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Annual General meeting on Wednesday, September 29, 2010 at 11 a.m. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

BOARD OF DIRECTORS

Executive Directors

Shri. Srinivas Mahankali
Shri. Srinath Kompella
Ms. Santi Priya
Shri. Viswanath Kompella
Shri. Anil Pinapala(Resigned W.e.f. 21st July,2010)

Independent Non-Executive Directors

Datuk Kunasingam V. Sittampalam
Shri Samad A. Momin
Shri K. Krishna
Shri Ramam Madu
Dr. Ravi Chand(Resigned W.e.f
11th May, 2010)

BOARD COMMITTEES

AUDIT COMMITTEE

Shri Ramam Madu	Chairman
Shri K.Krishna	Member
Shri.Viswanath Kompella	Member

REMUNERATION COMMITTEE

Shri Ramam Madu	Chairman
Shri K. Krishna	Member
DatukKunasingam V. Sittampalam	Member

INVESTORS GRIEVANCE COMMITTEE

Shri Ramam Madu	Chairman
Shri Viswanath Kompella	Member
Shri Srinivas Mahankali	Member

Ravindranath Tagore Kolli

Company Secretary

Bankers

M/s. Canara Bank
Overseas Branch
Adarsh Nagar
Hyderabad

Auditors:

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, Somajiguda
Hyderabad-500 082
Phone# (040)-23326666, 23312554

Registered Office and Development Centre:

10, SRK Colony,
West Marredpally
Secunderabad-500026
Ph Nos: 91-40-27803608, 27803610
Fax No: 91-40-27803612
Website: www.virinchi.com

Registrar and Share Transfer Agents:

M/s. Aarthi Consultants Private Ltd
1-2-285, Domalguda,
Hyderabad-500029
Phone# 91-40-27634445, 27638111
Fax: 91-40-27632184

Corporate Office:

A-1, 3rd Floor, Surabhi Plaza
Vikrampuri Colony, Kharkana
Secunderbad-500009
Ph Nos: 27890662-65
E-mail: info@virinchi.com

Wholly Owned Subsidiary Company

M/s. KSoft Systems Inc.,
1000, Route# 34 Ste# 203
Matawan, NJ-07747
Phone# 1-732- 696-2556
Website: www.ksoftglobal.com

Message from the Managing Director

Dear Shareholder,

I am happy to present to you the performance of the company for FY 2010. While the year gone by was challenging in many aspects, we used this difficult period to streamline our operations and bring back efficiencies into our system to brace for the opportunities that are opening up as the client markets we serve are coming out of recession.

Financial year 2009-10 was a tough year for the software industry in India. The economic environment became challenging in North America & United Kingdom, the major markets where we operate. We concluded the fiscal 2010 with a marginal increase in revenues and profits even when most of our customers decelerated their businesses. Our greater client focus and a flexible operational and financial model enabled us to surmount the challenges and emerge stronger from the downturn.

In terms of financial performance, your company recorded a consolidated turnover of INR 590.00 Million for the year ended against INR 583.00 Million recorded in the previous year, while the net profit has increased from INR 37.0 million to INR 43.00 million showing a year-on-year growth of 16%. We are happy to announce a final dividend of 5% (50 paise per equity share of Rs.10/-each) for the year 2009-2010.

Accolades from industry bodies always corroborate the confidence we have in our strengths and capabilities. In the year 2009-10, we were named the 'Best Managed SME' in its segment by CRISIL. Your company has justified the industry appreciation, through efficient management of resources resulting in a significant improvement of its profit margins.

We look forward to the next year with a greater emphasis on new business strategies.. To unlock the potential of industry specific products & services provided by the company, your company plans to create new subsidiary companies to focus on a specific emerging vertical of the industry. Your company successfully completed incorporation of wholly owned subsidiary 'QFund Technologies Private Ltd' which will focus on providing transaction business services in deferred presentment industry in the US and UK markets, with its retail micro lending product, QFund, which is a market leader both in North America and United Kingdom.

