



VSF PROJECTS LIMITED

VSF Projects Limited (CIN:L05005AP1992PLC014326) was incorporated on June 4, 1992, under the Companies Act, 1956 as a Public Limited company in the State of Andhra Pradesh. The Company obtained the Certificate of Commencement of Business on June 25, 1992 from the Registrar of Companies, for United Andhra Pradesh at Hyderabad. The Company changed its name from Vijaya Shrimp Farms and Exports Limited to VSF Projects Limited and a fresh Certificate Incorporation was issued by the Registrar of Companies on September 8, 2005. The Company made its maiden public issue and got listed on Regional Stock Exchange at Hyderabad and Bombay Stock Exchange of India in 1994. The Registered Office of the Company is situated at Sy.No.782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh, 524 412. Corporate Office of the Company is situated at Plot No.8-2-269/19/S/D Lavakusa residency Rd.No.2, Banjara Hills Hyderabad – 500 034, Telangana For details of changes in name and registered office of our Company, see ‘General Information’ beginning on page 37 of the Draft Letter of Offer.

Registered Office: Sy.No.782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh, 524 412

Corporate Office: Plot No.8-2-269/19/S/D Lavakusa residency Rd.No.2, Banjara Hills Hyderabad – 500 034, Telangana

Contact Number: + 040 - 23548694;

Contact Person: Mr. Soumith Kumar Sikinderpurkar, Company Secretary and Compliance Officer;

E-mail Address: vsfprojectsLtd91@gmail.com ; **Website:** www.vsfproject.com;

Corporate Identity Number: L05005AP1992PLC014326

THE PROMOTER OF OUR COMPANY IS NARAYANA MURTHY BOBBA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS VSF PROJECTS LIMITED

RIGHTS ISSUE OF UP TO [●] ([●]) PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10.00/- (RUPEES TEN ONLY) EACH OF OUR COMPANY (THE ‘RIGHTS EQUITY SHARES’) FOR CASH AT A PRICE OF ₹[●].00/- (RUPEES [●] ONLY) PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●].00/- (RUPEES [●] ONLY) PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 4,950/- LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] ([●]) RIGHT EQUITY SHARE FOR EVERY [●] ([●]) EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●], 2023 (THE ‘ISSUE’). FOR FURTHER DETAILS, SEE ‘TERMS OF THE ISSUE’ BEGINNING ON PAGE 168. THE RIGHTS ISSUE PRICE IS [●] ([●]) TIMES THE FACE VALUE OF THE EQUITY SHARES.

**Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.*

RIGHT ISSUE PRICE

| AMOUNT PAYABLE PER RIGHT EQUITY SHARE | FACE VALUE | PREMIUM | TOTAL | PERCENTAGE OF RIGHT ISSUE PRICE |
|--|-----------------|---------------|---------------|---------------------------------|
| On Application | ₹[●]/- | ₹[●]/- | ₹[●]/- | [●]% |
| Two or more calls, subsequent calls as may be determined by the Board/ Committee | ₹[●]/- | ₹[●]/- | ₹[●]/- | [●]% |
| Total | ₹10.00/- | ₹[●]/- | ₹[●]/- | 100.00% |

WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)

Neither our Company nor our Promoter or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of ‘Risk Factors’ beginning on page 21.

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited. Our Company has received ‘in-principle’ approval from BSE Limited for listing the Rights Equity Shares to be allotted pursuant to the Issue through its letters dated [●], 2023. Our Company will also make application to BSE Limited to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE RIGHTS ISSUE



PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai - 400011, Maharashtra, India

Contact Details: + 91-22-2301-2518 / 6761;

Web: www.purvashare.com;

Email: support@purvashare.com;

SEBI Registration No: INR000001112;

Contact Person: Ms. Deepali Dhuri;

ISSUE PROGRAMME

| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON** |
|----------------|---------------------------------------|-------------------|
| [●] | [●] | [●] |

*Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounees on or prior to the Issue Closing Date.

**Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to VSF Projects Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘*Industry Overview*’, ‘*Statement of Tax Benefits*’, ‘*Financial Information*’, ‘*Outstanding Litigations, Defaults, and Material Developments*’ and ‘*Terms of the Issue*’ on page 56, 52, 88, 154, and 168 respectively, shall have the meaning given to such terms in such sections.

CONVENTIONAL/ GENERAL TERMS

| Term | Description |
|---|--|
| VSF Projects Limited / Company/ VSFPROJ | VSF Projects Limited, a public limited company incorporated on June 4, 1992, under the provisions of the Companies Act, 1956, as amended from time to time, having its registered office located at Sy.No.782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh,524412 bearing corporate identification number ‘‘L05005AP1992PLC014326’’ |
| We/ us/ our | Unless the context otherwise indicates or implies, refers to VSF Projects Limited |
| AoA/ Articles of Association | The Articles of Association of VSF Projects Limited, as amended from time to time |
| Audit Committee | The committee of the Board of Directors constituted as our Company’s audit committee in accordance with the provisions of Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations |
| Audited Financial Statements | The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ended on March 31, 2023. |
| Auditors/ Statutory Auditors/ Peer Review Auditor | The current statutory auditors of our Company M/s. NVSR & Associates, LLP, Chartered Accountants bearing Firm Registration Number ‘008801S/S200060’ |
| Board of Directors/ Board | Board of Directors of our Company |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company, being Mr. Soumith Kumar Sikinderpurkar |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company, being Mr. Lakshminarasimha Chowdary Bobba. |
| Directors | The director(s) on the Board of our Company, unless otherwise specified |
| Eligible Shareholder(s) | Eligible holder(s) of the Equity Shares of VSF Projects Limited as on the Record Date |
| Equity Shares | Equity shares of the Company having face value of ₹10.00 (Rupees Ten Only) |

| Term | Description |
|---------------------------------------|---|
| Independent Director | Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Sections 2(47) and 149(6) of the Companies Act and Regulation 16 (1) of the SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' Our Management ' beginning on page 77 of this Draft Letter of Offer |
| Internal Compliant Committee | The committee of the Board of directors reconstituted as our Company's Internal Compliant Committee in accordance with the provisions Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 |
| ISIN of our Company | International Securities Identification Number being INE923K01014 |
| Key Management Personnel /KMP | Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act. For details, please refer to section titled ' Our Management ' beginning on page 77 of this Draft Letter of Offer |
| Materiality Policy | A policy adopted by our Company, in the Board meeting held on February 12, 2016 for identification of material litigation(s) for the purpose of disclosure of litigations which was subsequently amended on, [●], 2023 |
| MoA/ Memorandum of Association | The Memorandum of Association of VSF Projects Limited, as amended from time to time |
| Nomination and Remuneration Committee | The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations |
| Promoter | The Promoter of our Company is Narayana Murthy Bobba |
| Promoter Group | Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with BSE Limited under the SEBI (LODR) Regulations |
| Registered Office | The registered office of our Company is situated at Sy.No.782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh, 524 412 |
| Registrar of Companies | Registrar of Companies, Vijayawada situated at 29-7-33, First Floor, Vishnuvardhanarao Street, Suryaraopet, Vijayawada, Andhra Pradesh – 520002. |
| Standalone Financial Statements | The financial information of our Company comprising standalone Statements of Assets and Liabilities for the Financial Years ended on March 31, 2023, and 2022 and the Profit and Loss, Cash Flow the Summary Statement of Significant Accounting Policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by ICAI, as amended from time to time. |
| Financial Statements | The Standalone Financial Statements are hereinafter collectively referred to as the Financial Statements |
| Risk Management Committee | The committee of the Board of Directors constituted as our Company's Risk Management Committee in accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations |
| Stakeholders' Relationship Committee | The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations |
| Stock Exchange | The stock exchange where the Equity Shares are presently listed, being BSE Limited |

ISSUE RELATED TERMS

| Term | Description |
|---|---|
| Abridged Letter of Offer | Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act. |
| Additional Rights Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement. |
| Allot/ Allotment/ Allotted | Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue. |
| Allotment Account | The account opened with the Banker to the Issue, into which the Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act. |
| Allotment Account Bank | The bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, [●]. |
| Allotment Advice | Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Equity Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Allotment Date | The date on which the Allotment is made pursuant to this Issue. |
| Allottees | Person(s) who are Allotted Rights Shares pursuant to the Allotment. |
| Applicant(s)/ Investor(s) | Eligible Shareholder(s) and/or Renouncee(s) who make are entitled to make an application for the Rights Shares pursuant to this Issue in terms of the Letter of Offer. |
| Application | Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Shares at the Issue Price. |
| Application Form | Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process is used by an Investor to make an application for the Allotment of Rights Shares in the Issue. |
| Application Money | The aggregate amount payable at the time of Application ₹ [●].00/- (Rupees [●] Only) (representing [●] % ([●] Percent) of the Issue Price) in respect of the Rights Shares applied for in this Issue at the Issue Price. |
| Application Supported by Blocked Amount/ ASBA | Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB. |
| ASBA Account | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Money of the ASBA Investor. |
| ASBA Applicant /ASBA Investor | As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for a rights issue only through the ASBA facility. |
| ASBA Bid | Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations. |
| ASBA Circulars | Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'. |
| Bankers to the Issue | Collectively, the Escrow Collection Bank, Allotment Account Bank, and the Refund Bank to the Issue, in this case being [●]; |
| Bankers to the Issue Agreement | Agreement dated [●] entered by and amongst our Company, the Registrar, and the Bankers to the Issue. |
| Basis of Allotment | The basis on which the Rights Shares will be Allotted to successful Applicants in the Issue in consultation with BSE Limited, and which is described in the |

| Term | Description |
|---|---|
| | section titled ' <i>Terms of the Issue</i> ' beginning on page 168 of this Draft Letter of Offer. |
| BSE Limited | BSE Limited, being the Stock Exchange where presently the Equity Shares of the Company are listed. |
| Call Monies | The balance amount payable by the holders of the Rights Shares pursuant to the Payment Schedule, is ₹ [●].00/- (Rupees [●] Only) per Rights Equity Share (representing [●] % ([●] Percent) of the Issue Price) after payment of the Application Money. |
| Call Record Date | A record date fixed by our Company to determine the names of the holders of Rights Shares for the purpose of issuing the Call. |
| Call | The notice issued by our Company to the holders of the Rights Shares as on the Call Record Date for making a payment of the Call Monies. |
| Controlling Branches /Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the the Registrar to the Issue, and BSE Limited, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . |
| Demographic Details | Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable. |
| Designated Branches SCSB | Such branches of the SCSBs which shall collect the Application Form or plain paper application, submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 updated from time to time, or at such other website as may be prescribed by SEBI from time to time. |
| Depository(ies) | NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996. |
| Draft Letter of Offer/ DLoF | This Draft Letter of Offer dated [●], 2023, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approvals. |
| Eligible Shareholders Equity | Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. |
| Issue/ Rights Issue | Rights Issue of up to [●] ([●]) party-paid up Rights Shares of our Company for cash at a price of ₹ [●].00/- (Rupees [●] Only) per [●] an amount of up to ₹4950 Lakhs (Rupees Forty Nine Crores Fifty Lakhs Only) (<i>assuming full subscription and receipt of all Call Monies with respect to Rights Shares</i>) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●] Right Equity Share for every [●] ([●] Equity Share held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]. On Application, Investors will have to pay ₹ [●].00- (Rupees [●] Only) per Rights Equity Share which constitutes [●] % ([●] Percent) of the Issue Price, and the balance ₹ [●].00/- (Rupees [●] Only) per Rights Share which constitutes [●] % ([●] Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Rights Issue Committee of the Board from time to time. |
| Issue Opening Date | [●]. |
| Issue Closing Date | [●]. |
| Issue Materials | The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations. |
| Issue Price | ₹ [●] .00/- (Rupees [●] Only) per Rights Equity Share issued in [●] ([●]) Rights Entitlement, including a premium of ₹ [●] .00/- (Rupees [●] Only) per Rights Share). |

| Term | Description |
|--|---|
| | On Application, Investors will have to pay ₹ [●].00/- (Rupees [●]Only) per Rights Equity Share which constitutes [●] % ([●] Percent) of the Issue Price, and the balance ₹ [●] .00/- (Rupees [●] Only) per Rights Share which constitutes [●] % ([●] Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Rights Issue Committee of the Board from time to time. |
| Issue Shares | Up to [●] ([●]) partly-paid-up Rights Equity Shares. |
| Issue Proceeds | The proceeds of the Issue that are available to our Company. |
| Issue Size | Amount aggregating up to ₹4950 Lakhs (Rupees Forty-Nine Crores Fifty Lakhs Only) (Assuming full subscription and receipt of all Call Monies with respect to Rights Shares). |
| Letter of Offer/ LoF | The final letter of offer is to be filed with SEBI and BSE Limited after incorporating the observations received from BSE Limited on the Draft Letter of Offer. |
| Listing Agreements | Listing agreements entered between our Company and BSE Limited in terms of the SEBI (LODR) Regulations. |
| Multiple Application Forms | More than one Application Form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However supplementary applications in relation to further Rights Shares with/without using additional Rights Entitlements will not be treated as multiple applications. |
| Net Proceeds | Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 45 of this Draft Letter of Offer; |
| Non-ASBA Investor/ Non-ASBA Applicant | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees. |
| Non-Institutional Investors/ NIIs | An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations. |
| Offer Document | The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum, advertisements, thereto, Rights Entitlement Letter. |
| Off Market Renunciation | The renunciation of Rights Entitlements is undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the BSE Limited through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by BSE Limited, from time to time, and other applicable laws, on or before [●]. |
| Payment Schedule | Payment schedule under which [●] % ([●] Percent) of the Issue Price is payable on Application, i.e., ₹ [●] .00/- (Rupees [●] Only) per Rights Share, and the balance unpaid capital constituting [●] % ([●] Percent) of the Issue Price i.e., ₹ [●] .00/- (Rupees [●] Only) will have to be paid, on one or more additional calls as may be decided by the Board/ Committee of the Board from time to time, which shall be within 12 months from the date of allotment under the issue. |
| Physical Equity Shareholders | Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders. |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations. |
| Record Date | Designated date to determine the Eligible Equity Shareholders eligible to apply for Rights Shares, being [●]. |
| Refund Bank | The Banker to the Issue with the Refund Account will be opened, in this case being [●]. |
| Registrar Agreement | Agreement dated [●] entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue. |

| Term | Description |
|---|---|
| Registrar to the Company | Aarthi Consultants Private Limited. |
| Registrar to the Issue | Purva Sharegistry (India) Private Limited |
| Renounees | Any persons who have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation. |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e. [●]; |
| Retail Individual Investors/ RIIs | An Individual Investor (including an HUF applying through Karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations. |
| Rights Entitlement Letter | This letter includes details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are accessible on the website of our Company. |
| Rights Entitlement (s)/ RES | The number of Rights Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Rights Shares for every [●] Equity Shares held by an Eligible Shareholder. The Rights Entitlements with a separate ISIN '[●]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date; |
| Rights Shares | Equity Shares of our Company to be Allotted pursuant to this Issue; |
| SEBI Rights Issue Circulars | The SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'. |
| Self-Certified Syndicate Banks/ SCSB(s) | Self-certified syndicate banks registered with SEBI, which act as a Banker to the Issue and which offer the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| Transfer Date | The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| Wilful Defaulter or Fraudulent Borrower | A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such. |
| Working Day(s) | In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on BSE Limited, working day means all trading days of BSE, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

ABBREVIATIONS

| Term | Description |
|----------------------------|--|
| AIF | Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| CAF | Common Application Form |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970 |
| Companies Act, 2013 | Companies Act, 2013 along with rules made thereunder |
| Companies Act, 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) |
| Consolidated FDI Policy | Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India |
| COVID-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CSR | Corporate Social Responsibility |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 |
| Depositories Act | The Depositories Act, 1996, including subsequent amendments thereto |
| DIN | Director Identification Number |
| DP | Depository Participant |
| DP-ID | Depository Participant's Identification |
| DR | Depository Receipts |
| EBITDA | Profit/(loss) before tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss |
| EGM | Extraordinary General Meeting |
| EEA | European Economic Area |
| EPC Services | Engineering, Procurement, and Construction services |
| EPS | Earning per Equity Share |
| FCNR Account | Foreign Currency Non-Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| FII(s) | Foreign Institutional Investors registered with SEBI under applicable laws |
| FIPB | Foreign Investment Promotion Board |
| FPIs | Foreign Portfolio Investors |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| FY/ Financial Year | Period of 12 months ended March 31 of that particular year, unless otherwise stated |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| GDR | Global Depository Receipt |
| GNPA | Gross Net Performing Assets |
| GoI / Government | The Government of India |
| GST | Goods and Services Tax |

| Term | Description |
|-------------------------------|--|
| HUF | Hindu Undivided Family |
| Ind AS | Indian Accounting Standards |
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| Indian GAAP/ I-GAAP | Generally Accepted Accounting Principles In India |
| Income Tax Act/ IT Act | The Income Tax Act, 1961 and amendments thereto |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016, as amended |
| INR / ₹ / Rs. / Indian Rupees | Indian Rupee, the official currency of the Republic of India |
| IST | Indian Standard Time |
| IT | Information Technology |
| MCA | The Ministry of Corporate Affairs, Government of India |
| Mn / mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| N.A. or NA | Not Applicable |
| NAV | Net Asset Value |
| NCT | National Capital Territory, Delhi |
| NCLT | National Company Law Tribunal |
| NCLAT | National Company Law Appellate Tribunal |
| NEFT | National Electronic Fund Transfer. |
| Net Worth | The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect |
| NR/ Non- Resident | A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI |
| NRE | Account Non-resident external account |
| NRI | Non-resident Indian |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | Overseas Corporate Body |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |
| PAT | Profit after Tax |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| RoNW | Return on Net Worth |
| SCORES | SEBI Complaints Redress System |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time |

| Term | Description |
|-------------------------|--|
| SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto |
| Securities Act | United States Securities Act of 1933, as amended |
| STT | Securities transaction tax |
| Trade Mark Act | Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto |
| VCF | Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be |

NOTICE TO OVERSEAS INVESTORS

The distribution of the Issue Material and the Issue of Rights Entitlements or the Rights Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Shareholders as on Record Date and will dispatch the Issue Materials through email and courier to such Eligible Shareholders who have a registered address in India or have provided an Indian address to our Company. The Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials. Investors can also access the Issue Material from the websites of the Registrar, our Company, and on BSE Limited.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE for observations. Accordingly, the Rights Entitlements or the Rights Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the Issue of Rights Entitlements or the Rights Shares, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlements, or the Rights Shares referred to in the Issue Materials.

Any person who makes an application to acquire the Rights Entitlement or the Rights Shares offered in this Issue will be deemed to have declared, represented, warranted, and agreed that she/he is authorized to acquire the Rights Entitlement or the Rights Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that the Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to Allot or issue any Rights Entitlement or Rights Shares in respect of any such Application Form.

Neither the delivery of Issue Materials nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

The contents of the Issue Materials should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of the offer of Right Entitlements or Rights Shares. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of the Rights Entitlement or the Rights Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Entitlement or the Rights Shares regarding the legality of an investment in the Rights Entitlement or the Rights Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Right Entitlements or the Rights Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Issue Materials are being offered in India, but not in the United States. The offering to which the Issue Materials relate to is not and are under no circumstances to be construed as, an offering of any Right Entitlement or the Rights Shares for sale in the United

States or as a solicitation therein of an offer to buy any of the said Right Entitlement or the Rights Shares. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letters should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Entitlements or the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Equity Shares in India. Any person who acquires Right Entitlements or Rights Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Entitlements or the Rights Shares, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the Right Entitlements or the Rights Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which:

1. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
2. Appears to our Company or its agents to have been executed in or dispatched from the United States;
3. Where a registered Indian address is not provided; or
4. Where our Company believes that the Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Entitlement or the Right in respect of any such Application Form.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

CERTAIN CONVENTIONS

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our 'Company', 'we', 'our', 'us' or similar terms are to VSF Projects Limited or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time.

Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Financial Statements, which have been prepared in accordance with Ind As, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled '*Financial Information*' beginning on page 88 of this Draft Letter of Offer.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Draft Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

Please Note:

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

FORWARD LOOKING STATEMENTS

We have included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
2. Changes in laws and regulations relating to the sector and industry in which we operate;
3. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
4. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
5. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
6. Any adverse outcome in the legal proceedings in which our Company is involved;
7. Other factors beyond our control;
8. Our ability to manage risks that arise from these factors;
9. Changes in Government policies and Regulatory actions that apply to or affect our business;
10. Conflicts of interest with affiliated companies, the promoter group and other related parties;
11. The performance of the financial markets in India and globally; and
12. We are affected by volatility in interest rates, adversely affecting our net interest income;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled ‘**Risk Factors**’ beginning on page 21 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and BSE’s requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors.

This summary should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled '**Risk Factors**', '**Objects of the Issue**', '**Industry Overview**', '**Business Overview**', and '**Outstanding Litigations, Defaults and Material Developments**' beginning on pages 21, 45, 56, 64, and 154 of this Draft Letter of Offer, respectively.

PRIMARY BUSINESS

VSF Projects Limited is an integrated construction and infrastructure development and execution company with two principal business segments:

- Construction business which is operated by the Company.
- Aqua Culture business which is operated by the Company.

Infrastructure business of the Company focuses on sectors including roads, buildings, industrial construction.

Please refer to the section titled '**Industry Overview**' on page 56 of this Draft Letter of Offer.

PROMOTER OF OUR COMPANY

As of the date of this Draft Letter of Offer, the Promoter of our Company is Narayana Murthy Bobba.

For further details, please refer to section titled '**Our Promoters and Promoter Group**' beginning on page 86 of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

| Particulars | Amount (₹ in Lakhs) |
|--|------------------------|
| Gross Proceeds from the Issue# | ₹4,950.00 |
| Less: Estimated Issue related Expenses | (₹50.00) |
| Net Proceeds from the Issue | ₹4,900.00 |

Notes:

* Assuming full subscription in this Issue and receipt of all Call Monies with respect to the Rights Equity Shares in this Issue and subject to finalization of Basis of Allotment and the Allotment, and to be adjusted per the Rights Entitlement ratio.

The amount utilized towards general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds.

#Rounded off to two decimal places.

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

| Sr. No. | Particulars | Amount (₹ in Lakhs) |
|---------|--|------------------------|
| 1. | Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot | ₹2,722.18 |
| 2. | Adjustment of Unsecured Loans against the Rights Entitlement of the Promoters | ₹1,077.82 |

| Sr. No. | Particulars | Amount (₹ in Lakhs) |
|----------------------------|-----------------------------|------------------------|
| 3. | General Corporate Purposes# | 1,100.00 |
| Total Net Proceeds@ | | ₹4900.00 |

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please refer to the chapter titled '*Objects of the Issue*' beginning on page 45 of this Draft Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER

The Promoter of our Company, through his letter dated August 01, 2023, has confirmed that, he intends to subscribe in part or to full extent of his Right Entitlements in this Issue and to the extent of the unsubscribed portion (if any) with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The Promoter has confirmed that he intends to apply for and subscribe to the additional Rights Equity Shares and any Rights Equity Shares offered in the Issue that remains unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under and subject to compliance with the provisions of the Companies Act, the SCRR, SEBI (ICDR) Regulations, SEBI (LODR) Regulations, and SEBI (SAST) Regulations.

Any such subscription for Rights Equity Shares over and above the Rights Entitlement of the Promoter may result in an increase in his shareholding percentage in the Company. The allotment of Rights Equity Shares of the Company subscribed by the Promoter in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. This Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

FINANCIAL INFORMATION

The following table sets forth the summary of the financial information derived from the Standalone Financial Statements for the half year September 30, 2023, March 31, 2023 and March 31, 2022.

| Particulars | Standalone Audited / Un audited Financial Statements | | |
|---|---|---|---|
| | For the Half Year ended September 30, 2023. (₹ in Lakhs) | For the Financial Year ended March 31, 2023 (₹ in Lakhs) | For the Financial Year ended March 31, 2022 (₹ in Lakhs) |
| Equity Share Capital | 657.67 | 657.67 | 586.90 |
| Net-Worth | 304.44 | 347.16 | 27.21 |
| Total Income | 0 | 163.23 | 164.84 |
| Profit/ (loss) after tax (excluding comprehensive income/ (loss)) | (42.72) | 1.44 | (8.05) |
| Basic EPS | (0.65) | 0.02 | (0.14) |
| Diluted EPS | (0.65) | 0.02 | (0.14) |
| Net asset value per Equity Share | 4.62 | 5.28 | 0.46 |
| Total borrowings (Including current and non-current borrowings) | 2278.18 | 1493.39 | 1564.62 |

For further details, please refer to section titled '*Financial Information*' beginning on page 88 of this Draft Letter of Offer.

QUALIFICATIONS OF THE STATUTORY AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE FINANCIAL INFORMATION

Our Statutory Auditor has not made a qualification which has not been given effect to in the Financial Statements.

For further details on auditor qualifications, please refer to the section titled '*Financial Information*' beginning on page 88 of this Draft Letter of Offer.

OUTSTANDING LITIGATIONS

A summary of outstanding legal proceedings as of the date of this Draft Letter of Offer as disclosed in the section titled '*Outstanding Litigations, Defaults and Material Developments*' in terms of the SEBI (ICDR) Regulations and the Materiality Policy is provided below.

As on date of this Draft Letter of Offer, there are no litigations or proceedings subsisting or existing by or against the Company, Directors, Promoter, summary of outstanding litigation proceedings involving our Company, Directors and Promoters, is specified as below:

| Nature of Entity | Criminal Proceedings | Civil Proceedings | Tax Proceedings | Statutory regulatory proceedings | Disciplinary actions by SEBI or BSE | Aggregate amount involved (₹ in Lakhs) |
|-----------------------|----------------------|-------------------|-----------------|----------------------------------|-------------------------------------|--|
| Company | | | | | | |
| By the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Directors | | | | | | |
| By the Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| Promoter | | | | | | |
| By the Promoter | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Promoter | Nil | Nil | Nil | Nil | Nil | Nil |

For further details, please refer to section titled '*Outstanding Litigations, Defaults and Material Developments*' beginning on page 154 of this Draft Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations that impacts the business of the Company, and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 21 of this Draft Letter of Offer.

CONTINGENT LIABILITIES

As on date of this Draft Letter of Offer, there are no contingent liabilities as per Ind AS – 37 Provisions and contingent liabilities of our Company.

For details of the contingent liabilities, as reported in the Standalone Financial Statements, please refer to the section titled '*Financial Information*' beginning on page 88 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

The details of our related party transactions as per Ind AS – 24 Related Party Disclosures, read with SEBI (ICDR) Regulations have been derived from the Financial Statements for the period September 30, 2023 and for the year ended March 31st 2023 , is specified as below:

(Rs. In Lakh)

| Particulars | Standalone Un Audited / Audited Financial Statements | | |
|--|--|--|--|
| | For the Half Year ended September 30, 2023. (₹ in Lakhs) | For the Financial Year ended March 31, 2023 (₹ in Lakhs) | For the Financial Year ended March 31, 2022 (₹ in Lakhs) |
| a) Key managerial personnel | | | |
| Remuneration & Commission | | | |
| B N Murthy | 18.00 | 22.00 | 12.00 |
| B. Vijaya Lakshmi | 3.00 | 6.00 | 6 |
| Lakshmi Narasimha Chowdary Bobba | 12.00 | Nil | Nil |
| Rahul Patibandla | Nil | Nil | Nil |
| Patibandla Ajaya | Nil | Nil | Nil |
| b) Loan from Directors | | | |
| Rahul Pathibandla | 3.85 | | |
| Lakshminarasimha bobba chowdary | 63.14 | 17.00 | 12.00 |
| B N Murthy | 213.93 | | |
| B. Vijaya Lakshmi | 63.56 | 189.01 | 164.89 |
| B.Lakshmi Divya | 86.46 | 61.56 | 133.56 |
| TOTAL | 430.94 | 250.57 | 298.45 |

For details of the Related Party Transactions, as reported in the Financial Statements, please refer to the section titled '*Financial Information*' beginning on page 88 of this Draft Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, Directors, and their relatives have financed the purchase by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR PRECEDING THE DATE OF FILING OF THIS DRAFT LETTER OF OFFER

Our Company has not issued any Equity Shares for consideration other than cash in the 1 (One) year preceding the date of this Draft Letter of Offer.

SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of its Equity Shares in the one year preceding the date of this Draft Letter of Offer.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors, uncertainties, and all other information described in this Draft Letter of Offer, in conjunction with ‘Industry Overview’, ‘Business Overview’, ‘Financial Statements’, ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’, and ‘Key Industry Regulations and Policies’ beginning on pages 56, 67, 88, 140, and 158 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

The risks described in this section are those that we consider to be the most significant and material to our business, financial condition, results of operations, and cash flows as of the date of this Draft Letter of Offer. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this section may not be exhaustive, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, occur, our business, financial condition, and results of operations could suffer, and the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the consequences they could encounter in investing in the Equity Shares.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, and ‘our’ refers to our Company.

INTERNAL RISK FACTORS

- 1. Some or all of our planned projects may not be completed by their expected completion dates or at all. Such delays may adversely affect our business, results of operations and financial condition.***

As contractors, some or all of our planned projects may be subject to significant changes and modifications from currently estimated management plans and timelines of the developers, as a result of factors outside our control, including, among others:

Defects or challenges will lead to failure or delay in completion of the projects:

- Failure or delay in securing necessary statutory or regulatory approvals and permits for us to develop some of our projects.
- Natural disasters and weather conditions.
- Reliance on third-party sub-contractors and the ability of third parties to complete their services on schedule and on budget; and

Such changes and modifications to our timelines may have a significant impact on our planned projects, and consequently, we may not complete these projects as contemplated, or at all, which may have an adverse effect on our business, results of operations and financial condition. In the event of occurrence of such events, could result in disruption in our business activities, which could adversely affect our results of operations.

There can be no assurance that our Company will not incur losses in the future, which may have an adverse effect on our reputation and business. For further details, kindly refer to the section titled ‘**Financial Information**’ on page 88 of this Draft Letter of Offer.

2. ***We require number of approvals, NOCs, licenses in ordinary course of our Business.***

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business. Any failure to renew the approvals that will expire, or to failure/delay to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

3. ***We cannot assure you that the construction of our projects/work sites will be free from any and all defects.***

We are committed to maintain quality of works and also adheres to all the standards, even though we cannot assure you that we will always finish the construction of our projects/work sites in accordance with the requisite specifications or that the construction of our projects/work sites will be free from any and all defects. In the event of discovery of defects/faults in our work, or due to damages to our construction due to factors beyond our control, or any of the other reasons, we may incur significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations. Further, it may result in cancellation by customers of any commitment to the projects and/ or refund of any advance deposited with us by any customer due to dissatisfaction among our customers, which may affect our business, financial condition and results of operations.

4. ***We are dependent on third parties for the supply of raw materials, services and finished goods.***

Our business is significantly affected by the availability, cost and quality of the raw materials and bought out items, which we need to construct, develop and provide for our projects, and services. The prices and supply of raw materials and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties.

Although we may enter into back-to-back supplier contracts or provide for price contingencies in our contracts to limit our exposure, if, for any reason, our primary suppliers of raw materials and bought out items should curtail or discontinue their delivery of such materials to us in the quantities we need, provide us with raw materials and bought out items that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our results of operations and business could suffer.

Further, we depend on few suppliers who cater to a significant part of our business needs. If any of our key suppliers for a particular project is unable to continue providing the raw materials and bought out items we need, at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

5. ***We may be unable to identify or acquire new projects and our bids for new projects may not always be successful, which may stunt our business growth further may cause underutilization of our workforce.***

Undertaking new projects depends on various factors such as our ability to identify projects on a cost-effective basis or integrate acquired operation into our existing business. If we are unable to identify or acquire new projects matching our expertise and profit expatiation, we may be subject to uncertainties in our business.

As a part of our business, we bid for new projects on-going basis. Projects are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. Once the prospective bidders satisfy the pre-qualification criteria of the tender, the project is usually awarded based on the price of the contract quoted by the prospective bidder, therefore we cannot assure about successful bids of projects in future every time and this may lead to adverse impact on financial performance of the Company.

6. ***On successful bidding we need to provide performance security and any failure in doing so may result in forfeiture of the bid security and termination of the contract.***

In our business, on successful bidding of any project by our Company, we are required to deliver a performance security or bank guarantee to the authority for each project and are also required to ensure that the performance security is valid and enforceable until we remedy any defects during the defect liability period under the relevant contract. Delay or inability in providing a performance security within the stipulated period with respect to the project may result in termination of the contract or enforcing of the bid security which can adversely affect our financial performance.

7. ***Our insurance policies do not cover all risks, specifically risks like terrorism, etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our Company has not obtained insurance coverage in respect of certain risks. If we suffer a significant uninsured loss in our business, financial condition and results of operations may be materially and adversely affected.

8. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Modernization and technology up-gradation is essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

9. ***We are highly dependent on our Promoter and our management team and key personnel and the loss of any key team member may adversely affect our business performance.***

Our Promoter, Directors, Management team, and Key Managerial Personnel have been instrumental in the growth and development of our Company. In particular, the active involvement of our management team and key personnel in our operations, including through strategy, direction, and relationships have been integral to our development and business. The loss of any of these persons would have a material adverse effect on our operations.

Our businesses are dependent upon a core and senior management team which oversees the day-to-day operations, strategy and growth of our business. Our success is largely dependent on our management team which ensures the implementation of our strategy. If one or more members of our key management team were unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, results of operations, financial condition, cash flows and prospects could be adversely affected.

10. ***We have experienced negative cash flows in prior years.***

As per our Standalone Financial Statements, our Company has experienced negative cash flow for the period September 30, 2023 and for the year ended March 31st 2023 and March 31st 2022, the details of which are specified as under:

(₹ in Lakhs)

| Net cash inflow/ (outflow) from | Standalone Financial Statements | | |
|---------------------------------|--|---|---|
| | For the Half Year ended September 30 (Un- Audited) | For the Financial Year ended March 31 (Audited) | For the Financial Year ended March 31 (Audited) |
| | 2023 | 2023 | 2022 |
| | Operating Activities | 133.64 | (87.98) |
| Investing Activities | (774.78) | (158.86) | - |
| Financial Activities | (784.68) | 247.19 | (0.05) |

Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, see '*Management's Discussion and Analysis of our Financial Condition and Results of Operations –Cash Flows*'

11. *As the Equity Shares of our Company are listed on BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.*

The Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavours to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into BSE Limited and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

12. *We will continue to give remuneration, Loan and may also enter in related party transactions in future which may potentially involve conflicts of interest.*

In the ordinary course of our business, we enter into and will continue to give Remuneration, Loan and may even enter in a Transaction with related parties in future. For details regarding our related party transactions, see ‘ *Financial Statement – Related Party Transactions* ’ of this Draft Letter of Offer. All related party transactions are subject to board or shareholder approval, as necessary under the Companies Act and the SEBI (LODR) Regulations, in the interest of the Company and its minority shareholders and in compliance with the SEBI (LODR) Regulations, we cannot assure you these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that our Directors and executive officers will be able to address such conflicts of interests or others in the future.

The following table highlights the details of our related party transactions as per Ind AS – 24 Related Party Disclosures, read with SEBI (ICDR) Regulations have been derived from the Financial Statements for the period September 30th, 2023 and for the year ended March 31st 2023 & March 31st 2022, is specified as below:

(₹ in Lakhs)

| Particulars | Standalone Un Audited / Audited Financial Statements | | |
|--|---|---|---|
| | For the Half Year ended September 30, 2023. (₹ in Lakhs) | For the Financial Year ended March 31, 2023 (₹ in Lakhs) | For the Financial Year ended March 31, 2022 (₹ in Lakhs) |
| a) Key managerial personnel | | | |
| Remuneration & Commission | | | |
| B N Murthy | 18.00 | 22.00 | 12.00 |
| B. Vijaya Lakshmi | 3.00 | 6.00 | 6 |
| Lakshmi Narasimha Chowdary Bobba | 12.00 | Nil | Nil |
| Rahul Patibandla | Nil | Nil | Nil |
| Patibandla Ajaya | Nil | Nil | Nil |
| b) Loan from Directors | | | |
| Rahul Pathibandla | 3.85 | | |
| Lakshminarasimha bobba chowdary | 63.14 | 17.00 | 12.00 |
| B N Murthy | 213.93 | | |
| B. Vijaya Lakshmi | 63.56 | 189.01 | 164.89 |
| B.Lakshmi Divya | 86.46 | 61.56 | 133.56 |
| TOTAL | 430.94 | 250.57 | 298.45 |

For details of the Related Party Transactions, as reported in the Financial Statements, please refer to the section titled '**Financial Information**' beginning on page 88 of this Draft Letter of Offer.

13. *Our Directors and Key Managerial Personnel have interests in our Company in addition to their remuneration and reimbursement of expenses.*

The Promoter may be deemed interested in our Company to the extent of any transactions entered, his shareholding, and dividend entitlement in our Company. For further details, please refer to the section titled '**Our Promoters and Promoter Group**' beginning on page 86 of this Draft Letter of Offer.

Our Directors and Key Managerial Personnel may be deemed interested in our Company to the extent of remuneration paid to them for services rendered to our Company and reimbursement of expenses payable to them. Additionally, our Directors and Key Managerial Personnel may be interested in the Equity Shares that may be subscribed by or allotted to them, their relatives, companies, firms, ventures, and trusts in which they are interested as promoters, directors, partners, proprietors, members, or trustees, pursuant to this Offer. For further details, please refer to the section titled '**Our Management**' beginning on page 77 of this Draft Letter of Offer.

14. *We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled '**Industry Overview**' beginning on page 56 of this Draft Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

15. *Shares of our company was suspended from the trading on BSE Limited.*

Shares of the Company were suspending from trading on BSE Limited. Further notice dated April 16, 2009, BSE Limited has revoked the suspension in trading of equity shares w.e.f. Wednesday, April 22, 2009.

ISSUE SPECIFIC FACTORS

16. *Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

17. *There is no public market for the Rights Equity Shares or Equity Shares outside India.*

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these Equity Shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Equity Shares outside of India. We cannot assure you that the face value of the

Rights Equity Shares will correspond to the price at which the Rights Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Equity Shares and Equity Shares and restrict your ability to sell them.

18. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is [●]), such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

19. *SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 168 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being [●]) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

- a. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- b. Equity Shares held in the account of IEPF authority; or
- c. The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- d. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- e. Credit of the Rights Entitlements returned/reversed/failed; or
- f. The ownership of the Equity Shares currently under dispute, including any court proceedings.

20. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares.

We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future;

21. *Investors shall not have the option to receive Rights Equity Shares in physical form.*

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

22. *The Rights Entitlement of Physical Equity Shareholders may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the SEBI Circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Equity Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Equity Shareholders are requested to furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 1 (One) day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled '*Terms of the Issue*' on page 168 of this Draft Letter of Offer.

23. *Non-receipt of complete Call Money(ies) may have an impact of a consequential shortfall in Net Proceeds.*

The Calls shall be deemed to have been made at the time when the resolution authorizing such calls is passed at the meeting of our Board of Directors. The Calls may be revoked or postponed at the discretion of our Board of Directors, from time to time. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 30 (Thirty) days' notice for the payment of the Calls. Our Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion, may send reminders for the calls as it deems fit, and if it does not receive the Call Money(ies) as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money(ies) and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and capital expenditure plans. For further details, please refer to the section titled '*Objects of the Issue*' on page 45 of this Draft Letter of Offer.

24. *Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.*

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Further, with respect to the present Issue, investors are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.

25. *You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares and Rights Entitlement.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on the Stock Exchanges held for more than 12 (Twelve) months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax, on the sale of any Equity Shares held for more than 12 (Twelve) months immediately preceding the date of transfer. Securities Transaction Tax will be levied on the seller and/or the purchaser of the Equity Shares and collected by the domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 (Twelve) months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as Securities Transaction Tax.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed, or paid by a domestic company after March 31, 2020, and, accordingly, such dividends would not be exempt in the hands of the Shareholders, both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realised from the transfer of equity shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹1.00 Lakh (Rupees One Lakh), subject to certain exceptions in case of resident individuals and Hindu Undivided Families.

