recommends the resolution as set out in Item No.3 above to be passed as a Special Resolution.

q) In accordance with the ICDR Regulations

- i. All the Equity Shares held by the Proposed Allottees in the Company are in dematerialized form only.-Not applicable as the proposed allottees are not holding any pre-preferential holdings in the company.
- ii. No person have sold any Equity Shares of the Company during the 90(Ninety) Trading Days preceding the Relevant Date;
- iii. the Company and none of its promoters or directors is a wilful defaulter or a fugitive economic offender; and

The issue of Equity Shares and Warrants shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized format only.

None of the Directors or Key Managerial Personnel of the Company and/or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in **Item No. 3**

The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in **Item No. 3** of the Notice.

Item# 4, 5&6

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company(ies) for their continuous hard work, dedication and support, which has led the Company and the Subsidiary

Company(ies) on the growth path. The objective of the VESOS,2022 is to provide an incentive to attract and retain the key employees by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Accordingly the Board of Directors (“the Board”) of the Company at its meeting held on 12th January, 2022 approved introduction of the VESOS,2022 subject to the Approval of the members and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”), and authorised the Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 to formulate the detailed terms and conditions of the VESOS,2022 and to administer and implement the VESOS,2022 in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”),

Approval of the members is being sought for issue of Stock Option to the eligible employees of the Company and its subsidiary Company (in or outside India), including its Managing and/or Whole Time Directors, based on the recommendations from the Whole Time Director and Chairperson of the Company (except in the case of issuance of stock options to Whole Time Director and Chairperson herself where the decision shall be taken by Nomination and Remuneration Committee).

The VESOS, 2022 is formulated in accordance with SEBI Regulations.

The main features of the VESOS, 2022 which is as under:

1. Total number of Options to be granted: 1,00,00,000 (One Crore only) Options exercisable into an aggregate of 1,00,00,000 (One Crore only) of Equity Shares in the Company of face value of Rs. 10/- each fully paid-up, would be available for grant to the eligible employees of the Company and eligible employee of the Subsidiary Company(ies) aggregately under VESOS 2022, in one or more tranches. Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of VESOS,2022.

The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”), require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

2. **Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):**

Following classes of employees are entitled to participate in the VESOS, 2022:

- a) Employees of the Company working in India or out of India;
- b) Directors of the Company; and whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director
- c) Employees and Directors of the Subsidiary Company(ies) / working with respective subsidiary company or on deputation with any other company.

Following persons are not eligible:

- a) An Employee who is a Promoter or belongs to the Promoter Group; or
- b) A Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, and Independent Directors.

3. Terms of the scheme:

(1) The company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the employees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.

(2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the employees.

(3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

(4) A company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the schemes were rendered unattractive due to fall in the price of the shares in the stock market:

Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the employees and approval of the shareholders in general meeting has been obtained for such re-pricing.

4. Transferability of Employee Stock Options:

(1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.

(2) In the event of resignation or termination of the employee, all the options which are granted and yet not vested as on that day shall lapse.

(3) In the event that an employee who has been granted benefits under a scheme is transferred or deputed to an associate/subsidiary company prior to vesting or exercise,

the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

5. Requirements of Vesting and period of Vesting

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising.

In case of	All Unvested Securities/options	All Vested Securities/options
Death*	Immediately vest - have to get exercised within 1 year from such vesting	Have to get exercised within 12 months from such vest*
Permanent incapacitation	Immediately vest - have to get exercised within 1 year from such vesting	Have to get exercised within 12 months from such vest
Retirement	Vesting continues during remaining term specified	24 months to exercise
Voluntary Resignation	Forfeited/Lapse	3 months to exercise
Termination for cause as defined in the Scheme	Forfeited/Lapse	Forfeited/Lapse
Termination without cause as defined in the Scheme	Forfeited/Lapse	3 months to exercise

* Option shall vest in and exercised by legal heirs of the deceased employee.

The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

The Vesting period shall be as follows:

The Options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Company as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

6. Maximum period within which the Options shall be vested:

Options granted under VESOS, 2022 would vest subject to maximum period of 5 years from the date of grant of such Options as per the terms and conditions mentioned in the VESOS scheme 2022

7. Exercise price or pricing formula:

The Exercise Price shall be the price not being less than the face value of an Equity Share as determined by the Nomination and Remuneration Committee.

8. Exercise period and the process of Exercise:

The vested Options shall be eligible for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 24 months from the date of vesting of such Options. The vested Option shall be exercisable by the Employees by a written application to the Company/ Nomination and Remuneration Committee expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

9. Appraisal process for determining the eligibility of employees under VESOS 2022:

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration Committee from time to time. The employees would be granted Options under the VESOS 2022 based on various parameters such as work performance, period of service, rank or designation and such other parameters as may be decided by the Compensation Committee from time to time.

10. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted to any specific employee under the scheme shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company per grant and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

11. Maximum quantum of benefits to be provided per employee under the Virinchi Employees Stock Option Scheme, 2022

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and the market price of the shares as on the exercise date.

12. Whether the scheme(s) is to be implemented and administered directly by the company or through a trust

The VESOS,2022 will be implemented and administered directly by the company.

13. Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;

The scheme VESOS,2022 involves new issue of shares by the company.

14. Certificate from secretarial auditors:

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the secretarial auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

15. Disclosure and Accounting Policies:

(1) Any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

(2) Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under these regulations then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

16. Method of Option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' report.

As the ESOP 2022 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “SEBI SBEB & SE Regulations”)

A copy of the scheme shall be kept for inspection by the members at the Registered Office during office hours from 20th January, 2022 to 18th February, 2022.

17. Rights of the option holder.

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

18. Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, - (a).may be forfeited by the company if the option is not exercised by the employee within the exercise

period; or (b).may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the ESOS.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 4, 5&6 except to the extent of their existing shareholding entitlements, if any, under the ESOP Scheme.

The Board of Directors recommends passing of the resolutions as Special Resolutions by the Shareholders of the Company .

By order of the Board

For Virinchi Limited

Sd/-

Place: Hyderabad
Date: 18th January, 2022

K. Ravindranth Tagore
Company Secretary
M.No: A18894