In order to take advantage of the buoyant domestic market, your company has started focusing on developing capabilities by leveraging its technological strengths in the field of Education and Media. To this end, your company has successfully incorporated two 100% subsidiary companies 'Virinchi Media and Entertainment Private Ltd' & 'Virinchi Learning Private Ltd'. Virinchi Media shall focus on solutions to serve the growing demands of the Indian Entertainment Industry to enable creation, buying, selling and delivery of high definition entertainment through internet to customers across globe. Virinchi Learning is aimed at promoting technology based education services to the different student categories in India, both

by creation of new content and infrastructure and also by partnering with existing content providers by leveraging the strength of information technology.

Recent reports have shown signs of recovery in demand, especially from the banking and financial services verticals in US & Europe. Financial businesses are hiking their discrete expenditure to upgrade and strengthen their systems and offer new products to the consumers. Virinchi with its services solutions and new business models is poised to make the most out of the times to come and deliver maximum value to our customers & stake holders.

Closing a challenging year, we appreciate the support of all our stakeholders who have always stood by us : you, our shareholders, clients, partners and employees.

On behalf of the Board of Directors of Virinchi, I thank all our clients, partners, employees, investors, and other stakeholders for your continued support and trust in the management of your company and look forward to the same in the future.

Best Regards,

Srinivas Mahankali,
Managing Director
Virinchi Technologies Limited

NOTICE :

NOTICE is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Wednesday, the 29th day of September, 2010, at 11.00 A.M. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2010; Balance Sheet as on that date along with the Schedules forming part of it, notes to accounts and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the financial year 2009-10
3. To appoint a Director in place of Datuk Kunasingam V.sittampalam, who retires by rotation, and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Dr. Samad A Momin who retires by rotation, and being eligible, offer himself for re-appointment.
5. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Shri M.Ramam Madu, Who was appointed as an Additional Director of the company with effect from 30th January, 2010, who holds office under Section 260 of the Companies Act, 1956, up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

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

“RESOLVED THAT Ms. G.Santi Priya, Who was appointed as an Additional Director of the company with effect from 21st July, 2010, who holds office under Section 260 of the Companies Act, 1956, up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company

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

“RESOLVED THAT K. Krishna, Who was appointed as an Additional Director of the company with effect from 21st July, 2010, who holds office under Section 260 of the Companies Act, 1956, up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

9. 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 198,269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956(hereinafter referred to as the “Act” which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the appointment of Ms.G.Santi Priya, as Chairperson & Whole Time Director , of the Company, for a period of 3(Three) years with effect from 21st July, 2010 on a monthly remuneration of Rs.1,25,000 Per Month.

“RESOLVED FURTHER that the remuneration as set out in this resolution including benefits, amenities and perquisites, shall be allowed and paid to Ms. G.Santi Priya as minimum remuneration during the currency of her tenure, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any such financial year, exceed the ceiling laid down in this behalf in Schedule XIII to the Act, including amendments made thereto”

“RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 1956 and subject to the accordance of the requisite approvals, the board be and is here by authorized to revise the gross salary of the appointee by a maximum of 50% per annum”.

10. 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 198,269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956(hereinafter referred to as the “Act” which includes any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the re-appointment of Mr. Viswanath Kompella, as Executive Director, of the Company, for a period of 3(Three) years with effect from 1st April, 2010 on a monthly remuneration of Rs.2,00,000 Per month.

“RESOLVED FURTHER that the remuneration as set out in this resolution including benefits, amenities and perquisites, shall be allowed and paid to Mr. Viswanath Kompella as minimum remuneration during the currency of his tenure, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any such financial year, exceed the ceiling laid down in this behalf in Schedule XIII to the Act, including amendments made thereto”

“RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 1956 and subject to the accordance of the requisite approvals, the board be and is here by authorized to revise the gross salary of the appointee by a maximum of 50% per annum”.