Further, the Finance Act, 2019 made various amendments in the taxation laws and clarified that, in the absence of a specific provision under an agreement, the buyer will be liable to pay stamp duty in case of sale of securities through the Stock Exchanges, while the transferor will be liable to pay stamp duty in other cases of transfer for consideration through a depository. The stamp duty for transfer of securities other than debentures, on a delivery basis, is specified at 0.015% (Zero Point Zero One Five Percent) and on a non-delivery basis is specified at 0.003% (Zero Point Zero Zero Three Percent) of the consideration amount. These amendments came into effect from July 1, 2020.

26. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time, subjecting you to market risk for such period.

27. ***Investment in Rights Equity Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Equity Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board of Directors or Rights Issue Committee at its sole discretion, from time to time. The holders of the Rights Equity Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Furthermore, until the subsistence of Rights Equity Shares, we may not be able to undertake certain forms of equity capital raising.***

The Issue Price is ₹[●].00/- (Rupees [●] Only) per Rights Equity Share. Investors will have to pay ₹[●].00/- (Rupees [●] Only) per Rights Equity Shares which constitutes [●] % ([●] Percent) of the Issue Price on Application and the balance ₹[●] 00/- (Rupees [●] Only) per Rights Equity Shares which constitutes [●] % ([●] Percent) of the Issue Price on one or more subsequent Call(s), as determined by our Company's Board of Directors at its sole discretion, from time to time. The Rights Equity Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Equity Shares. This may affect the liquidity of the Rights Equity Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For further details, please refer to the section titled '*Terms of the Issue*' on page 168 of this Draft Letter of Offer. Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call-in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN 'INE923K01014' for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Equity Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Equity Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Equity Shares to fall and may limit ability of Investors to sell the Rights Equity Shares. There may also be a risk of the Rights Equity Shares not forming part of the index.

Further, until the subsistence of Rights Equity Shares, we cannot undertake further rights issues, further public offers, or bonus issues. In terms of Regulations 62 and 104 of the SEBI (ICDR) Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI (ICDR) Regulations.

28. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result.

We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

29. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

30. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.*

In accordance with applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a delay in listing the Rights Equity Shares on the BSE. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled '*Terms of the Issue*' beginning on page 168 of this Draft Letter of Offer.

31. *No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

We will not distribute the Issue Materials to overseas Shareholders who have not provided an address in India for service of documents. We will dispatch the Issue Materials to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdiction where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

32. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for

repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

33. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

34. *SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.*

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

35. *Investors in the Rights Equity Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.*

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within 3 (Three) years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

EXTERNAL RISK FACTORS

36. *Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.

37. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.*

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms or at all.

38. *The occurrence of natural calamities or man-made disasters could have a negative effect on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, tsunamis, floods, drought, fires, explosions, tornadoes, pandemic disease, and man-made disasters including acts of terrorism and military actions in the past few years. The extent and severity of these natural and man-made disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

39. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- a. Any increase in Indian interest rates or inflation.
- b. Any scarcity of credit or other financing in India.
- c. Prevailing income conditions among Indian consumers and Indian corporations.
- d. Changes in India's tax, trade, fiscal or monetary policies.
- e. Political instability, terrorism, or military conflict in India or in countries in the region or globally, including in
- f. India's various neighbouring countries.
- g. Prevailing regional or global economic conditions; and
- h. Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

40. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

41. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any particular terms or at all.

42. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (hereinafter referred to as 'GST') regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 (hereinafter referred to as '**Finance Act**') on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition, and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (hereinafter referred to as '**Bill**') has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation, or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on April 26, 2023, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in *'Terms of the Issue'* on page 168 of this Draft Letter of Offer.

| | | |
|---|---|--------------|
| Equity Shares outstanding prior to the Issue | 65,76,747 Equity Shares; | |
| Rights Equity Shares offered in the Issue | Up to [●] Rights Equity Shares;* | |
| Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement) | [●] Equity Shares; | |
| Rights Entitlement | [●] ([●]) Equity Share for every [●] ([●]) Equity Share held on the Record Date; | |
| Record Date | [●]; | |
| Face Value per Equity Share | ₹10.00/- (Rupees Ten Only) each; | |
| Issue Price per Equity Share | ₹ [●].00/- (Rupees [●] Only) including a premium of ₹ [●].00/- (Rupees [●] Only) per Rights Equity Share; | |
| Issue Size | Up to ₹4950 Lakhs (Rupees Forty-Nine Crores Fifty Lakhs Only), assuming full subscription and receipt of all Call Monies with respect to Rights Shares. On Application, Investors will have to pay ₹ [●].00/- (Rupees Ten Only) per Rights Equity Share, which constitutes [●] % ([●] Percent) of the Issue Price and the balance ₹ [●].00/- (Rupees [●] Only per Rights Share which constitutes [●] % [●] Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Committee of the Board from time to time. | |
| Terms of the Issue | Please refer to the section titled <i>'Terms of the Issue'</i> beginning on page 168 of this Draft Letter of Offer; | |
| Use of Issue Proceeds | Please refer to the section titled <i>'Objects of the Issue'</i> beginning on page 45 of this Draft Letter of Offer; | |
| Security Code/ Scrip Details | ISIN | INE923K01014 |
| | BSE Scrip ID | VSFPROJ |
| | BSE Scrip Code | 519331 |
| | ISIN for Rights Entitlements | [●] |

TERMS OF PAYMENT

| Amount payable per Rights Shares | Face Value | Premium | Total |
|--|------------|---------|-----------|
| On Application | ₹[●] /- | ₹[●] /- | ₹[●] /-* |
| On One or more subsequent Call(s) as determined by our Board/ Committee at its sole discretion, from time to time* | ₹[●] /- | ₹[●] /- | ₹[●] /-** |
| Total | ₹10.00/- | ₹[●] /- | ₹[●] /- |

*Constitutes [●] % of the Issue Price.

**Constitutes [●] % of the Issue Price.

ISSUE SCHEDULE

| | |
|---|-----|
| Issue Opening Date | [●] |
| Last date for On Market Renunciation of Rights | [●] |
| Issue Closing Date | [●] |

GENERAL INFORMATION

VSF Projects Limited (CIN:L05005AP1992PLC014326) was incorporated on June 4, 1992, under the Companies Act, 1956 as a Public Limited Company in the State of the United Andhra Pradesh. The Company obtained the Certificate of Commencement of Business on June 25, 1992 from the Registrar of Companies, United Andhra Pradesh at Hyderabad. The Company changed its name from Vijaya Shrimp Farms and Exports Limited to VSF Projects Limited and a fresh Certificate Incorporation was issued by the Registrar of Companies on September 8, 2005. The Company made its maiden public issue and got listed on Regional Stock Exchange at Hyderabad and Bombay Stock Exchange of India in 1994.

Our Company is listed on the BSE Limited effective from April 13, 1994, bearing Scrip Code 519331, bearing Scrip Symbol '(VSFPROJ)'. The ISIN of our company is INE923K01014.

REGISTERED OFFICE

| | |
|--|---|
| Company | VSF Projects Limited |
| Registered Office Address | Sy .No. 782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh, 524412 |
| Contact Details | 040- 23548694, |
| Email-ID | info@vsfprojects.com ; vsfprojectsLtd91@gmail.com |
| Website | www.vsfprojects.com |
| Corporate Identification Number | L05005AP1992PLC014326 |

CORPORATE OFFICE

| | |
|---------------------------------|---|
| Corporate Office Address | Plot No.8-2-269/19/S/D Lavakusa residency Rd.No.2, Banjara Hills Hyderabad – 500 034, Telangana |
|---------------------------------|---|

ADDRESS OF THE REGISTRAR OF COMPANIES

Registrar of Companies, Andhra Pradesh, Vijayawada

Registrar of Companies, 29-7-33, First Floor, Vishnuvardhanarao Street, Suryaraopet, Vijayawada -520002, Andhra Pradesh.

BOARD OF DIRECTORS

| Name | Age | Designation | DIN | Address |
|----------------------------------|-----|---|----------|---|
| Narayana Murthy Bobba | 67 | Managing Director | 00073068 | 8-2-269/19/S/D/NS-I, Road No 2, Banjara hills, Hyderabad, Andra Pradesh- 500034 |
| Rahul Patibandla | 41 | Non-Executive Director | 07344724 | 403, Solitaire Apartments, Girish Park, Beside Maharishi Vidya Mandir Kondapur, Serlingampally, Kondapur, K.V Rangareddy Telangana 500084 |
| Bobba Vijaya Lakshmi | 62 | Whole Time Director | 01496696 | 8-2-269/19/S/D/NS-I, Road No 2, Banjara hills, Hyderabad, Andra Pradesh- 500034 |
| Lakshmi Narasimha Chowdary Bobba | 37 | Whole Time Director & Chief Financial Officer | 02381545 | 8-2-269/19/S/D/NS-I, Road No 2, Banjara hills, Hyderabad, Andra Pradesh- 500034 |
| Ramesh Nemani Babu | 47 | Non-Executive Independent Director | 08089820 | 6-3 609/96/A, 1 st Floor, Radha Soami Satsang Ghar, Anand Nagar Colony, Khairatabad Hyderabad, Telangana 500004 |
| Sriramshetty Srinivasa Rao | 76 | Non-Executive Independent Director | 00895774 | 3-4-827 Barkatpura Circle, Barkatpura Himayathnagar Stn, Kachiguda, Hyderabad, Andhra Pradesh 500027 |
| Veera Brahma Rao Arekapudi | 66 | Executive Director | 07540040 | Flat No. M- 704, Block- M, Aparna Sarovar Serilingampally, Telangana India 500019 |

| Name | Age | Designation | DIN | Address |
|-----------------------------|-----|---------------------------|----------|--|
| Pulapa Reshma Kiranmayee | 31 | Non-Executive Director | 09388548 | 28-4-57, Peddaveedhi, Jampeta, Rajahmundry (Urban), East Godavari, Andhra Pradesh- Rajahmundry Andhra Pradesh India 533101 |

For further details of our Board of Directors, please refer to the section titled '*Our Management*' beginning on page 7775 of this Draft Letter of Offer.

| COMPANY SECRETARY AND COMPLIANCE OFFICER | CHIEF FINANCIAL OFFICER |
|--|--|
| Soumith Kumar Sikinderpurkar Address: Sy.No.782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh, 524 412 Contact Details: +040 - 23548694. Email-ID: vsfprojectsLtd91@gmail.com | Lakshmi Narasimha Chowdary Bobba Address: Sy.No.782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh, 524 412 Contact Details: +040 – 23548694. Email-ID: vsfprojectsLtd91@gmail.com |
| STATUTORY AUDITORS | REGISTRAR TO THE COMPANY |
| M/s. NVSR & Associates Address: Flat no 202, Nestcon Gayatri, Plot no 28, Panchavati Cooperative society, Near South Indian Bank, Road no 10, Banjara Hills, Hyderabad-500 034. Peer Review Number: [●] Firm Registration Number: 008801S/S200060 Contact Person: P Venkata Ratnam Membership Number: 230675 Contact Details: 040-23391164 E-mail ID: info@nsvr.in | Aarathi Consultants Private Limited, Address: H No 1-2-285, Domalaguda, Hyderabad, Telangana, 500029 Contact Number: 040-27638111/ 27634445 Email Address: info@aarthiconsultants.com Website: www.aarthiconsultants.com |
| REGISTRAR TO THE ISSUE | BANKER TO THE ISSUE AND REFUND BANKER |
| Purva Sharegistry (India) Private Limited Address: Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai - 400011, Maharashtra, India; Contact Number: + 91-22-2301-2518 / 6761; Website: www.purvashare.com ; Email Address/ Investor Grievance E-Mail Address: support@purvashare.com ; Contact Person: Ms. Deepali Dhuri; SEBI Registration Number: INR000001112; Validity: Permanent; | [●] [●] Contact Person: [●] E-mail ID: [●] Contact Details: [●] Website: [●] SEBI Registration Number: [●] |
| BANKERS TO OUR COMPANY | |
| Indusind Bank Address: Prime Plaza, H No. 8-2-277/3/3A, Banjara Hills Rd Number 3, Banjara Hills, Hyderabad, Telangana 500034 Contact Person: Mr. Suman Devarkonda Contact Detail: 040-48561173 Website: www.Indusind.com | |

INVESTOR GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Issue Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the

plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' beginning on page 168 of this Draft Letter of Offer.

EXPERT TO THE ISSUE

Except as stated below, our Company has not obtained any expert opinions.

1. Our Company has received a written consent from its Statutory Auditor, M/s NVSR & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI. Bearing Membership no. 230675, to include their name as required under Section 26(5) of the Companies Act in this Letter of Offer and as an 'expert', as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditor of our Company and in respect of their reports on the Audited Financial Statements, and the statement of special tax benefits.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| | |
|---|-----|
| Last Date for credit of Rights Entitlements | [●] |
| Issue Opening Date | [●] |
| Last Date for On Market Renunciation of Rights Entitlements# | [●] |
| Issue Closing Date* | [●] |
| Finalization of Basis of Allotment (on or about) | [●] |
| Date of Allotment (on or about) | [●] |
| Date of credit (on or about) | [●] |
| Date of listing/Trading (on or about) | [●] |

Note:

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Dates.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '*Terms of the Issue*' beginning on page 168 of this Draft Letter of Offer. Please note that if no Application is made by the Eligible Equity Shareholders and Eligible Employees of Rights

Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Shares offered under Rights Issue for subscribing to the Rights Shares offered under Issue. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders and Eligible Employees on the website of the Registrar at www.purvashare.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' under the section titled '*Terms of the Issue*' beginning on page 168 of this Draft Letter of Offer.

STATEMENT OF RESPONSIBILITIES

Not Applicable.

REGISTERED BROKERS

In accordance with SEBI circulars bearing reference numbers CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the BSE accessible at www.bseindia.com respectively, as updated from time to time.

REGISTRAR AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of BSE Limited at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE Limited.

CREDIT RATING

As this proposed Issue is of Rights Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Rights Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹100,00,00,000 (Rupees One Hundred Crores), there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

CHANGES IN THE AUDITORS DURING THE LAST 3 (THREE) FINANCIAL YEARS

There has been no change in our Statutory Auditors during the 3 (Three) Financial Years immediately preceding the date of this Draft Letter of Offer.

FILING

This Draft Letter of Offer is being filed with BSE Limited as per the provisions of the SEBI (ICDR) Regulations. Since the size of this Issue falls below this threshold, this Draft Letter of Offer will be filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

MINIMUM SUBSCRIPTION

The objects of the Issue involve Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot and General Corporate purposes, hence the minimum subscription of 90.00% (Ninety percent) of the Issue Size, is applicable. Further, the Promoter has undertaken that, he shall subscribe Part or to the full extent of his Rights Entitlements subject to the aggregate shareholding of our Promoter and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations. In case of non-receipt of minimum subscription Company shall refund the entire subscription amount received within 4 days.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

| Particulars | Aggregate Nominal Value (₹in Lakhs) | Aggregate Value at Issue Price (₹in Lakhs) |
|---|--|---|
| Authorized Equity Share capital | | |
| 1,70,00,000 (One Crore, Seventy Lakh) Equity Shares* | ₹1700 | - |
| Issued, subscribed and paid-up Equity Share capital before this Issue | | |
| 6,576,747 (Sixty-Five Lakh Seventy-Six Thousand Seven Thousand and Forty Seven) Equity Shares | ₹657.67 | - |
| Present Issue in terms of this Draft Letter of Offer^{(a) (b)} | | |
| [●] ([●]) Issue of Rights Equity Shares, each at a premium of ₹[●].00/- (Rupees [●] Only) per Rights Equity Share, at an Issue Price of ₹[●].00/- (Rupees [●] Only) per Rights Equity Share | ₹[●] | ₹4,950.00 |
| Issued, subscribed and paid-up Equity Share capital after the Issue¹ | | |
| [●] ([●]) Equity Shares | ₹[●]/- | |
| Securities premium account | | |
| Before the Issue ^(d) | ₹340.614/- | |
| After Rights Issue | ₹[●] /- | |
| After all Calls made in respect of Rights Shares ^(e) | ₹[●]/- | |

Notes:

- (a) The present Issue has been authorized by the Board of Directors of the Company by a resolution passed in its meeting held on Wednesday, April 26, 2023;
- (b) On Application, Investors will have to pay ₹[●].00 (Rupees [●] Only) per Rights Equity Share, which constitutes [●] % ([●]Percent) of the Issue Price and the balance ₹[●].00/- (Rupees [●] Only) per Rights Equity Share, which constitutes [●] % ([●]Percent) of the Issue Price, will have to be paid, in one or more calls as may be decided by the Board/ Committee of the Board from time to time.
- (c) Assuming full subscription and receipt of all call monies with respect to Rights Shares;
- (d) As per Standalone Financial Statements for the year ending March 31, 2023;
- (e) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;
- (f) Assuming full payment of all Call Monies by holders of Rights Shares.

NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer.
2. At any given time, there shall be only one denomination of the Equity Shares.
3. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
4. As on the date of this Draft Letter of Offer, our Company has not issued any special voting Rights Shares and there are no outstanding Equity Shares having special voting rights.
5. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹[●] (Rupees [●]Only).

6. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;

7. **Details of stock option scheme of our Company**

As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme.

8. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

As on the date of this Draft Letter of Offer, there are no share Lock in, Pledge of and encumbrance Equity shares.

9. **Details of Equity Shares acquired by the Promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer**

The Promoter has acquired 3,28,000 equity shares at the rate of Rs. 45 each under Preferential issues. Further 11,68,266 shares are under lock in out of which 3,28,000 are Lock in upto November 30, 2024 to the filing of this Draft Letter of Offer.

10. **Intention and participation by the promoter and promoter group**

The Promoter of our Company, through his letter dated August 01, 2023, has confirmed that, he intends to subscribe in part or to full extent of his Right Entitlements in this Issue and to the extent of the unsubscribed portion (if any) with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The Promoter has confirmed that he intends to apply for and subscribe to the additional Rights Equity Shares and any Rights Equity Shares offered in the Issue that remains unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under and subject to compliance with the provisions of the Companies Act, the SCRR, SEBI (ICDR) Regulations, SEBI (LODR) Regulations, and SEBI (SAST) Regulations.

Any such subscription for Rights Equity Shares over and above the Rights Entitlement of the Promoter may result in an increase in his shareholding percentage in the Company. The allotment of Rights Equity Shares of the Company subscribed by the Promoter in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. This Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

11. Shareholding Pattern of our Company as per the last filing made with BSE Limited in compliance with the provisions of SEBI (LODR) Regulations

The shareholding pattern of our Company as on December 31, 2023, i.e., per the last filing with BSE Limited in compliance with the provisions of SEBI (LODR) Regulations, which can be accessed on its website is specifically mentioned as follows:

| Particulars of Statement showing shareholding pattern of | URL of BSE Limited's Website |
|---|---|
| The Company | https://www.bseindia.com/stock-share-price/vsf-projects-ltd/vsfproj/519331/shareholding-pattern/ |
| The Promoter and Promoter Group | https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=519331&qtrid=117.00&QtrName=March%202023 |
| The Public shareholder | https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=519331&qtrid=117.00&QtrName=March%202023 |
| The Non-Promoter – Non Public shareholder | https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=519331&qtrid=117.00&QtrName=March%202023 |
| Disclosure by Trading Members (TM) holding 1.00% (One Percent) or more of the Total number of Equity Shares | https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=519331&qtrid=117.00&CompName=VSF%20PROJECTS%20LTD.&QtrName=March%202023&Type=TM |

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Company proposes to utilize the net proceeds from the issue towards funding the following objects:

1. Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot.
2. Adjustment of Unsecured Loans against the Rights Entitlement of the Promoters;
3. General Corporate Purpose;
4. To meet Issue Expenses;

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

| Particulars | Amount (₹ in Lakhs) |
|--|------------------------|
| Gross Proceeds from the Issue*# | ₹4950.00 |
| Less: Estimated Issue related Expenses | (₹50.00) |
| Net Proceeds from the Issue | ₹4,900.00 |

Our Promoters & Directors have lent unsecured loans to our company aggregating to ₹ 1077.82 Lakhs as on 31.12.2023. The Promoters & Directors have requested our Company to adjust the outstanding unsecured loan aggregating to ₹ 1077.82 Lakhs against their rights entitlement vide letter dated 25th January, 2024. The aforesaid loan has been used for Funding the expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot as certified by Independent Statutory Auditor vide certificate dated 22nd January, 2024. The Board of Directors in its meeting held on 25th January, 2024 has accepted their request for adjustment of unsecured loan aggregating to ₹ 1077.82 Lakhs towards their rights entitlement.

| Name of the Lender | Tenure | Rate of interest | Outstanding amount as on the date of Draft Letter of Offer (₹ in Lakhs) | Purpose of Loan |
|----------------------------------|-----------|--------------------|--|--|
| Bobba Narayana Murthy | On demand | Interest free loan | 334.01 | Funding the expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot |
| Bobba Vijaya Lakshmi | On demand | Interest free loan | 271.96 | |
| Bobba Lakshmi Narasimha Chowdary | On demand | Interest free loan | 163.39 | |
| Bobba Lakshmi Divya | On demand | Interest free loan | 200.46 | |
| Pathibandla Rahul | On demand | Interest free loan | 108.00 | |
| | | Total | 1077.82 | |

Notes:

* Assuming full subscription in this Issue and receipt of all Call Monies with respect to the Rights Equity Shares in this Issue and subject to finalization of Basis of Allotment and the Allotment, and to be adjusted per the Rights Entitlement ratio.

The amount utilized towards general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds.

#Rounded off to two decimal places.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by the Company is set forth in the following table:

| Sr. No. | Particulars | Amount (₹ in Lakhs) |
|---------------------------------------|--|------------------------|
| 1. | Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot | ₹2,722.18 |
| 2. | Adjustment of Unsecured Loans against the Rights Entitlement of the Promoter | ₹1,077.82 |
| 3. | General Corporate Purposes [#] | ₹1,100.00 |
| Total Net Proceeds[@] | | ₹4900.00 |

In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not, in any event, exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS (NET PROCEEDS)

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

| Particulars | Amount to be funded from Net Proceeds | Estimated Deployment of the Net Proceeds in the Financial Year ending March 31, | |
|--|---------------------------------------|---|-----------------|
| | | (₹ in Lakhs) | |
| | | 2024 | 2025 |
| Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot | ₹2,722.18 | ₹1,922.18 | ₹8,00.00 |
| Adjustment of Unsecured Loans against the Rights Entitlement of the Promoters | ₹1,077.82 | ₹1,077.82 | - |
| General Corporate Purposes [#] | ₹1,100.00 | ₹1,100.00 | - |
| Total | ₹ 4,900.00 | ₹4,100.00 | ₹8,00.00 |

In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not, in any event, exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the fund requirement for General Corporate Purpose);

Details as per the schedule:

| Sr No | Particulars | Details | | | | | | | | |
|--|--|---|------------------|-------------|--|---------|------|---------|-------|----------|
| 1 | Breakup of Cost of the Project | The total cost of the project is Rs 13400.00 Lakhs | | | | | | | | |
| 2 | Means of financing the project | <p>The following is the means of financing the project cost :</p> <table border="1"> <thead> <tr> <th>Means of Finance</th> <th>Rs in Lakhs</th> </tr> </thead> <tbody> <tr> <td>Promoter Contribution / Unsecured Loans/ Internal Accruals (Including Cost of the Project)</td> <td>5100.00</td> </tr> <tr> <td>Debt</td> <td>8300.00</td> </tr> <tr> <td>Total</td> <td>13400.00</td> </tr> </tbody> </table> <p>Out of the total requirement of Rs 5100.00 Lakhs, our Company has already spent an amount of Rs 1077.82 lakhs towards the Project of the unsecured loans taken from Promoters and Directors. Further our Company propose to utilise ₹2722.18 Lakhs from the Rights Issue proceeds towards funding the capital expenditure expenses for construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot. The balance amount of Rs ₹1300 crore, shall be borne out of Unsecured Loans / Internal accruals</p> <p>Further Company has availed the construction loan from the Indusind Bank Limited for an amount of ₹8300.00 lakhs.</p> | Means of Finance | Rs in Lakhs | Promoter Contribution / Unsecured Loans/ Internal Accruals (Including Cost of the Project) | 5100.00 | Debt | 8300.00 | Total | 13400.00 |
| Means of Finance | Rs in Lakhs | | | | | | | | | |
| Promoter Contribution / Unsecured Loans/ Internal Accruals (Including Cost of the Project) | 5100.00 | | | | | | | | | |
| Debt | 8300.00 | | | | | | | | | |
| Total | 13400.00 | | | | | | | | | |
| 3 | Location of the Project | Suryey no 782 to 1236 Ankulapaturu Village, Chilakur Mandal, Tirupati District Andhra Pradesh | | | | | | | | |
| 4 | Plant and Machinery, technology, Process etc | The projects is a warehousing and container handling project and hence no P&M or technology is applicable | | | | | | | | |
| 5 | Collaboration Performance Guarantee if any or assistance in marketing by the collaborators | NA | | | | | | | | |
| 6 | Infrastructure facilities for raw materials and utilities like water electricity etc | The project is not a manufacturing unit and hence no Raw Material is required. The site already has an power connection for regular use and the project also involves setting up solar power for captive use. | | | | | | | | |

MEANS OF FINANCE

The total funds required for the development and construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot is Rs. 13,400.00 Lakhs. Of this, the promoters and directors have already funded a sum of Rs. 1,077.82 Lakhs as certified by M/s. NVSR & Associates, LLP, Chartered Accountants, Statutory Auditors of the Company. The Company proposes to invest Rs. 2722.18 Lakhs which will be financed through the Net Proceeds. 75% of the stated means of finance, excluding Net proceeds have been arranged for by way of construction loan facility amounting to Rs. 8,300.00 Lakhs granted by the Indusind Bank Limited vide sanction letter dated 31.03.2023.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and management estimates, and other commercial factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution.

This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein. Further, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management and may require changes in making one or more additional calls in the future, as may be decided by the Board/ Committee of the Board from time to time, with respect to the Rights Shares for the balance ₹[●].00/- per Rights Share which constitutes [●] % of the Issue Price. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

Our Company has agreed to use the issue Proceeds, the details of which are specified as under:

| Sr. No. | Particulars | Amount (₹ in Lakhs) |
|---------------------------------------|--|------------------------|
| 1. | Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot. | ₹2,722.18 |
| 2. | Adjustment of Unsecured Loans against the Rights Entitlement of the Promoter | ₹1,077.82 |
| 3. | General Corporate Purposes [#] | ₹1,100.00 |
| 4. | Expenses for the Issue | (₹50.00) |
| Total Net Proceeds[@] | | ₹4,900.00 |

In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not, in any event, exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the fund requirement for General Corporate Purpose);

1. Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot.

Our Company has obtain the approval from the Government of India Ministry of Commerce & Industry Department of Commerce (SEZ Section) dated November 3, 2021 for setting up of Multi- Product Free Trade Warehousing Zone at Ankulpaturu Village, SPSR Nellore District, Andra Pradesh over an area of 50 Ha (132.96 Acres).

Our Company Propose to utilise ₹2,722.18 Lakhs (In addition to Rs.1077.82 Lakhs already spent) towards funding the capital expenditure expenses for construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot. Accordingly, we intend to use the net proceeds is allocated for this object towards construction.

Further Company has availed the construction loan from the Indusind Bank Limited for Phase I as mentioned below:

| (Amount in Lakh) | | |
|------------------|--|-------------------|
| Sr. No | Particulars | Amount |
| 1 | Sanction letter of Loan from Indusind Bank Limited (Construction Loan) | ₹8, 300.00 |
| 2 | Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot including Rs 1077.82 Lakhs amount already spent by Company through borrowings from promoters and directors) | ₹3,800.00 |
| 3 | The balance amount shall be borne out of Unsecured Loans / Internal accrual | ₹1,300.00 |
| Total | | ₹13,400.00 |

2. Adjustment of Unsecured Loans against the Rights Entitlement of the Promoter

Our Promoters & Directors have lent unsecured loans to our company aggregating to ₹ 1077.82 Lakhs as on 31.12.2023. The Promoters & Directors have requested our Company to adjust the outstanding unsecured loan aggregating to ₹ 1077.82 Lakhs against their rights entitlement vide letter dated 25th January, 2024. The aforesaid loan has been used for Funding the expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot as certified by Independent Statutory Auditor vide certificate dated 22nd January, 2024. The Board of Directors in its meeting held on 25th January, 2024 has accepted their request for adjustment of unsecured loan aggregating to ₹ 1077.82 Lakhs towards their rights entitlement.

The terms of the borrowings which have to be repaid by our Company is stated as below:

| Particulars | Detailed Terms |
|--------------------------------|---|
| Nature of Borrowing | Unsecured Loan |
| Maturity Date | NA |
| Prepayment/ penalty conditions | NA |
| Purpose of Loan | Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot |

The following table provides the details of borrowings availed by our Company and outstanding amounts from our Promoters, which we have been identified Company to adjust the outstanding unsecured loan aggregating to ₹ 1077.82 Lakhs as on 31st December, 2023, against their rights entitlement and have been certified by our Statutory Auditors pursuant to their certificate dated 22nd January, 2024:

| Name of the Lender | Tenure | Rate of interest | Outstanding amount as on the date of Draft Letter of Offer (₹ in Lakhs) | Purpose of Loan |
|----------------------------------|-----------|--------------------|---|--|
| Bobba Narayana Murthy | On demand | Interest free loan | 334.01 | Funding the expenses for Construction of Multi Product Free Trade Warehousing Zone (SEZ) with inland Container Depot |
| Bobba Vijaya Lakshmi | On demand | Interest free loan | 271.96 | |
| Bobba Lakshmi Narasimha Chowdary | On demand | Interest free loan | 163.39 | |
| Bobba Lakshmi Divya | On demand | Interest free loan | 200.46 | |
| Pathibandla Rahul | On demand | Interest free loan | 108.00 | |
| | | Total | 1077.82 | |

Further, as per their request letters dated 25th January, 2024, they have requested our Company to adjust unsecured loan amounting to ₹ 1077.82 Lakhs against their application money to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlements (including Rights Entitlements renounced in their favour, if any) or subscription to Additional Rights Equity Shares (as the case may be) instead of seeking a repayment of the same. Based on the business requirements of our Company, our Promoters and Directors may advance further interest free unsecured loans to our Company and the exact amount of such unsecured loans to be adjusted may vary at the time closure of the Rights Issue subscription period.

3. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, towards general corporate purposes and the business requirements of our Company, as approved by the management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI (ICDR) Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii)

funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; ; (vi) any other purpose; and (vii) in case of shortfall of funds required for the identified construction project, then such shortfall shall be met out of our Company's internal accruals and, or, the funds earmarked for the general corporate purposes, subject to utilisation towards general corporate purposes not exceeding 25% of the Issue Proceeds or such lower amount available to our Company for general corporate purposes after utilisation of funds towards items (i) to (vi) stated above in this paragraph, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

4. Expenses for the Issue

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Shares on BSE Limited.

| Activity | Estimated Expense (₹ in Lakhs) | % of Estimated Issue Size Expenses | % of Estimated Issue Size |
|---|--------------------------------|------------------------------------|---------------------------|
| Fees of the Bankers to the Issue, Registrar to the Issue, Auditor's fees, including out of pocket expenses etc. | [•] | [•]% | [•]% |
| Expenses relating to advertising, printing, distribution, marketing and stationery expenses. | [•] | [•]% | [•]% |
| Regulatory fees, filing fees, listing fees and other miscellaneous expenses | [•] | [•]% | [•]% |
| Total estimated Issue expenses* | [•] | [•]% | [•]% |

* Subject to finalization of Basis of Allotment and actual Allotment.

As and when our Company makes the calls for the balance monies with respect to the Rights Shares, our Company shall endeavour to utilize the proceeds raised from such calls within the same Financial Year as the receipt of the said call monies, failing which our Company shall utilize the said call monies in the subsequent Financial Years or by the re-payment dates as described in the '*Objects of the Issue*'.

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has spend Rs 3 crore out its own funds and Rs 7 crore out of IndusInd Bank Sanctioned loan. '*Objects of the Issue*'.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000.00 Lakhs (Rupees One Hundred Crores), in terms of Regulation 82 of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Audit Committee would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in the balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from BSE Limited.

As per the requirements of Regulations 18 of the SEBI (LODR) Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to BSE, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the '*Postal Ballot Notice*') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules, and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

INTEREST OF PROMOTER, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

The Promoter of our Company through his letter dated August 01, 2023, has undertaken to subscribe, in part or in full extent of his Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

None of the other members of the Promoter Group and the Directors do not have any interest in the Objects of the Issue.

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our directors, or Key Managerial Personnel.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
VSF Projects Limited
Sy.No.782 to 1236, Ankulapatur Village,
Chillakur Mandal,
Tirupati District,
Andhra Pradesh, 524 412

Dear Sir/ Ma'am,

Subject: Statement of possible special tax benefits available for the Proposed rights issue of Equity Shares of VSF Projects Limited and its Eligible Equity Shareholders under the direct and indirect tax laws

This certificate is issued in accordance with the terms of our engagement letter dated 27 April 2023.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders.

We refer to the proposed right issue of equity shares of VSF Projects Limited ('**Company**'). We enclose herewith the statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 ('**GST Act**'), applicable for the Financial Year ending March 31, 2023, relevant to the assessment year ending March 31, 2022, presently in force in India ('**Tax Laws**'). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed rights issue.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future;
2. The conditions prescribed for availing the benefits have been / would be met with; and
3. The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the Draft Letter of Offer/ Letter of Offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may also be relied upon by the Company and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For NVSR & Associates

Chartered Accountants

Firm's registration number: 008801S/S200060

Sd/-

P. Venkata Ratnam

Partner

Membership number: 230675

UDIN: 24230675BKBIAK7633

Place: Hyderabad

Date: 29-01-2024

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VSF PROJECTS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the Income Tax Act, 1961 ('Act')

a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

Basis for this conclusion has been provided below in the Annexure-II.

b. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares;
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year ending March 31, 2023;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

ANNEXURE II

INCOME TAX ACT

Special provisions in respect of newly established Units in Special Economic Zones.

As per section 10AA of the Income Tax Act.

- (1) Subject to the provisions of this section, in computing the total income of an assessee, being an entrepreneur as referred to in clause (j) of section 2 of the Special Economic Zones Act, 2005, from his Unit, who begins to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after the 1st day of April, 2006, but before the first day of April, 2021, the following deduction shall be allowed:
 - hundred per cent of profits and gains derived from the export, of such articles or things or from services for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which the Unit begins to manufacture or produce such articles or things or provide services, as the case may be, and fifty per cent of such profits and gains for further five assessment years and thereafter.
 - for the next five consecutive assessment years, so much of the amount not exceeding fifty per cent of the profit as is debited to the profit and loss account of the previous year in respect of which the

deduction is to be allowed and credited to a reserve account (to be called the "Special Economic Zone Re-investment Reserve Account") to be created and utilized for the purposes of the business of the assessee in the manner laid down in sub-section (2) of the this section.

Deductions in respect of profits and gains by an undertaking or enterprise engaged in development of Special Economic Zone.

80-IAB. (1) Where the gross total income of an assessee, being a Developer, includes any profits and gains derived by an undertaking or an enterprise from any business of developing a Special Economic Zone, notified on or after the 1st day of April, 2005 under the Special Economic Zones Act, 2005, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains derived from such business for ten consecutive assessment years:

Provided that the provisions of this section shall not apply to an assessee, being a developer, where the development of Special Economic Zone begins on or after the 1st day of April, 2017.

(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any ten consecutive assessment years out of fifteen years beginning from the year in which a Special Economic Zone has been notified by the Central Government:

Based on the above there are no special tax benefits available to the Company under Income Tax Act.

ANNEXURE III

GOODS AND SERVICE TAX ACT

The key GST treatment for SEZ developers includes the following:

1. **Zero-Rated Supplies:** Supplies made by SEZ developers to units located within the same SEZ or to other SEZ developers were treated as zero-rated supplies. Zero-rated supplies mean that the applicable GST rate would be 0%, and the developer would not charge GST on such supplies. However, the developer would be eligible to claim input tax credit on inputs and input services used to make these supplies.
2. **Exemption on Imported Goods and Services:** SEZ developers were allowed to procure goods and services from the domestic market or import them for authorized operations within the SEZ without paying Integrated Goods and Services Tax (IGST). This exemption applies to the supplies meant for SEZ developments.
3. **Input Tax Credit (ITC):** SEZ developers could claim Input Tax Credit on the GST paid on inputs, input services, and capital goods used for authorized operations within the SEZ. This ITC could be utilized to offset their output GST liability.
4. **Refund of Accumulated ITC:** If the input tax credit accumulated due to zero-rated supplies and inverted tax structures (where the GST rate on inputs is higher than that on the output supplies), SEZ developers could claim a refund of the accumulated credit.
5. **GST Exemption on Services:** Services provided to SEZ developers for authorized operations within the SEZ were also treated as zero-rated supplies, and no GST was charged on such services.

The above are the benefits available to the company being SEZ developer under Goods and Service Tax Act.

For and on behalf of NVSR & Associates LLP

Chartered Accountants

Firm's registration number: 008801S/S200060

Sd/-

P. Venkata Ratnam

Partner

Membership number: 230675

UDIN : 24230675BKBIAK7633

Place: Hyderabad

Date: 29-01-2024

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, nor any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Before deciding to invest in the Equity Shares, prospective investors should read this entire Prospectus, including the information in the sections ‘Risk Factors’ and ‘Financial Information’ on pages 21 and 88 respectively, of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section ‘Risk Factors’ on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

Infrastructure Sector in India

INTRODUCTION

India’s high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress.

Infrastructure is a key enabler in helping India become a US\$ 26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

The government’s focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

Infrastructure support to nation’s manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

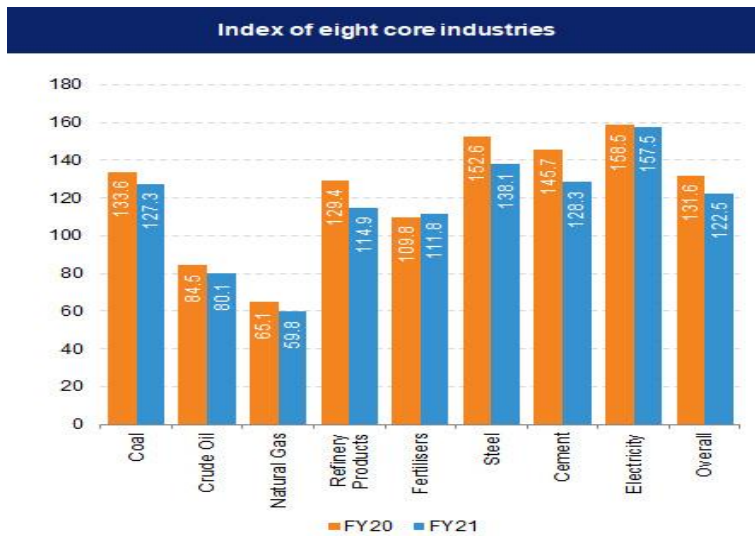
The “Smart Cities Mission” and “Housing for All” programmes have benefited from these initiatives. Saudi Arabia seeks to spend up to US\$ 100 billion in India in energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India’s overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India’s economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure and construction development projects.

In order to meet India’s aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as ‘Make in India’ and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector. Historically, more than 80% of the country’s infrastructure spending has gone toward funding for transportation, electricity, and water& irrigation.

While these sectors still remain the key focus, the government has also started to focus on other sectors as India’s environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

MARKET SIZE



In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to Rs.10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP.

Started with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2476 projects are under development phase with an estimated investment of US\$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 in the roads and bridges sub-sector.

The Indian Railways expects to complete total revenue of Rs. 2,35,000 crore (US\$ 28.3 billion) by the end of fiscal year 2022-23. The overall revenue of Indian Railways at the end of August'22 was Rs. 95,486.58 crore (US\$ 11.5 billion), showing an increase of Rs. 26,271.29 crore (US\$ 3.1 billion) (38%) over the corresponding period of last year.

India's logistics market is estimated to reach US\$ 410.75 billion in 2022 and is expected to reach US\$ 556.97 billion by 2027, growing at a CAGR of 6.28%. India intends to raise its ranking in the Logistics Performance Index to 25 and bring down the logistics cost from 14% to 8% of GDP, leading to a reduction of approximately 40%, within the next five years.

In December 2022, AAI and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore (US\$ 11.8 billion) in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.