11. Issue and allotment of warrants on preferential basis to Strategic Investors and promoters of the Company

To Consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956(Act) (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company, the Listing Agreement entered into between the Company and the Various stock exchanges, the Guidelines for Preferential Issues contained in Securities and Exchange Board of India(Issue of Capital and Disclosure Requirements) Regulations, 2009, rules and regulations framed by Reserve Bank of India(RBI) and other statutory/regulatory authorities, and subject to all applicable norms, guidelines, regulations in force, and

statutory approvals, consents, permissions or sanctions as may be necessary, of appropriate authorities, institutions or bodies and subject to such conditions as the authorities may impose at the time granting their approvals/consents/permissions/sanctions and which may be agreed to by the Board of Directors of the Company (the "Board", which expression shall include any committee thereof constituted/to be constituted by the Board for exercising the powers conferred on the Board by this Resolution) if it thinks fit in the interest of the Company, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 30,00,000 (Thirty Lacs Only) warrants of Rs.10/- each at a premium to be decided as per the SEBI guidelines, to strategic investors of the company, the details of which are mentioned in the Explanatory Statement annexed hereto, on preferential allotment basis, , on such terms and conditions and in such manner as the Board may think fit, whether or not they are members of the Company

"RESOLVED FURTHER THAT

- a) The relevant date for the purpose of pricing of the equity shares as above, in accordance with the SEBI Guidelines is 30th August, 2010 being the 30th day prior to 29th September, 2010 (i.e. the 30th day prior to the date on which the meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed issue.)
- b) The equity shares to be issued and allotted on conversion of warrants in pursuance of this resolution shall rank *pair passu* with the then existing equity shares of the company in all respects.

"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 and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the equity shares and the utilization of the issue proceeds thereof, to effect any modification (s) to the foregoing (including any modifications to the terms of the issue) in the best interests of the Company and its shareholders and to execute all such writings and instrument(s) as the Board may in its absolute discretion deem necessary or desirable.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any committee of Directors of the Company to give effect to the aforesaid resolution".

BY ORDER OF THE BOARD
For **VIRINCHI TECHNOLOGIES LIMITED**

PLACE : HYDERABAD
DATE : 31.08.2010

K. Ravindranath Tagore
Company Secretary

NOTES:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting.
- b) The relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.173 (2) of the Companies Act, 1956 is annexed hereto.
- c) The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 26th September, 2010 to 29th September 2010 (both days inclusive)
- d) Dividend, if declared, at the Annual General Meeting, will be payable to those members whose names appear on the Company's Register of Members as on 29th September, 2010. Dividend Warrants are scheduled to be posted on or after 3rd October, 2010. Dividend Warrant is valid for payment by the Company's Bankers for six months from the date of issue. Thereafter, please contact our share registrars, M/s. Aarthi Consultants Pvt Ltd, 1-2-285, Domalguda, Hyderabad –500029 for revalidation of the warrants.

You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed / unpaid at the expiry of 7 years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection Fund established under section 205C in terms of section 205A of the Companies Act, 1956.

It may be noted that no claim will lie against the company or the investor education and protection fund in respect of the said unclaimed dividend amount transferred to the fund.

Annexure to the Notice
Explanatory statement pursuant to Section 173(2) of The Companies Act, 1956

Item #6

Shri. Ramam Madu was appointed as an Additional Director of the company as per the provisions of Section 260 of the Companies Act, 1956("the Act") in the Board Meeting held on 30th January, 2010. Pursuant to Section 260 of the Companies Act, 1956 Shri Ramam Madu holds office of Director up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- from a member signifying his intention to propose the name of Shri. Ramam Madu as a candidate for the office of Director. The profile of the Director is given hereto under the head 'Additional Information'

The Board recommends the resolution for the members' approval in the Annual General Meeting.

None of the Directors except Shri Ramam Madu is concerned or interested in the resolution.

Item #7

Ms. Santi Priya was appointed as an Additional Director of the company as per the provisions of Section 260 of the Companies Act, 1956("the Act") in the Board Meeting held on 21st July, 2010. Pursuant to Section 260 of the Companies Act, 1956 Ms. Santi Priya holds office of Director up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- from a member signifying his intention to propose the name of Ms. Santi Priya as a candidate for the office of Director. The profile of the Director is given hereto under the head 'Additional Information'

The Board recommends the resolution for the members' approval in the Annual General Meeting.