India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities as of September 2022.

At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

India plans to spend US\$ 1.4 trillion on infrastructure through 'National Infrastructure Pipeline' in the next five years. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion. India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. As of 22 August, 2022, 122.69 lakh houses have been sanctioned, 103.01 lakh houses have been grounded, and 62.21 lakh houses have been completed, under the Pradhan Mantri Awas Yojna scheme (PMAY-Urban).

Hundreds of new cities need to be developed over the next decade. Over the next 10 years, demand for urban freight is predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains. India is expected to become the third-largest construction market globally by 2022. Indian logistics market is estimated to touch US\$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over FY21-26 driven by spending

on water supply, transport and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the 10th five year plan as against 9% in the 11th five year plan. Further, US\$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12th five year plan, with 40% of the funds coming from the private sector.

GOVERNMENT INITIATIVES AND INVESTMENTS

Some of the recent government initiatives and investments in the Infrastructure sector are as follows:

Under Budget 2023-24:

Capital investment outlay for infrastructure is being increased by 33% to Rs.10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.

Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.

The Government has decided to continue the 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of Rs 1.3 lakh crore (US\$ 16 billion).

A capital outlay of Rs 2.40 lakh crore (US\$ 29 billion) has been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013- 14.

100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be taken up on priority with investment of Rs. 75,000 crore (US\$ 9 billion), including Rs. 15,000 crore (US\$ 1.8 billion) from private sources.

50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.

An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.

States will be encouraged to leverage resources from the grants of the 15th Finance Commission, as well as existing schemes, to adopt appropriate user charges while accessing the UIDF.

For realizing the vision of "Make A-I in India and Make A-I work for India", three centers of excellence for Artificial Intelligence will be set-up in top educational institutions.

The Digital Public infrastructure for agriculture will be built as an open source, open standard and inter operable public good that will enable inclusive, farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for growth of agri-tech industry and start-ups.

157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014.

National Digital Library for Children and Adolescents will be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility. States will be encouraged to set up physical libraries for them at panchayat and ward levels and provide infrastructure for accessing the National Digital Library resources.

Skill India International Centres to be set up across different States to skill youth for international opportunities. Central Processing Centre to be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.

District Institutes of Education and Training to be developed as vibrant institutes of excellence for Teachers'

Training.

States will be encouraged to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products, and for providing space for such products of all other States.

Since 2016-17, the budget for the Pradhan Mantri Awas Yojana, the flagship housing scheme of the government, has increased 280% from Rs. 20,936 crore (US\$ 2.5 billion) in the revised estimates of 2016-17 to Rs. 79,590 crore (US\$ 9.6 billion) in the latest 2023-24 budget.

The Awas Yojana budget estimate for 2023-'24 constitutes an allocation of Rs. 25,103 crore (US\$ 3 billion) to Pradhan Mantri Awas Yojana-Urban and Rs. 54,487 crore (US\$ 6.5 billion) to Pradhan Mantri Awas Yojana-Gramin.

INVESTMENTS

The Government of India has designed various policies for the growth of MSMEs in the country.

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.23 billion and US\$ 28.95 billion, respectively, between April 2000-September 2022.

In January 2023, the Construction arm of Larsen & Toubro has secured orders for its power transmission & distribution and buildings & factories businesses to establish a 112.5MW Solar Power Plant in West Bengal and to construct a 600-bed super specialty hospital at Mumbai, respectively.

In December 2022, BHEL formed a consortium with Titagarh Wagons and is among five entities which have bid for the mega Rs. 58,000 crore (US\$ 7 billion) contract to manufacture 200 Vande Bharat trains and maintaining them for the next 35 years.

In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated and laid foundation stone of 8 National Highway projects of 226 km length worth Rs. 1800 crore (US\$ 217.4 million) at Igatpuri, Nashik, Maharashtra.

In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 7 National Highway projects worth Rs. 2,444 crore (US\$ 295 million) with total length of 204 km in Rewa, Madhya Pradesh.

In November 2022, Prime Minister of India laid the foundation stone of various road projects worth over Rs. 2200 crore (US\$ 2.6 billion), namely Medak-Siddipet-Elkathurthy section of NH-765DG; Bodhan-Basar-Bhainsa section of NH-161BB; Sironcha to Mahadevpur Section of NH-353C in Telangana.

In November 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated the construction of 3.8 km long 4-lane elevated structure flyover at Ahmednagar, Maharashtra on National Highway-61 at a cost of Rs. 331.17 crore (US\$ 40 million).

In October 2022, Prime Minister of India laid the foundation of road and ropeway projects worth more than Rs. 3,400 crore (US\$ 410 million) in Mana, Uttarakhand.

In October 2022, National Highways Infra Trust (NHAI InvIT), the infrastructure investment trust sponsored by National Highway Authority of India (NHAI) to support Government of India's National Monetization Pipeline, has raised a sum of Rs. 1,430 crore (US\$ 172.6 million) from domestic and international investors through placement of its units, for part funding its acquisition of three additional road projects from NHAI.

As many as 52 critical infrastructure gap projects identified by MoPSW for connecting maritime ports and IWTs (Inland Waterway Terminals) to be taken up under PM Gati Shakti National Master Plan. Currently, DPR of total 56 projects (including 11 IWT projects) under this category with total of 1215 km length are under bidding stage for the feasibility assessment of these projects, which is being carried out by NHAI.

In Union Budget 2022-23:

The government has given a massive push to the infrastructure sector by allocating Rs. 10 lakh crore (US\$ 130.57

billion) to enhance the infrastructure sector.

The government allocated Rs. 134,015 crore (US\$ 17.24 billion) to National Highways Authority of India (NHAI).

The government announced an outlay of Rs. 60,000 crore (US\$ 7.72 billion) for the Ministry of Road Transport and Highways.

The government announced Rs. 76,549 crore (US\$ 9.85 billion) to the Ministry of Housing and Urban Affairs.

The government allocated Rs. 84,587 crore (US\$ 10.87 billion) to the Department of Telecommunications to create and augment telecom infrastructure in the country.

The total revenue expenditure by Railways is projected to be Rs. 234,640 crore (US\$ 30.48 billion) 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over next three years. Focus was on the PM GatiShakti - National Master Plan for multimodal connectivity to economic zones. Everything, from roads to trains, from aviation to agriculture, as well as many ministries and departments, will be integrated under the PM GatiShakti National Master Plan.

In September 2022, the government approved rail-cum-road bridge across Brahmaputra River near the existing Saraighat bridge at Guwahati at the cost of Rs. 996.75 crore (US\$ 122.27 million) which will be shared by NHAI & Ministry of Railways.

In 2022-23 (until October 20, 2022), passenger earnings stood at Rs. 33,838.16 crore (US\$ 4.15 billion).

In August 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways laid foundation stone of six NH projects worth Rs. 2,300 crore (US\$ 287.89 million) in Indore, Madhya Pradesh.

In FY23 (until September 2022), the combined index of eight core industries stood at 142.8 driven by the production of coal, refinery products, fertilizers, steel, electricity and cement industries.

In June 2022 Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 15 National Highway projects in Patna and Hajipur in Bihar worth Rs. 13,585 crore (US\$ 1.75 billion)

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.22 billion and US\$ 28.64 billion, respectively, between April 2000-June 2022.

In March 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highway inaugurated 19 National Highway projects in Haryana and Rajasthan totaling Rs. 1,407 crore (US\$ 183.9 million).

The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth Rs. 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020.

In November 2021, the Asian Development Bank (ADB) has approved a US\$ 250-million loan to support development of the National Industrial Corridor Development Programme (NICDP). This is a part of the US\$ 500-million loan to build 11 industrial corridors bridging 17 states.

In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral co-operation.

The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.

In October 2021, the Union Cabinet of India approved the PM GatiShakti National Master Plan—including implementation, monitoring and support mechanism—for providing multi-modal connectivity.

In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college and a specialised hospital in Jammu & Kashmir.

In FY22, government initiatives such as the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.

To encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy is undertaking Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.

In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth Rs.15 lakh crore (US\$ 206 billion) in the next two years.

The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.

Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.

The government announced Rs. 305,984 crore (US\$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

ROAD AHEAD

India has to enhance its infrastructure to reach its 2025 economic growth target of US\$ 5 trillion. India's population growth and economic development requires improved transport infrastructure, including through investments in roads, railways, and aviation, shipping and inland waterways.

The government has also suggested an investment of \$750 billion to strengthen railway infrastructure, and envisioned the Maritime India Vision 2030 which estimates massive investments in world-class infrastructure development at Indian ports.

Global investment and partnerships in infrastructure, such as the India-Japan forum for development in the North East are also indicative of more investments. These initiatives come at a momentous juncture as the country aims for self-reliance in future-ready and sustainable critical infrastructure.

India, it is estimated, needs to invest \$840 billion over the next 15 years into urban infrastructure to meet the needs of its fast-growing population. This investment will only be rational as well as sustainable, if we additionally focus on long-term maintenance and strength of our buildings, bridges, ports and airports.

As a result of digitalisation and opportunities that tier II and III cities present for economic growth, the divide between metro and non-metros is blurring, moving to the new era of infrastructure growth. Commercial real estate properties have witnessed exponential growth in demand across Tier II & III cities as Information technology and Information technology enabled services and banking financial services and insurance focused organizations are increasingly decentralizing their operations to adapt to the new normal.

The residential sector has witnessed good sales, and launches have also shown signs of an uptick during 2022, total sales in the top-7 cities was projected to exceed 360,000 units in 2022.

Civil Aviation Ministry's "Vision 2040" report states that there will be 190-200 functioning airports in India by 2040. Delhi and Mumbai will have three international airports each, while top 31 Indian cities will have two operational airports each.

220 destinations (airports/heliports/water aerodromes) under UDAN are targeted to be completed by 2026 with 1000 routes to provide air connectivity to unconnected destinations in India.

102 critical projects under the Gati Shakti masterplan worth \$7.67 billion are to be completed by 2024, making 2023 a critical year for effective execution and celerity of completion.

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant

shift in the industry that is leading to the development of world-class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country-wide smart cities programmes have proven to be industry game-changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom as a result of India's necessity and desire for rapid development. The expansion has been aided by urbanisation and an increase in foreign investment in the sector.

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it.



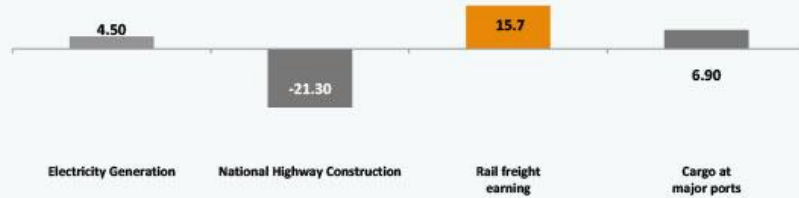


INFRASTRUCTURE



GROWTH

Growth in Infrastructure Related Activities in FY21 (%)

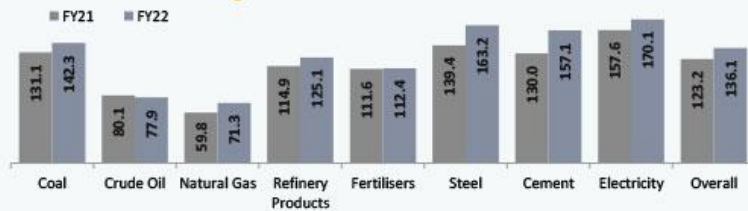


Note: * - FY20



SECTOR COMPOSITION

Index of Eight Core Infrastructure Industries



KEY TRENDS

Road Construction Per Day (kms)



Installed Electricity Generation Capacity (GW)



Note: * - Till January 2023



GOVERNMENT INITIATIVES



Ujwal Discoms Assurance Yojana (UDAY)



PMAY - Urban Housing For All



Bharatmala Pariyojana



ADVANTAGE INDIA

- **Robust demand:** India's population growth and economic development requires improved transport infrastructure, including through investments in roads, railways, and aviation, shipping and inland waterways.
- **Increasing Investments:** Under Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to Rs. 10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.
- **Policy support:** Under the National Infrastructure Pipeline (NIP), projects worth Rs. 108 trillion (US\$ 1.3 trillion) are currently at different stages of implementation.
- **Attractive opportunities:** Development of infrastructure has a multiplier effect on demand and efficiency of transport and increases commercial and entrepreneurship opportunities.

Advantage in India

| Robust Demand | Attractive Opportunities | Policy Support | Increasing Investment |
|---|--|--|--|
| <p>*India has to enhance its infrastructure to reach its 2025 economic growth target of US\$ 5 trillion.</p> <p>* India's population growth and economic development requires improved transport infrastructure, including through investments in roads, railways, and aviation, shipping and inland waterways.</p> | <p>* Development of infrastructure has a multiplier effect on demand and efficiency of transport and increases commercial and entrepreneurship opportunities.</p> <p>* In June 2022, Minister of Road Transport and Highways, opened 15 national highway projects worth Rs. 13,585 crore (US\$1.7 billion) in Patna and Hajipur, Bihar.</p> <p>* In October 2021, Dubai government and India signed a contract in October 2021 to build infrastructure in Jammu and Kashmir, including industrial parks, IT towers, multipurpose towers, logistics centres, medical colleges, and specialized hospitals.</p> | <p>* Budget 2023-24 is complemented with continuation of the 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of Rs. 1.3 lakh crore (US\$ 16 billion).</p> <p>* Under the National Infrastructure Pipeline (NIP), projects worth Rs. 108 trillion (US\$ 1.3 trillion) are currently at different stages of implementation</p> <p>* In November 2022, National Investment and Infrastructure Fund (NIIF) is set up as a collaborative investment platform between Government of India, global investors, multilateral development banks (MDB) and domestic financial institutions to facilitate investment across multiple sectors in India through an India Japan Fund.government</p> | <p>* Under Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to Rs.10 lakh crore (US\$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.</p> <p>* Under Budget 2023-24, Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.</p> |

GROWTH OF INFRASTRUCTURE SECTOR: A POTENTIAL BOOST TO THE INDIAN ECONOMY

Indian economy is driven through multiple economic sectors and infrastructure is one of the major sector contributions to continuous growth. The infrastructure sector in India is poised to grow at a CAGR of 8.2% by 2027. The launch of a quadrilateral economic forum by India, the US, Israel & the UAE in November 2021 has further added to the influx of infrastructure growth perspectives. Alternatively, the introduction to the “Infrastructure for Resilient Island States” program in November 2021 has shown a significant opportunity to improve the lives of vulnerable nations across the globe by enabling Indian infrastructure growth to flourish in tri-folds.

In order to meet India’s aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as ‘Make in India’ and the production-linked incentives (PLI) scheme to augment the growth of the infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water& irrigation.

In India, about 42% of the projects in the NIP are under implementation, which means construction work is already going on. Another 19% is under the development stage, while a significant 31% is still in the conceptual stage. During the fiscals 2020 to 2025, sectors such as Energy (24%), Roads (19%), Urban (16%), and Railways (13%) amount to around 70% of the projected capital expenditure in infrastructure in India.

Infrastructural Projects in India

Major/Key infrastructural projects undertaken in India are

- **Gati Shakti and Industrial Corridors**
- **Bharatmala Pariyojana**
- **Delhi Mumbai Industrial Corridor**

Gati Shakti and Industrial Corridors:

The main objective of the Gati Shakti and Industrial Projects corridor implemented in India in 2019 is to ensure integrated planning and implementation of basic infrastructure projects over the next four years, with a focus on expediting on-groundwork, cost reduction, and employment generation. The 'National Infrastructure Pipeline' of US\$ 1,327 billion (Rs 110 lakh crores) launched in the year 2019 under the Gati Shakti scheme will be included.

Bharatmala Pariyojana

Bharatmala Pariyojana is a new umbrella program for the highways sector that focuses on optimizing the efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like the development of Economic Corridors, Inter Corridors, and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads, and Green-field expressways. Under the first phase of the ambitious 'Bharatmala Project' of the Ministry of Road Transport and Highways, 34,800 km of national highways will be constructed at a cost of US\$ 64 billion (Rs 5,35,000 crores).

Delhi-Mumbai Industrial Corridor

The Delhi-Mumbai Industrial Corridor (DMIC) is the first industrial corridor development project announced by the Government of India. The Delhi-Mumbai Industrial Corridor Development Corporation (DMICDC), the implementing agency of this development project, was incorporated in the year 2008.

The total sanctioned amount for this program is about US\$ 2.4 billion (Rs 20,084 crores). 11 industrial corridor projects have been taken up under the programme, and a total of 30 projects will be developed under the program in four phases by 2024-25. The National Industrial Corridor Development and Implementation Trust (NICDIT) is functioning under the administrative control of the Department for Promotion of Industry and Internal Trade (DPIIT) for coordinated and integrated development of all the Industrial Corridors that are at various stages of development and implementation.

FDI in Infrastructure in India

Foreign Direct Investment (FDI) in the construction development (townships, housing, built-up infrastructure, and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.17 billion and US\$ 26.30 billion, respectively, from April 2000 – Dec 2021, according to the Department for Promotion of Industry and Internal Trade (DPIIT). Infrastructure-related operations made about 13% of the US\$ 81.72 billion total FDI inflows in the financial year (FY) 2021. India's infrastructure is anticipated to expand at a compound annual growth rate (CAGR) of almost 7% during the forecast period (2019-2028).

Highway construction would be done, with 2,500 km of access control highways, 9,000 km of economic corridors, 2,000 km of coastline and land port roads, and 2,000 km of strategic highways. The FASTag system promotes greater highway commercialization, allowing the National Highways Authority of India (NHAI) to raise more funds. Before 2024, it was projected to monetize at least 12 lots of roadway bundles totalling more than 6,000 km. The government has set aside US\$ 236 billion (Rs. 1,963,943 crores) in the budget for road infrastructure.

The government-sponsored National Investment and Infrastructure Fund (NIIF) received a funding commitment of US\$ 100 million from the multilateral Asian Development Bank (ADB) in 2020. Between the financial years (FY) 2000 and (FY) 2019, inflows in the verticals of townships, construction development projects, and housing were estimated at US\$ 25.5 billion. The "Smart Cities Mission" and "Housing for All" programmes have benefited from these initiatives. Saudi Arabia seeks to spend up to US\$ 100 billion in India in energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

Infrastructure Growth Highlights

Surety Bond Insurance

The road, transport, and highways ministry launched the country's first-ever surety bond insurance product, a

move that would reduce the dependence of infra developers on bank guarantees.

Surety Bond Insurance acts as a security arrangement for infrastructure projects and insulates the contractor as well as the principal. The product caters to the requirements of a diversified group of contractors, many of whom are operating in today's increasingly volatile environment. The Surety Bond Insurance is a risk transfer tool for the principal and shields the principal from the losses that may arise in case the contractor fails to perform their contractual obligation.

Research Development

According to the Ministry of Road Transport & Highways, National Institute of Technology, Silchar, (NIT Silchar) and National Highways Infrastructure Development Corporation Limited (NHIDCL), have signed an MoU to boost cooperation in the field of highway engineering and other infrastructure works.

"National Highways & Infrastructure Development Corporation Ltd (NHIDCL), a CPSE under the Ministry of Road Transport & Highways has signed MoU with NIT, Silchar on 26th October 2022 for seeking and promoting innovative technologies to find pragmatic solutions to the challenges posed in the construction of highways facing extreme climatic conditions".

Road & Transport System

National highways account for 2% of the total road network and carry over 40% of total traffic. Highway construction in India increased at 17.00% CAGR between FY16-FY21. Despite the pandemic and lockdown, India has constructed 13,298 km of highways in FY21. In FY21, 13,298 km of the highway was constructed across India.

The market for roads and highways is projected to exhibit a CAGR of 36.16% during 2016-2025. Almost 40% (824) of the 1,824 PPP projects awarded in India until December 2019 were related to roads.

The highways sector in India has been at the forefront of performance and innovation. The government has successfully rolled out over 60 projects worth over US\$ 10 billion based on the Hybrid Annuity Model (HAM). HAM has balanced risk appropriately between private and public partners and boosted PPP activity in the sector.

Road to Future

The roadmap to India's infrastructure is exciting and the new decade seems to be promising. More and more green and clean initiatives are happening across government bodies in major countries, especially, the Indian government has given the much-needed push to the infrastructure sector in the recent 2021 budget. India is looking at a US\$ 5 trillion economy dream.

As per the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development and construction sector stood at US\$ 26.17 billion and US\$ 26.30 billion, respectively, between the period of April 2000 and December 2021. The logistics sector in India is rising at a CAGR of 10.5% annually which shows that both in terms of investments and revenue the infra game is going strong.

India is now at a juncture where a huge investment in R&D for energy-efficient and green fuel is much-needed. Thus, boosting the overall infrastructure

BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled **'Forward-Looking Statements'** on page 16 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements and also the sections entitled **'Risk Factors'**, **'Industry Overview'**, **'Summary Statement'** and **'Management's Discussion and Analysis of Financial Condition and Results of Operations'** on pages on pages 21, 56, 17, and 140, of this Draft Letter of Offer, respectively, as well as financial and other information contained in this Draft Letter of Offer as a whole, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is based on our Financial Statements included in this Draft Letter of Offer. For further information, see **'Financial Statement'** on page 88 of this Draft Letter of Offer.

BUSINESS OVERVIEW

Our Company was incorporated on June 4, 1992, under the Companies Act, 1956 in the name and style as Vijaya Shrimp Farms and Exports Limited company in the State of the United Andhra Pradesh. The Company obtained the Certificate of Commencement of Business on June 25, 1992 from the Registrar of Companies, Andhra Pradesh at Vijayawada. The Company changed its name from Vijaya Shrimp Farms and Exports Limited to VSF Projects Limited and a fresh Certificate Incorporation was issued by the Registrar of Companies on September 8, 2005. The Company made its maiden public issue in 1993 and got listed on BSE Limited in 1994. The company has originally set up an aqua culture farm at Ankalapatur village, in Tirupati district of Andhra Pradesh to cultivate Black Tiger variety (P.Monodon) as an 100% export oriented unit. The farm has 64 ponds in total. An inhouse hatchery for captive consumption with an installed capacity of 40 millions seed per annum is also included in the project. The company is promoted by Mr. B N Murthy, C R Peddineni, G Venkateswar Rao, and G S Ramachandra Rao. The hatchery has started commercial operation in June 1995.

In the year 2005 onwards, the company has executed many Civil works with Roads & buildings, PWD Departments with Karnataka State. VSF Projects executed many works from National Highways, State Highways, Flyovers & Bridges. Execution of Infrastructure projects on Turnkey basis.

In year 2011 Company has proposed setting up 1x350MW Supercritical Thermal Power Plant in 1st Phase at Ankulapatur (V), Chillakur (M), SPSR Nellore (Dist) of Andhra Pradesh and The Company has got the TOR clearance for the Power Project from the State Level Environment Appraisal Committee on January 06, 2011. However the project could not take off and was required to be shelved due to the excess power in the state of Andhra Pradesh and Telangana, the project implementation was stopped in 2016. Now the Company want to utilize the land for setting up a Multi-Product Free Trade Ware Housing Zone (FTWZ/SEZ).

VSF Projects Limited is an integrated construction and infrastructure development and execution company with two principal business segments:

- Construction business which is operated by the Company.
- Aqua Culture

Infrastructure business of the Company focuses on sectors including roads, buildings, industrial construction.

MAIN OBJECT OF OUR COMPANY

1. *To carry on the business of importers, exporters and dealers in and producers of sea water foods, river water foods and to catch or arrange for the catch of all types of fish, prawns, frogs, crabs, shrimps, lobsters, and other crustacean including all other sea water foods or water foods to freeze and preserve in cold storage and to carry on aqua culture operations.*
2. *To establish, maintain and operate shipping and ancillary services and for those purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, construct or otherwise acquire, and to won work, manage and trade with steam sailing, motor and other ships trawlers, drifters, tugs, and vessels,*

aircrafts and motor and other vehicles, to maintain, repair fit out, refit, improve, insure, alter, sell, exchange, or let out on hire purchase, or charter or otherwise deal with and dispose of any of the ship vessels, fishing trawlers.

3. *To purchase or otherwise establish, build, own operate, run and acquire manage processing factories, cold storage, refrigerators, ice making plants and also warehouses, sheds and buildings for the purpose of processing, packing, preserving and caning all varieties of fish, fish and sea products, food products, farm products and edible products including by-products manufactured and or to dealt in by the company and to deal in all kinds of machinery, appliances and materials and materials for achieving said object.*
4. *To carry on the business of production, processing, preservation, dehydration, freezing, freeze-drying, drying, canning, tinning, bottling and packing of all or any of the produce and products mentioned above and food stuffs, provisions and consumable materials of all kinds.*
5. *To construct, erect, build, repair, remodel, demolish, develop, improve, grade, cure, pave macadamize, cement and maintain buildings, structures, houses, apartments, townships, multistoried complexes, landscapes, hospitals, schools, place of worship, highways, roads, paths, streets, side ways, Seaports, Airports, bridges, flyovers, subways, alleys, pavements and to do other similar constructions, leveling and paving work and to build, construct and repair railways, water ways, ports, ples, ducks, water works, drainage works, light houses, power houses, and floor and to do all kinds of excavating, dredging and digging work; to make all kinds of iron, wood, floor and to do all kinds of excavating, dredging and digging work; to make all kinds of Iron, wood, grass machinery, and earth construction to design, device, decorate, plant, model and to furnish labour and all kinds of material to supervise construction or other work, to act as valuers, appraisers, referees and accessories to Investigate into the conditions of buildings and other structures.*
6. *To carry on the business of building, acquiring, selling or leasing of warehouses, cold storages, industrial parks, factories and manufacturing units either on its own or jointly through other developers and/or builders In India or outside India and to develop or CO- develop Free Trade Zones, Special Economic Zones or Export Oriented Units either on its own or jointly through other developers and/or builders in India or outside India and to carry on the business of logistics, logistics management, warehouse management and cold storage management in India or outside India.*
7. *To carry out the business of maintenance of Real estate ventures including but not limited to industrial parks, factories, manufacturing units, Free Trade Zones, Special Economic Zones or Export Oriented Units in India or outside India and to develop or co-develop Data Centres, IT Parks, Start-up hubs, Co -working spaces or any other such areas for the purpose of enhancing the overall Technology and IT infrastructure ecosystem in India or Outside India*

INTELLECTUAL PROPERTY

As on date of this Draft Letter of Offer, there are no intangible assets, such as intellectual properties registered under the name of our Company.

PROPERTIES

Our Registered Office and Corporate from where we operate is located on premises which is owned property by us. Further, there are various land parcels that are held by us owned basis for the smooth functioning and operation, the details of which are tabled hereunder:

| Sr. No. | Particulars of Property | Address | Khata No | Sy.No | Extent | Classification |
|---------|-------------------------|---|----------|--------|--------|----------------|
| 1. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 728/1 | 1.76 | Dry |
| 2. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 783 | 3.43 | Dry |
| 3. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 784/1 | 2.36 | Dry |
| 4. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 785 | 0.8 | Wet |
| 5. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 786 | 1.5 | Dry |
| 6. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 788 | 3.63 | Wet |
| 7. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 795 | 1.3 | Dry |
| 8. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 796/2 | 3.01 | Dry |
| 9. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 797 | 1.47 | Wet |
| 10. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 798/2 | 0.06 | Wet |
| 11. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 798/3 | 0.37 | Wet |
| 12. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 798/4 | 0.51 | Wet |
| 13. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 798/5 | 0.08 | Wet |
| 14. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 798 /7 | 0.14 | Wet |
| 15. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 799 | 2.26 | Wet |

| | | | | | | |
|-----|-----------------------|--|-----|--------|--------|------|
| 16. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 800 /1 | 5 .33 | Dry |
| 17. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 800/ 4 | 1. 10 | Wet |
| 18. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 802/ 2 | 1.02 | Wet |
| 19. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 803/1 | 4 .15 | Wet |
| 20. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 804/1 | 2 .79 | Wet |
| 21. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 805/1 | 0 .54 | Wet |
| 22. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 806/2 | 3 .24 | We t |
| 23. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 807/2 | 2 .65 | We t |
| 24. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 808/1 | 3 .99 | Wet |
| 25. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 809/2 | 1.35 | Wet |
| 26. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 810/2 | 3 .91 | Wet |
| 27. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 811/1 | 1.32 | Wet |
| 28. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/1 | 0 .2 5 | Wet |
| 29. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/2 | 0 .20 | Wet |
| 30. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/3 | 0.20 | Wet |
| 31. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/4 | 0.20 | Wet |
| 32. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/5 | 0.17 | Wet |
| 33. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/6 | 0 . 17 | Wet |

| | | | | | | |
|-----|-----------------------|--|-----|-------|------|-----|
| 34. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/7 | 0.22 | Wet |
| 35. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/8 | 0.20 | Wet |
| 36. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 813/9 | 1.89 | Wet |
| 37. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/1 | 0.58 | Wet |
| 38. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/2 | 0.17 | Wet |
| 39. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/3 | 0.14 | Wet |
| 40. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/4 | 0.59 | Wet |
| 41. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/5 | 0.57 | Wet |
| 42. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/6 | 0.14 | Wet |
| 43. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/7 | 0.59 | Wet |
| 44. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 814/8 | 0.13 | Wet |
| 45. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/1 | 0.61 | Wet |
| 46. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/2 | 0.22 | Wet |
| 47. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/3 | 0.22 | Wet |
| 48. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/4 | 0.61 | Wet |
| 49. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/5 | 0.65 | Wet |
| 50. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/6 | 0.25 | Wet |

| | | | | | | |
|-----|-----------------------|--|-----|---------|-------|------|
| 51. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/7 | 0 .64 | Wet |
| 52. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 815/8 | 0.25 | Wet |
| 53. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 816/4 | 0.58 | Wet |
| 54. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 816/5 | 0.60 | Wet |
| 55. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 817/4 | 0 .95 | Wet |
| 56. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 817/5 | 1.03 | Wet |
| 57. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 818/1 | 0.74 | Wet |
| 58. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 818/2 | 0.72 | We t |
| 59. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 819/1 | 0 .38 | Wet |
| 60. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 819 / 2 | 0.99 | Wet |
| 61. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 14 1/3 | 0.95 | Wet |
| 62. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 819/4 | 1.33 | Wet |
| 63. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 820 | 1.21 | Wet |
| 64. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 821 | 1.93 | Wet |
| 65. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 822 | 2.59 | Wet |
| 66. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 823 | 1.08 | Wet |
| 67. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 828/1 | 2.61 | Wet |

| | | | | | | |
|-----|-----------------------|--|-----|-----------|------|-----|
| 68. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 829 | 2.86 | Wet |
| 69. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 830/1 | 3.22 | Wet |
| 70. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 831 | 3.38 | Wet |
| 71. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 837/2 | 0.78 | Wet |
| 72. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 838/2 | 0.92 | Wet |
| 73. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 839/2 | 0.26 | Wet |
| 74. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1212/1 | 3.48 | Wet |
| 75. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1213/1A | 2.63 | Dry |
| 76. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1214/5 | 1.50 | Dry |
| 77. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1215/3 | 0.20 | Dry |
| 78. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1215/4 | 3.00 | Dry |
| 79. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1216/4 | 3.27 | Dry |
| 80. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1216/5 | 0.48 | Dry |
| 81. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1216/6 | 0.75 | Dry |
| 82. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1217/1 | 2.77 | Dry |
| 83. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 12 18 / 1 | 1.92 | Wet |
| 84. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 12 18 / 4 | 2.03 | Wet |

| | | | | | | |
|--------------|-----------------------|---|-----|---------|---------------|-----|
| 85. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 609 1/2 | 1.6 1 | Wet |
| 86. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1220/1 | 0.32 | Dry |
| 87. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1220/2 | 0.68 | Dry |
| 88. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1220/3 | 1. 12 | Dry |
| 89. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1234 | 6.75 | Dry |
| 90. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1235/1 | 1. 4 1 | Dry |
| 91. | Non-Agricultural Land | Ankulapaturu Village of Chillakur Mandal | 251 | 1236 | 6 .00 | Dry |
| TOTAL | | | | | 132.96 | |

COLLABORATIONS

Our Company has no collaborations as on this date of Draft Letter of Offer.

INSURANCE

The Company has not taken any insurance. Although, we will take appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

HUMAN RESOURCES

Throughout the year under review, the Company continues to make strides towards improving HR processes and practices to build the organisation for long-term sustainability. The Company emphasises on fostering personal growth and development within an environment that promotes professionalism and excellent performance. The Company has focused on developing staff capabilities as this will enable it to achieve higher operational standards.

Following is a department wise employee break-up:

| Category | Total |
|-------------------|-----------|
| Directors | 8 |
| Senior Managerial | 2 |
| Marketing | - |
| Managers | 2 |
| Total | 12 |

HEALTH SAFETY AND ENVIRONMENT

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. In order to ensure effective implementation of our practices, we have implemented a safety, health and environment policy wherein we have committed to, inter alia, the maintenance of a safe workplace and providing the necessary training to employees in our workplace. We believe that we comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees and subcontractors at our project sites and manufacturing facilities.

COMPETITION

The construction industry in India is very competitive. Our competition depends on various factors, such as the type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. Thus we believe that our large network and comprehensive service offering as well as our established reputation enables us to compete effectively in the market.

OUR STRENGTHS

Experienced Management Team

Our Company is supported by a dedicated management team with several years of industry experience in their respective domains of sales, marketing, strategy, and finance. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Strong execution and implementation capabilities:

We have demonstrated strong project execution capabilities consistently over a period of time. Our vast experience and technologically advanced and technically complex projects, we believe that we are in a position to meet the pre-qualification requirements necessary to enter the competitive bidding process for potential heavy infrastructure sectors.

Develop client relations:

We plan to grow our business primarily by growing the number of client relationships and service offerings, as we believe that increased client relationships will add stability to our business. We aim to provide for fast and efficient execution of client requirements. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 8 (Eight) directors on its Board, 1 (One) managing director, 1 (One) Executive director, 2 (Two) whole time Director, 2 (Two) Non-Executive Director, and 2 (Two) Independent Director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Letter of Offer:

| NARAYANA MURTHY BOBBA | |
|-------------------------------|--|
| DIN | 00073068 |
| Date of Birth | 04/04/1956 |
| Age | 67 years |
| Address | 8-2-269/19/S/D/NS-I, Road no.2, Banjara Hills, Hyderabad, Telangana India 500034 |
| Nationality | Indian |
| Designation | Managing Director |
| Term | 3 years |
| Period of Directorship | 3 years w.e.f 10th October 2022 |
| Other Directorship | N.A |
| Qualification | Diploma holder in Mechanical Engineering |
| Experience | He has more than 30 years of rich experience in the field of management and execution of construction of Industrial structures, Cultivation of shrimps, development of lands and buildings. He is the chief promoter of the company. He had successfully executed many civil works in the last 13 years. He has actively participated many business excellence meets in Malaysia, South Africa, Hongkong, etc., He looks after operations, Business development, Purchase, Corporate affairs & finance for all industrial and contracting business and new project ventures. |
| Occupation | Business |

| Sriramshetty Srinivasa Rao | |
|-----------------------------------|--|
| DIN | 00895774 |
| Date of Birth | 04/05/1947 |
| Age | 76 years |
| Address | 3-4-827/402, Ward - 3, Circle IV, Barkatpura, Hyderabad, Telangana, India 500027 |
| Nationality | Indian |
| Designation | Independent Director |
| Term | 5 years |
| Period of Directorship | 5 years w.e.f 15 th November 2021 till 14 th November, 2026. |
| Other Directorship | 1. Unicorp Advisors Private Limited 2. Telangana Industrial Health Clinic Limited |
| Qualification | Chemical Engineering Graduate |
| Experience | He has having 35 years of experience by virtual working with private sector, public sector and multinational companies. This includes 3 years of experience as a entrepreneur putting up a chemical unit which has given exposer to project financing, technology transfer etc. Most of the years worked in the area of SME Development as a consultant advising the entrepreneurs, financial institutions, Govt. Depts. at central and state. On several occasions services were offered to overseas also. As the Managing Director of a deemed Govt. organization directed seventeen years team of expert consultants working all over the country and some overseas countries like UAE, Saudi Arabia etc. |
| Occupation | Business |

| Vijaya Lakshmi Bobba | |
|-------------------------------|---|
| <i>DIN</i> | 01496696 |
| <i>Date of Birth</i> | 01/07/1961 |
| <i>Age</i> | 53 Years |
| <i>Address</i> | 8-2-269/19/S/D/NS-I, Road no.2, Banjara Hills, Hyderabad, Telangana India 500034 |
| <i>Nationality</i> | Indian |
| <i>Designation</i> | Whole Time Director |
| <i>Term</i> | 3 years |
| <i>Period of Directorship</i> | 3 years w.e.f 10th October 2022 |
| <i>Other Directorship</i> | N.A |
| <i>Qualification</i> | Bachelors Degree in Arts |
| <i>Experience</i> | She is having rich experience in the field of cultivation of aqua culture. She looks after entire Administrative and human resource developments. Over the years, she has acquired deep insight into the working of the industry. |
| <i>Occupation</i> | Business |

| Lakshmi Narasimha Bobba Chowdary | |
|---|---|
| <i>DIN</i> | 02381545 |
| <i>Date of Birth</i> | 25/02/1987 |
| <i>Age</i> | 36 |
| <i>Address</i> | 8-2-269/19/S/D/NS-I, Road no.2 Banjara Hills, Hyderabad Telangana, India 500034 |
| <i>Nationality</i> | Indian |
| <i>Designation</i> | Whole Time Director & Chief Financial Officer |
| <i>Term</i> | 3years |
| <i>Period of Directorship</i> | 3 years w.e.f 10th October 2022 |
| <i>Other Directorship</i> | N.A |
| <i>Qualification</i> | Masters of Business administration |
| <i>Experience</i> | He has gained lot of experience in the technical department of execution of infrastructure projects and He has been looking after the Production, maintenance and Technical aspects of the company. |
| <i>Occupation</i> | Business |

| Rahul Patibandla | |
|-------------------------------|--|
| <i>DIN</i> | 07344724 |
| <i>Date of Birth</i> | 03/08/1982 |
| <i>Age</i> | 41 |
| <i>Address</i> | Plot No. 22, Vasanthnagar, Kukatpally Hyderabad, Telangana India 500072 |
| <i>Nationality</i> | Indian |
| <i>Designation</i> | Non-Executive Independent Director |
| <i>Term</i> | NA |
| <i>Period of Directorship</i> | Getting reappointed as non executive Director retiring by rotation |
| <i>Other Directorship</i> | 1. Renown Clinical Services Private Limited |
| <i>Qualification</i> | MBBS from NTR University, MD from KLE University , Dnb (Nephrology) from NBE, Delhi University. |
| <i>Experience</i> | He is a Doctor by Profession He has acumen for critical analysis of business issues .He is Actively involved in organizing various National and International Conferences. |
| <i>Occupation</i> | Doctor |

| Veera Brahma Rao Arekapudi | |
|-----------------------------------|---|
| <i>DIN</i> | 07540040 |
| <i>Date of Birth</i> | 20/10/1957 |
| <i>Age</i> | 66 Years |
| <i>Address</i> | Flat No. M- 704, Block- M, Aparna Sarovar Serilingampally, Telangana India 500019 |
| <i>Nationality</i> | Indian |

| | |
|-------------------------------|--|
| Designation | Executive Director |
| Term | 3 years |
| Period of Directorship | 3 years from 22nd December, 2022 |
| Other Directorship | 1. Steel Exchange India Limited |
| Qualification | Masters in Financial Management-MFM from Jamnalal Bajaj Institute of Management Studies, University of Mumbai – Post Graduate Diploma in “Securities Law” from Government Law College, Mumbai Post Graduate Diploma in Alternate Dispute Resolution –(ADR) from NALSAR, Hyderabad |
| Experience | With over 38 years of experience, he has established himself as a seasoned banking and financial professional in India and abroad. As a Member (Technical) of the National Company Law Tribunal (NCLT) he has made significant contributions to landmark judgments, leading to appreciation and recognition from the National Company Law Appellate Tribunal (NCLAT) and the Hon'ble Supreme Court of India. In the banking sector, his leadership and expertise in wholesale and retail banking, risk management, audit, and other areas have been instrumental in the successful management of State Bank of India (SBI). He has also excelled in managing high-value projects and liaising with regulatory agencies and top management. |
| Occupation | Retired Technical member of NCLT Hyderabad |

| Ramesh Babu Nemani | |
|-------------------------------|---|
| DIN | 08089820 |
| Date of Birth | 04/07/1976 |
| Age | 47 |
| Address | 6-3-609/96/A, 1st Floor, Radha Soami Satsang Ghar, Anand Nagar Colony, Khairatabad Hyderabad Telangana India 500004 |
| Nationality | Indian |
| Designation | Independent Director |
| Term | 5 years |
| Period of Directorship | 5 years w.e.f 15th November 2021 till 14th November, 2026 |
| Other Directorship | 1. Manoj Vaibhav Gems 'N' Jewellers Limited 2. Athena Global Technologies Limited 3. Gvr Infra Projects Limited 4. Nova Agritech Limited 5. Nova Agri Seeds India Private Limited 6. Nova Agri Sciences Private Limited |
| Qualification | MBA Graduate. |
| Experience | Experience in Interpretation of Financial Statements, Investment Analysis, Constructing and Maintenance of Portfolio and Wealth Management, Financial Accounting, Cost and Management Accounting and Corporate Finance. He also has knowledge of Budget preparation, Execution of various managerial functions. |
| Occupation | Business |

| Reshma Kiranmayee Pulapa | |
|---------------------------------|--|
| DIN | 09388548 |
| Date of Birth | 15/05/1992 |
| Age | 31 |
| Address | 28-4-57,Peddaveedhi, Jampeta, Rajahmundry (Urban), East Godavari, Andhra Pradesh-Rajahmundry Andhra Pradesh India 533011 |
| Nationality | Indian |
| Designation | Director |
| Term | N.A |
| Period of Directorship | From 06th September, 2021 |
| Other Directorship | Nil |
| Qualification | MBA Graduate |
| Experience | Experience in Interpretation of Financial Statements, Investment Analysis, Constructing and Maintenance of Portfolio and Wealth Management, Financial Accounting, Cost and Management Accounting and Corporate Finance. She also has knowledge of Budget preparation, Execution of various managerial functions. |

| | |
|-------------------|----------|
| Occupation | Business |
|-------------------|----------|