None of the Directors except Ms. Santi Priya is concerned or interested in the resolution

Item #8

Shri Krishna Kanaparthi was appointed as an Additional Director of the company as per the provisions of Section 260 of the Companies Act, 1956("the Act") in the Board Meeting held on 21st July, 2010. Pursuant to Section 260 of the Companies Act, 1956 Shri Krishna Kanaparthi holds office of Director up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- from a member signifying his intention to propose the name of Shri Krishna Kanaparthi as a candidate for the office of Director. The profile of the Director is given hereto under the head 'Additional Information'

The Board recommends the resolution for the members' approval in the Annual General Meeting.

None of the Directors except Shri Krishna Kanaparthi is concerned or interested in the resolution

Item #9

The Board of Directors of the Company in its meeting held on 21st July, 2010, appointed Ms. Santi Priya as Chairperson & Whole Time Director for a period of 3 years with effect from 21st July, 2010 at a gross salary of Rs.1,25,000 Per Month.

Considering her competence, experience as also the envisaged growth in the activities of the company and as compared to remuneration presently being paid to persons in similar situations in the country, the terms of her remuneration as set out below are viewed to be just, fair and reasonable. She is having directorships in Qfund Technologies Private Ltd, a wholly owned subsidiary of the company.

The remuneration has been approved by the remuneration committee.

As per the provisions of Schedule XIII of the Companies Act, 1956 appointment of Ms. Santi Priya as Chairperson & Whole Time Director requires the approval of the members in General Meeting. Hence, the above resolution at item# 8 is submitted to the meeting for ratification by the members of the company by passing a Special Resolution.

The Board of Directors commends the above resolution at Item# 9 for your approval.

None of the Directors of the Company except Ms. Santi Priya to the extent of her appointment as director is concerned or interested in this resolution.

Item #10

The Board of Directors of the Company in its meeting held on 30th January, 2010, re-appointed Mr. Viswanath Kompella as Executive Director for a period of 3 years with effect from 1st April, 2010 at a gross salary of Rs. 2,00,000 Per Month.

Considering his competence, experience as also the envisaged growth in the activities of the company and as compared to remuneration presently being paid to persons in similar situations in the country, the terms of his remuneration as set out below are viewed to be just, fair and reasonable. He is having directorships in Thinking Media Entertainment Private Ltd, Tesla Learning Private Ltd, Virinchi Learning Private Ltd, Virinchi Media and Entertainment Private Ltd..

The remuneration has been approved by the remuneration committee.

As per the provisions of Schedule XIII of the Companies Act, 1956 appointment of Mr. Viswanath Kompella as Executive Director requires the approval of the members in General Meeting. Hence, the above resolution at item# 10 is submitted to the meeting for ratification by the members of the company by passing a Special Resolution.

The Board of Directors commends the above resolution at Item# 10 for your approval.

None of the Directors of the Company except Mr. Viswanath Kompella to the extent of his appointment as director is concerned or interested in this resolution.

Item# 11

As members are aware the company has global operations and significant growth plans. These growth plans include, the incorporation of three 100% wholly owned subsidiary companies namely, Qfund Technologies Private Ltd, Virinchi Media and Entertainment Private Ltd and Virinchi Learning Private Ltd.

While the current internal accruals from the operations are strong, the above projects would require significant outlay of funds in the coming years. These projects will necessitate external infusion of funds at different points of time in the future. Since the activities of the company are going to diversify into these three companies across different fields, there will be considerable amount of investment the company has to make into these three companies. It is thought prudent to obtain shareholders approval for issue of securities through preferential allotment of shares to strategic investors to enable the company to raise a part of this fund requirement for the said growth plans.

Hence, the company proposes to issue 30,00,000 Warrants to the promoters and strategic investors as detailed hereunder subject to the approval of members and such other approvals as may be necessary. The proposed issue of warrants on preferential basis to Promoters and strategic investors would be strictly in accordance with Chapter VII of the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations 2009") and the following parameters would be subject to such changes as may be required to conform to the SEBI ICDR Regulations, 2009.