Relationship between Directors

Except for the Directors stated below none of the other Directors are not related to each other, as on the date of this Draft Letter of Offer:

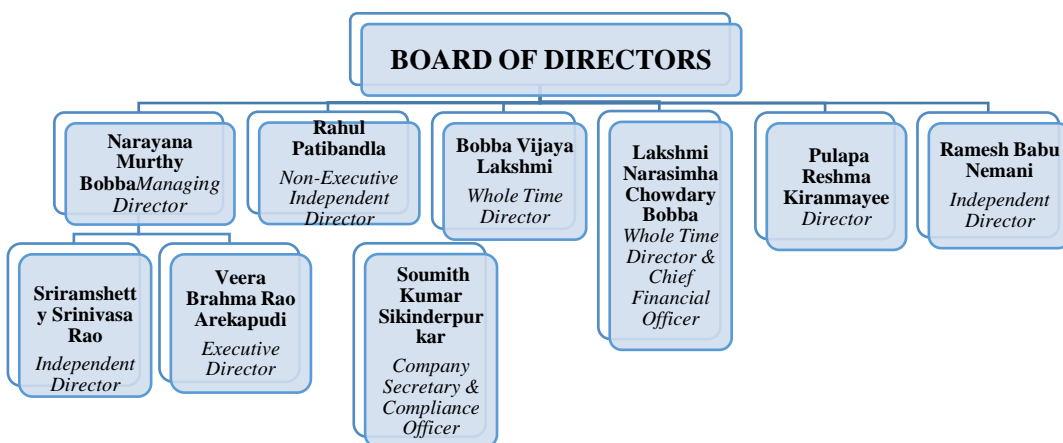
| Sr. No. | Name of the Director | Relationship | Name of the Person |
|---------|--------------------------|-----------------|----------------------------------|
| 1. | Bobba Viaya Lakhmi | Wife | Narayana Murthy Bobba |
| 2. | Bobba Viaya Lakhmi | Mother | Bobba Lakshmi Narasimha Chowdary |
| 3. | Bobba Narayan Murthy | Husband | Bobba Viaya Lakhmi |
| 4. | Bobba Narayan Murthy | Father in law | Mrs Reshma Pulapa Kiranmaye |
| 5. | Reshma Pulapa Kiranmayee | Wife | Bobba Lakshmi Narasimha Chowdary |
| 6. | Reshma Pulapa Kiranmayee | Daughter in law | Bobba Narayan Murthy |

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

Our Company has not entered any service contracts with the present Board of Directors for providing benefits upon termination of employment.



CORPORATE GOVERNANCE

The provisions of the SEBI (LODR) Regulations with respect to corporate governance are not applicable to us. We are in compliance with the requirements of the Companies Act, 2013, in respect of corporate governance including in respect of the constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the provisions of the SEBI (LODR) Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

Committees of our Board

In addition to the committees of our Board detailed below, our Board may, from time to time constitute committees for various functions.

Audit Committee

| Sr. No. | Name of the Director | Committee Designation |
|---------|---|-----------------------|
| 1. | Mr. Ramesh Babu Nemani (w.e.f 15.11.2021) | Chairman |
| 2. | Mr. Sriramshetty Srinivasa Rao (w.e.f 15.11.2021) | Member |
| 3. | Mr. Lakshmi Narasimha Chowdary Bobba | Member |

The Audit Committee was reconstituted during the Financial Year post appointment of Mr. Sriramshetty Srinivasa Rao, Mr. Ramesh Babu Nemani and Mrs. Reshma Kiranmayee Pulapa with two Independent Directors and one Executive Director. It provides assistance to the Board of Directors in fulfilling its oversight responsibilities. The audit committee has been entrusted with the responsibilities as laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable and required.

Meetings during the year: 2022-2023

| | | | |
|------------|------------|------------|-----------|
| 30.05.2022 | 12.08.2022 | 14.11.2022 | 14.2.2023 |
|------------|------------|------------|-----------|

All recommendations made by the audit committee during the year were accepted by the Board.

Terms of Reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

The terms of reference of the Audit Committee are as under:

- Oversight the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, re -appointment and if required, the Replacement or removal of auditors and fixation of audit fee.
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms I clause (c) of sub-section 3 of Section 134 of the Companies Act;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements;
- Management Discussion and Analysis of financial conditions and results of operations;
- Review of Statement of significant related party transactions submitted by the management;
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors;
- Review of internal audit reports relating to internal control weaknesses;
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Review of the financial statements of subsidiary Companies;
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related Parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;

- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle Blower Mechanism Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been reconstituted during the Financial Year post appointment of Mr. Sriramshetty Srinivasa Rao, Mr. Ramesh Babu Nemani and Mrs. Reshma Kiranmayee Pulapa with two Independent Directors and one Non Executive Director.

Details on composition of the Nomination and Remuneration Committee is as under:

Nomination and Remuneration Committee

| Sr. No. | Name of the Director | Committee Designation |
|----------------|---|------------------------------|
| 1. | Mr. Ramesh Babu Nemani (w.e.f 15.11.2021) | Chairman |
| 2. | Mr. Sriramshetty Srinivasa Rao (w.e.f 15.11.2021) | Member |
| 3. | Mrs. Reshma Kiranmayee Pulapa (w.e.f 15.11.2021) | Member |

Meetings during the year:

During the Financial year ended 31st March, 2023 the Committee met Three (3) times as follows:

| | | |
|------------|------------|------------|
| 10.10.2022 | 22.12.2022 | 14.02.2023 |
|------------|------------|------------|

The terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board there appointment and removal;
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria;
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus,

stock options, pensions, etc;

- Recommendation of fee / compensation if any, to be paid to Non Executive Directors, including Independent Directors of the Board;
- Payment / revision of remuneration payable to Managerial Personnel;
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders;
- Any other functions / powers / duties as may be entrusted by the Board from time to time;

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Shareholder's relationship committee has been reconstituted during the Financial Year post appointment of with two Independent Directors and one Executive Director formed pursuant to Section 178(5) of the Companies Act 2013.

The Composition of the Committee is as follows:

Stakeholders' Relationship Committee

| Sr. No. | Name of the Director | Committee Designation |
|---------|---|-----------------------|
| 1. | Mr. Sriramshetty Srinivasa Rao (w.e.f 15.11.2021) | Chairman |
| 2. | Mr. Ramesh Babu Nemani (w.e.f 15.11.2021) | Member |
| 3. | Mr. Lakshmi Narasimha Chowdary Bobba | Member |

Meetings during the year:

During the Financial year ended 31st March, 2023 the Committee met Four (4) time as follow:

| | | | |
|------------|------------|------------|-----------|
| 30.05.2022 | 12.08.2022 | 14.11.2022 | 14.2.2023 |
|------------|------------|------------|-----------|

The terms of reference of the Stakeholders Relationship Committee are as under:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

KEY MANAGERIAL PERSONNEL

NARAYANA MURTHY BOBBA

| | |
|--|---|
| Designation | Managing Director |
| Date of Joining | July 4,1992 |
| Qualification | Diploma holder in Mechanical Engineering |
| Term | 3 years |
| Period of Directorship | 3 years w.e.f 10th October 2022 |
| Service Contracts | Nil |
| Retirement and Termination Benefits | Nil |
| Previous Employment | Indian |
| Business Experience | He has more than 30 years of rich experience in the field of management and execution of construction of Industrial structures, Cultivation of shrimps, development of lands and buildings. He is the chief promoter of the company. He had successfully executed many civil works in the last 13 years. He has actively participated many business excellence meets in Malaysia, South Africa, Hongkong, etc., He looks after operations, Business |

| NARAYANA MURTHY BOBBA | |
|--|---|
| | development, Purchase, Corporate affairs & finance for all industrial and contracting business and new project ventures. |
| <i>Description of the Functional Role in the Company</i> | Managing Director |
| <i>Area of experience and expertise in the Company</i> | He is having rich experience in the field of management and execution of construction of Industrial structures, Cultivation of shrimps, development of lands and buildings. |
| <i>Family Relationship</i> | Bobba Narayan Murthy is husband of Bobba Viaya Lakhmi, father of Lakshmi Narasimha Chowdary Bobba and father in law of Mrs Reshma Pulapa Kiranmaye. |
| <i>Employment Status</i> | Contractual |

| Vijaya Lakshmi Bobba | |
|--|---|
| <i>Designation</i> | Whole Time Director |
| <i>Date of Joining</i> | 30 th April, 2007 |
| <i>Qualification</i> | Bachelors Degree in Arts |
| <i>Term</i> | 3 years |
| <i>Service Contracts</i> | Nil |
| <i>Retirement and Termination Benefits</i> | Nil |
| <i>Previous Employment</i> | N.A |
| <i>Business Experience</i> | 25 years of experience in Administrative and human resource developments |
| <i>Description of the Functional Role in the Company</i> | Administrative and human resource developments |
| <i>Area of experience and expertise in the Company</i> | Experience in the field of cultivation of aqua culture, administrative and human Resource developments. |
| <i>Family Relationship/ Relationship with any Director or Key Managerial Personnel</i> | Bobba Viaya Lakhmi is wife of Narayana Murthy Bobba and mother of Lakshmi Narasimha Chowdary Bobba |
| <i>Employment Status</i> | Contractual |

| Lakshmi Narasimha Bobba Chowdary | |
|--|--|
| <i>Designation</i> | Whole Time Director & Chief Financial Officer |
| <i>Date of Joining</i> | 12/02/2016 |
| <i>Qualification</i> | Masters of Business administration |
| <i>Term</i> | 3years |
| <i>Period of Directorship</i> | 3 years w.e.f 10th October 2022 |
| <i>Service Contracts</i> | N.A |
| <i>Retirement and Termination Benefits</i> | N.A |
| <i>Business Experience</i> | He has 5years years of in the technical department of execution of infrastructure projects and He has been looking after the Production, maintenance and Technical aspects of the company. |
| <i>Description of the Functional Role in the Company</i> | Execution of infrastructure projects |
| <i>Area of experience and expertise in the Company</i> | Technical department of execution of infrastructure projects and He has been looking after the Production, maintenance and Technical aspects of the company. |
| <i>Family Relationship/ Relationship with any Director or Key Managerial Personnel</i> | Lakshmi Narasimha Chowdary Bobbais son of Bobba Narayan Murthy& Bobba Viaya Lakhmi and husband of Mrs Reshma Pulapa Kiranmayee. |
| <i>Employment Status</i> | Contractual |

| Veera Brahma Rao Arekapudi | |
|--|---|
| Designation | Executive Director |
| Date of Joining | 22nd December, 2022 |
| Qualification | Masters in Financial Management-MFM from Jamnalal Bajaj Institute of Management Studies, University of Mumbai – Post Graduate Diploma in “Securities Law” from Government Law College, Mumbai Post Graduate Diploma in Alternate Dispute Resolution –(ADR) from NALSAR, Hyderabad |
| Term | 3 years |
| Service Contracts | N.A |
| Retirement and Termination Benefits | Provident Fund and gratuity |
| Previous Employment | Member Technical, NCLT, Hyderabad Bench |
| Business Experience | Over 38 years |
| Description of the Functional Role in the Company | He looking after the finance function as Director Finance. |
| Area of experience and expertise in the Company | He looking after the finance function as Director Finance. |
| Family Relationship/ Relationship with any Director or Key Managerial Personnel | Nil |
| Employment Status | Contractual |

OUR PROMOTER

The Promoter of our Company is Mr. Narayana Murthy Bobba. As on the date of this Draft Letter of Offer, our Promoter, holds 8,90,023 (Eight Lakhs Ninety Thousand and Twenty-Three) Equity Shares in our Company, representing 15.16 % (Fifteen Point One Six Percent) of the voting share capital of our Company.

Mr. Narayana Murthy Bobba, aged 67 years, is the Managing Director of our company. He has completed Diploma in Mechanical Engineering from University of S M V M Polytechnic College, Tanuku, West Godavari, Andhra Pradesh. Mr. Narayana Murthy Bobba has more than 30 years of rich experience in the field of management and execution of construction of Industrial structures, Cultivation of shrimps, development of lands and buildings Logistics, Granite Manufacturing, Mining, Aquaculture. He is the chief promoter of the company. He had successfully executed many civil works in the last 13 years. He has actively participated many businesses excellence meets in Malaysia, South Africa, Hongkong, etc., He looks after operations, Business development, Purchase, Corporate affairs & finance for all industrial and contracting business and new project ventures.

For details of the educational qualifications, experience, other directorships, positions / posts held by our Promoter, please see the chapter titled '*Our Management*' on page 77 of this Draft Letter of Offer.

CONFIRMATIONS

Our Promoter has hereby confirmed, warranted, and stated that:

1. He has not been declared as a wilful or fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against him.
2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offender's Act, 2018.
3. Our Promoter has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Our Promoter has never been the promoter, director or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
5. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

There are no dividends declared by our Company since incorporation.

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report on Quarterly and Year to Date Unaudited financial Results of *Mis* VSF PROJECTS LIMITED pursuant to Regulation 33 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015.

To the Board of Directors of **VSF PROJECTS LIMITED**

We have reviewed the accompanying statement of unaudited financial results of **VSF PROJECTS LIMITED** ('The Company') for the quarter and half year ended September 30, 2023 and for the period from 1st April 2023 to 30th September 2023. This statement is the responsibility of the company's management and has been approved by the board of directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standards on Review Engagement (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian accounting standards specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting principles and policies has not disclosed the information required to be disclosed in terms of the regulation 33 of the SEBI (Listing Obligations and disclosure requirements) regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatements..

For NSVR & Associates LLP
Chartered Accountants
FRN: 008801S/S200067

Partner
M.No.230675
UDIN: 23230675BGWGVR9845

Date: 14-11-2023
Place: Hyderabad

PART:I FORM OF BALANCE SHEET**VSF PROJECTS LIMITED**

Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101

CIN:L05005AP1992PLC014326

Balance Sheet as on 30-09-2023

RS IN LAKHS

| Particulars | Standalone | |
|-------------------------------------|---------------------|------------------|
| | As at 30.09.2023 | As at 31.03.2023 |
| ASSETS | | |
| Non-current assets | | |
| Property plant and Equipment | | |
| Tangible assets | 6,344.56 | 6,347.66 |
| Intangible assets | 0.16 | 0.17 |
| Capital Work in Progress | 932.85 | 158.07 |
| Financial assets | | |
| Investments | | |
| Deferred tax Asset (Net) | 7.16 | 8.47 |
| Current assets | | |
| Financial assets | | |
| Trade receivables | - | - |
| Cash and cash equivalent | 144.16 | 0.61 |
| Other financial assets | 68.47 | 68.47 |
| Other current assets | 147.11 | 138.73 |
| TOTAL | 7,644.47 | 6,722.19 |

| EQUITY AND LIABILITIES | | | |
|--------------------------------|---|-----------------|-----------------|
| Equity | | | |
| Equity Share Capital | - | 657.67 | 657.67 |
| Other Equity | | -353.24 | -310.51 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | | 2,278.18 | 1,493.39 |
| Other Financial Liabilities | | | |
| Deferred tax liabilities (net) | | | |
| Other non-current liabilities | | 2,550.00 | 2,550.00 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | | - | - |
| Trade payables | | 1,957.99 | 2,007.75 |
| Other financial liabilities | | 32.39 | 101.21 |
| Other current liabilities | | 516.96 | 213.73 |
| Provision for Income Tax | | 4.52 | 8.95 |
| TOTAL | | 7,644.47 | 6,722.19 |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For NSVR ASSOCIATES& LLP
Chartered Accountants

For and on behalf of Board
VSF PROJECTS LIMITED

Venkata Ratnam P
Partner
MN no:230675
UDIN: 23230675BGWGVR9845

BN MURTHY **B VIJAYA LAKSHMI**
Managing Director Director
DIN:00073068 **DIN:01496696**

Place: Hyderabad
Date : 14-11-2023

| Statement of Unaudited Financial results | | | | RS IN LAKHS |
|--|---|-------------------------------|---------------------------------|-----------------------------|
| S No | Particulars | Half-Year end Sept 30,2023 | Half-Year ended Sept 30,2022 | Year ended March 31,2023 |
| | | Un Audited | Un Audited | Audited |
| 1 | Income | | | |
| | a) Revenue from Operations | - | 93.58 | 163.23 |
| | Total Revenue from operations | - | | |
| | b) Other Income | - | 0.34 | |
| | Total Income | - | 93.93 | 163.23 |
| 2 | Expenses | | | |
| | a) Cost of materials Consumed | 0.12 | 32.83 | 56.29 |
| | b) Employee benefits expense | 19.21 | 25.80 | 67.02 |
| | c) Finance costs | 0.10 | 0.04 | 0.09 |
| | d) Depreciation and amortization expense | 3.12 | 3.61 | 6.07 |
| | f) Other expenses | 18.87 | 15.68 | 27.36 |
| | Total Expenses (a to f) | 41.42 | 77.96 | 156.83 |
| | | -41.42 | 15.96 | 6.41 |
| 3 | Profit before tax (1-2) | | | |
| 4 | Tax expenses | | | |
| | - Income Tax | - | 3.15 | 4.56 |
| | - Deferred Tax | 1.31 | 1.26 | 0.41 |
| 5 | Net Profit for the period (3-4) | -42.72 | 11.56 | 1.44 |
| 6 | Other comprehensive income | | | |
| | (a) (i) Items that will not be reclassified to profit or loss | | - | |
| | (ii) Tax on items that will not be reclassified to profit or loss | | - | |
| | (b) (i) Items that will be reclassified to profit or loss | | - | |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | |
| | Total other comprehensive income | - | - | - |
| 7 | Total Comprehensive income (5 +6) | -42.72 | 11.56 | 1.44 |

| | | | | |
|-----------|---|---------|--------------|---------|
| 8 | Paid-up Equity Share Capital (Rs.10/- per Equity Share) | 657.67 | 586.895 | 657.67 |
| 9 | Other Equity | -353.24 | -548.1239082 | -310.51 |
| 10 | Earnings per share (Face Value of Rs.10/- each) | | | |
| | (a) Basic (In Rs.) | (0.65) | 0.20 | 0.02 |
| | (b) Diluted (In Rs.) | -0.65 | 0.20 | 0.02 |

1. The company adopted Indian Accounting Standards (IND AS) from 1st April, 2017 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

2. The above Financial Results as recommended by the Audit Committee were considered and approved by the Board of Directors at their meeting held on 14 th November 2022

3. The financial result have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5th July 2016.

4. Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments the Chief Operating Decision Maker evaluates Companies performances as one segment. Hence, No Reportable Segments as per Ind AS 108 "Operating Segments".

5. The results for the quarter ended 30th June 2022 are also available on the bomabay stock exchange website and on the Company's website

6. Prior period figures have been regrouped/ reclassified wherever necessary for comparative purposes

For VSF Projects Limited

Place: Hyderabad

B N Murthy
Manging Director
DIN:00073068

Date: 14.11.2023

PART III : FORM OF CASH FLOW STATEMENT**VSF PROJECTS LIMITED**

Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101

CIN:L05005AP1992PLC014326

Cash Flow Statement For The Half Year Ended 30 th september 2023

RS IN LAKHS

| Particulars | As at September 30,2023 | As at March 31,2023 |
|--|----------------------------|------------------------|
| Cash Flows from Operating Activities | | |
| Net profit before tax | -41.42 | 6.41 |
| Adjustments for : | | 0.00 |
| Depreciation and amortization expense | 3.12 | 6.07 |
| Provision for doubtful debts/advances/ impairment | | 0.00 |
| Finance cost | 0.10 | 0.09 |
| Profit on Sale of Fixed Asset | | |
| Operating profit before working capital changes | -38.20 | 12.57 |
| Movements in Working Capital : | | |
| (Increase)/Decrease in Trade Receivables | 0.00 | 0.56 |
| (Increase)/Decrease in Other financial assets | 0.00 | 0.00 |
| (Increase)/Decrease in Other Current Assets | -8.37 | -13.01 |
| Increase/(Decrease) in Trade Payables | -49.76 | 9.08 |
| Increase/(Decrease) in Other financial liabilities | -68.82 | -48.06 |
| Increase/(Decrease) in Other Current liabilities | 303.24 | -47.71 |
| Changes in Working Capital | 176.28 | -99.14 |
| Cash generated from operations | 138.08 | -86.57 |
| Direct Taxes Paid | 4.44 | 1.41 |
| Net Cash from operating activities (A) | 133.64 | -87.98 |
| Cash flows from Investing Activities | | |
| Sale of Fixed Assets | | -0.80 |
| (Purchase) /Sale of Investment | | 0.00 |
| Outflow of WIP | -774.78 | -158.07 |
| Net Cash used in Investing Activities (B) | -774.78 | -158.86 |
| Cash flows from Financing Activities | | 0.00 |
| Proceeds from issue of shares | | 318.51 |
| Repayment/(Proceeds) of/from Short-term borrowings | 784.78 | -71.23 |
| Finance cost | -0.10 | -0.09 |
| Net Cash used in Financing Activities (C) | 784.68 | 247.19 |

| | | |
|---|---------------|-------------|
| Net Increase/(Decrease) in cash and cash equivalents (A+B+C) | 143.55 | 0.34 |
| Cash and Cash equivalents at the beginning of the year | 0.61 | 0.27 |
| Cash and Cash equivalents at the ending of the year (Refer Note 2.8) | 144.16 | 0.61 |

Notes :-

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)
2. The accompanying notes are an integral part of the financial statements.

As per our report of even date
For NSVR ASSOCIATES& LLP
Chartered Accountants

For and on behalf of Board
VSF PROJECTS LIMITED

Venkata Ratnam P
Partner
MN no:230675

| | |
|---------------------|-------------------------|
| BN MURTHY | B VIJAYA LAKSHMI |
| Managing Director | Director |
| DIN:00073068 | DIN:01496696 |

Place: Hyderabad
Date : 14-11-2023

2.1 Property, plant and equipment

| Particulars | Gross carrying value | | | | Accumulated depreciation / impairment | | | | | Net carrying value | |
|--------------------------|----------------------|------------------------|-----------|-------------------------|---------------------------------------|--------------|-------------------------|-----------|-------------------------|-------------------------|---------------------|
| | As at 01 April 2023 | Additions /Revaluation | Disposals | As at 30 September 2023 | As at 01 April 2023 | For the year | Impairment for the year | Disposals | As at 30 September 2023 | As at 30 September 2023 | As at 31 March 2023 |
| Land | 6,335.00 | - | - | 6,335.00 | - | - | - | - | - | 6,335.00 | 6,335.00 |
| Buildings | 22.48 | - | - | 22.48 | 17.08 | 1.22 | - | - | 18.30 | 4.18 | 5.40 |
| Plant and equipment | 25.80 | - | - | 25.80 | 19.15 | 1.82 | - | - | 20.96 | 4.83 | 6.65 |
| Vehicles | 71.04 | - | - | 71.04 | 71.04 | - | - | - | 71.04 | - | - |
| Office equipment | 0.62 | - | - | 0.62 | 0.01 | 0.06 | - | - | 0.07 | 0.55 | 0.61 |
| Furniture & Fixtures | 3.77 | - | - | 3.77 | 3.77 | - | - | - | 3.77 | - | - |
| Total | 6,458.71 | - | - | 6,458.71 | 111.05 | 3.10 | - | - | 114.15 | 6,344.56 | 6,347.66 |
| Intangible Assets | | | | | | | | | | | |
| SDD Software | 0.18 | - | - | 0.18 | 0.00 | 0.02 | - | - | 0.02 | 0.16 | 0.17 |
| Total | 0.18 | - | - | 0.18 | 209.10 | 0.02 | - | - | 0.02 | 0.16 | 0.17 |
| Capital Work in Progress | 158.07 | 774.78 | - | 932.85 | - | - | - | - | - | 932.85 | 158.07 |
| Total | 158.07 | 774.78 | - | 932.85 | - | - | - | - | - | 932.85 | 158.07 |
| Total | 6,616.96 | 774.78 | - | 7,391.74 | 320.15 | 3.12 | - | - | 114.17 | 7,277.57 | 6,505.90 |

2.2 Deferred tax Asset (Net)

| Particulars | As at 31-09-2023 | As at 31-03-2023 |
|---|------------------|------------------|
| Opening Balance | 8.47 | 8.88 |
| Add : On account of IND AS Adjustment | | |
| Add : On account of difference in Net Block | (1.31) | (0.41) |
| Add : On account of deferment of Processing Charges | | |
| Closing Balance | 7.16 | 8.47 |

2.3 Trade receivables

| Particulars | As at 31-09-2023 | | As at 31-03-2023 | |
|---|-------------------------|-------------|-------------------------|-------------|
| | Non Current | | Non Current | |
| Trade Receivables | | | | |
| <i>Unsecured, considered good</i> | | | | 0.56 |
| <i>Less: Allowances for credit losses</i> | | | | 0.56 |
| TOTAL | | 0.00 | | 0.00 |

Trade Receivables hypothecated as security for availing working capital facilities

2.4 Cash and Cash Equivalents

| Particulars | As at 31-09-2023 | As at 31-03-2023 |
|-------------------------------------|-------------------------|-------------------------|
| a) Cash and Cash equivalents | | |
| i) Cash on hand | 3.81 | 0.42 |
| ii) Balances with banks | | |
| - Current Accounts | 140.34 | 0.19 |
| Total | 144.16 | 0.61 |

Cash and Cash Equivalents include the following for Cash flow purpose

| Particulars | As at 31-09-2023 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| <i>Cash and Cash Equivalents/ Bank Balances</i> | 144.16 | 0.61 |
| <i>Less: Unclaim dividend</i> | - | - |
| <i>Less: Cash credit to be classified as Cash and Cash Equivalents for cash flow purpose</i> | - | - |
| Cash and Cash Equivalents/ Bank Balances | 144.16 | 0.61 |

2.5 Other Financial Assets

| Particulars | As at 31-09-2023 | | As at 31-03-2023 | |
|------------------------------------|-------------------------|----------------|-------------------------|----------------|
| | Non- Current | Current | Non- Current | Current |
| Security and Other Deposits | | | | |
| <i>Deposits</i> | | 68.47 | | 68.47 |
| TOTAL | - | 68.47 | - | 68.47 |

2.6 Other Non Current Assets and Current Assets

| Particulars | As at 30-09-2023 | | As at 31-03-2023 | |
|-----------------------------------|------------------|-------------|------------------|---------------|
| | Current | Non-Current | Non-Current | Current |
| Prepaid Expenses | 42.28 | | | 42.16 |
| Balances with Revenue Authorities | 47 | | | 45.87 |
| Advance to Creditors | 55.45 | | | 50.20 |
| Rental Advances | 0.62 | | | 0.30 |
| Salary Advances | 1.79 | | | 0.20 |
| TOTAL | 147.11 | - | - | 138.73 |

2.7. Share Capital

| Particulars | As at 30-09-2023 | | As at 31-03-2023 | |
|---|----------------------|------------------|----------------------|------------------|
| Authorized Share Capital | | | | |
| 1,70,00,000 Equity Shares of Rs.10 each (Previous year :1,70,00,000 Equity Shares of Rs.10 each) | | 1700 | | 1700 |
| Issued Subscribed and Paid up Share Capital | | | | |
| 65,76,747 Equity Shares of Rs.10 each, fully paid up (Previous year :58,68,950 Equity Shares of Rs.10 each, fully paid up) | | 657.67 | | 657.67 |
| (5,77,797 shares out of 7,07,797 Shares were issued for non cash consideration) | | | | |
| | | 657.67 | | 657.67 |
| Details of shareholders holding more than 5% shares : | No. of shares | % Holding | No. of shares | % Holding |
| 1. M Lakshmi | 8,00,000 | 12.2% | 8,00,000 | 12.2% |
| 2. B N Murthy | 8,90,023 | 13.5% | 8,90,023 | 13.5% |
| 3. B L N Chowdary | 7,16,766 | 10.9% | 7,16,766 | 10.9% |
| 4. B Vijaya Lakshmi | 4,51,500 | 6.9% | 4,51,500 | 6.9% |
| | 24,06,789 | 36.60% | 24,06,789 | 36.60% |

2.7.1 Reconciliation of Number of Shares:

| Particulars | As at 30-09-2023 | As at 31-03-2023 |
|--|------------------|------------------|
| Number of Shares at the beginning of the year | 65,76,747 | 58,68,950 |
| Add: Shares issued during the year | | 7,07,797 |
| Number of Shares at the end of the year | 65,76,747 | 65,76,747 |

2.7.2 Shareholding of promoters

| Share held by the promoter as on 30.09.2023 | | | |
|---|------------------|-------------------|--------------------------|
| Promoter Name | No of shares | % of Total shares | % Change during the year |
| B. N. MURTHY | 8,90,023 | 13.53 | - |
| BOBBA VIJAYA LAKSHMI | 4,51,500 | 6.87 | - |
| SREE RAMA CHANDRA RAO GUTTIKONDA | 35,004 | 0.53 | - |
| BOBBA PRABHAKAR RAO | 1,12,859 | 1.72 | - |
| NAMRATHA GUTTA . | 2,500 | 0.04 | - |
| RAVI KIRAN GUTTA . | 4,200 | 0.06 | - |
| KOTHA VENKATA SRINIVASA RAO | 47,789 | 0.73 | - |
| K ROJA PRASAD | 50,400 | 0.77 | - |
| PRASAD DANDAMUDI | 13,889 | 0.21 | - |
| NAGENDRA PRASAD BOBBA | 20,000 | 0.30 | - |
| BOBBA LAKSHMI NARASIMHA | 7,16,766 | 10.90 | - |
| BOBBA LAKSHMI DIVYA | 2,58,700 | 3.93 | - |
| BOBBA SUVARCHALA DEVI | 40,000 | 0.61 | - |
| BOBBA RANGA RAO | 34,000 | 0.52 | - |
| MURALI KRISHNA MANDAVA | 23,900 | 0.36 | - |
| KOGANTI VARALAKSHMI | 71,500 | 1.09 | - |
| BOBBA SWARAJYA LAKSHMI | 83,500 | 1.27 | - |
| Total | 28,56,530 | 43.43 | - |

2.7.3 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 /- each. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

2.8 Other Equity

| Particulars | As at 30-09-2023 | As at 31-03-2023 |
|---|-------------------|-------------------|
| Capital Reserve | | |
| Opening Balance | 29.33 | 29.33 |
| Add: Additions during the year | - | - |
| | 29.33 | 29.33 |
| Securities Premium | | |
| Opening Balance | 340.61 | 92.89 |
| Add: Additions during the year | | 247.73 |
| | 340.61 | 340.61 |
| Revaluation reserve | | |
| Opening Balance | 1,928.40 | 1,928.40 |
| Add: Additions during the year | - | - |
| | 1,928.40 | 1,928.40 |
| Retained Earnings | | |
| Opening Balance | (1,027.86) | (1,029.30) |
| Add: Net profit transferred from the Statement of Profit and Loss | (42.72) | 1.44 |
| | (1,070.58) | (1,027.86) |
| Appropriations | | |
| Net change in fair value of Financial Assets | - | - |

| | | |
|---|-------------------|-------------------|
| Closing Balance | (1,070.58) | (1,027.86) |
| Other Comprehensive Income | | |
| a. Revaluation Reserve on Fixed Assets | 3,791.00 | 3,791.00 |
| b. Impairment on Investment in Subsidiary | (5,372.00) | (5,372.00) |
| | (1,581.00) | (1,581.00) |
| Total | (353.24) | (310.51) |

2.9 Borrowings

| Particulars | As at 30-09-2023 | | As at 31-03-2023 | |
|-----------------------------|------------------|-----------------|------------------|-----------------|
| | Current | Non Current | Current | Non Current |
| Secured Borrowings: | | | | |
| From Banks | - | 709.62 | - | - |
| From Financial Institutions | - | | - | - |
| Cash Credit | - | | 0.10 | - |
| Unsecured Borrowings | | | | |
| From Others | - | 47.50 | - | 107.11 |
| Inter Corporate Deposit | - | 1,090.11 | - | 1,111.52 |
| Loans from Directors | - | 430.94 | - | 345.89 |
| | | | | |
| Total | - | 2,278.18 | 0.10 | 1,564.52 |

A. Business loan from Indusind Bank commencing from 31-07-2023 and ending at 30-06-2028, rate of interest being 10%

2.10 Other financial liabilities

| Particulars | As at 30-09-2023 | | As at 31-03-2023 | |
|------------------------------|------------------|-------------|------------------|-------------|
| | Current | Non Current | Current | Non Current |
| Payable for Expenses | 31.46 | - | 100.23 | - |
| Others financial liabilities | | - | 0.00 | - |
| Audit Fees | 0.93 | - | 0.98 | - |
| Total | 32.39 | - | 101.21 | - |

2.11 Other Non Current Liabilities & Current liabilities

| Particulars | As at 30-09-2023 | | As at 31-03-2023 | |
|----------------------------------|------------------|-----------------|------------------|-----------------|
| | Current | Non Current | Current | Non Current |
| Advance for sale of land | 6.50 | | 6.50 | - |
| Advance against equipment sale | 36.73 | | 36.73 | - |
| Salaries & Remuneration Payable | 141.87 | | 162.85 | - |
| TDS Payable on Salaries | 1.80 | | 5.64 | - |
| Environment & Energy Consultancy | 2.00 | | 2.00 | - |
| Advances for material | 328.06 | | - | - |
| Deferred Lease Rental Deposit | | | - | 2,550.00 |
| Total | 516.96 | 2,550.00 | 213.73 | 2,550.00 |

2.12 Trade Payables

| Particulars | As at 30-09-2023 | As at 31-03-2023 |
|----------------------------------|------------------|------------------|
| | Current | Current |
| Dues to others | | |
| For Raw material | 198.71 | 200.42 |
| Creditors for Earthwork Expenses | 1,759.28 | 1807.32 |
| Total | 1,957.99 | 2,007.75 |

2.13 Provision for tax

| Other Expenses | As at 30-09-2023 | As at 31-03-2023 |
|--------------------------|------------------|------------------|
| Provision for income tax | 8.95 | 4.39 |
| Current Year Tax | | 4.56 |
| L.Y. tax paid | 4.44 | 2.00 |
| Total | 8.95 | 8.95 |

2.14 Revenue from operations

| Particulars | 30.09.2023 | 31.03.2023 |
|------------------------|------------|---------------|
| Revenue from : | | |
| Work Bills | - | - |
| Other Operating Income | - | 163.23 |
| Total | - | 163.23 |

2.15 Other income

| Particulars | 30.09.2023 | 31.03.2023 |
|--------------------------|------------|------------|
| Income from Aqua Culture | | |
| Sale of Vehicle | - | - |
| Miscellaneous Income | - | - |
| Total | - | - |

2.16 Cost of materials consumed

| Particulars | 30.09.2023 | 31.03.2023 |
|---------------------|-------------|--------------|
| Raw Material | | |
| Purchases | 0.12 | 56.29 |
| Add: Opening Stock | | - |
| | 0.12 | 56.29 |
| Less: Closing Stock | | - |
| Total | 0.12 | 56.29 |

2.17 Employee benefits expense

| Particulars | 30.09.2023 | 31.03.2023 |
|---------------------------|--------------|--------------|
| Salaries, Wages and Bonus | 19.21 | 44.36 |
| Staff welfare | | 22.65 |
| Directors Remuneration | 19.21 | 67.02 |
| Total | 19.21 | 44.36 |

2.18 Finance costs

| Particulars | 30.09.2023 | 31.03.2023 |
|-----------------------|-------------|-------------|
| BG commission | - | |
| Loan Processing Fee | - | - |
| Other borrowing costs | 0.10 | 0.09 |
| Total | 0.10 | 0.09 |

2.19 Other expenses

| Particulars | 30.09.2023 | 31.03.2023 |
|------------------------------|--------------|--------------|
| Power and fuel | 0.82 | - |
| Insurance | 0.60 | 0.67 |
| Insurance | 0.41 | 0.53 |
| Rent | 0.64 | 0.12 |
| Rates and Taxes | 7.45 | 2.86 |
| Travelling Expenses | - | 1.51 |
| Office Maintenance | 0.02 | 1.11 |
| Professional Fees & Expenses | 0.87 | - |
| Auditor's Remuneration | 0.75 | 1.50 |
| Telephone charges | 0.19 | 0.39 |
| AGM Expenses | - | 1.31 |
| Penalty Charges | - | 10.57 |
| Listing fee | 3.84 | 3.54 |
| Advertisement | - | 0.09 |
| Director Sitting fees | 1.00 | 1.00 |
| Printing & Stationery | - | 0.07 |
| DPR Preparation Fee | - | - |
| Mess maintenance | - | - |
| Other Expenses | 2.28 | 1.54 |
| Bad Debts | - | 0.56 |
| Total | 18.87 | 27.36 |

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF QUARTERLY AND ANNUAL FINANCIAL RESULTS

**TO
THE BOARD OF DIRECTORS
M/s VSF PROJECTS LIMITED.**

Opinion

We have audited the accompanying quarterly financial results of Mis. **VSF PROJECTS LIMITED** (the company) which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the financial results

These quarterly financial results as well as the year-to-date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial results for the quarter and year ended 31st March, 2023

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

- e) e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken **on record** by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2020, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has no pending litigations as on balance sheet date.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The management has represented, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (v) The management has represented, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (vi) Based on the audit procedures performed by us, which has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and (v) contain any material mis-statement.
 - (vii) The company hasn’t declared any Dividend for the current year.
- g) With respect to the matter to be included in the Auditors’ Report under section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the company to its directors during the year is in accordance with the provisions of the section 197 of the Act.

For NSVR & ASSOCIATES LLP

Chartered Accountants

FRN: 008801S/S200060

Sd/-

P. Venkata Ratnam

Partner

M No: 230675

UDIN: 23230675BGWGLZ8751

Place: Hyderabad

Date: 30-05-2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **VSF PROJECTS LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For NSVR &ASSOCIATES LLP.,

Chartered Accountants

FRN No.008801S/S200060

Sd/-

P.Venkata Ratnam.

Partner

M.no:230675

UDIN: 23230675BGWGLZ8751

Place: Hyderabad

Date: 30-05-2023

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VSF Projects Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that

i. In respect of the Company's Property, Plant and Equipment:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including leased assets.
- b) The Company has maintained proper records showing full particulars of intangible assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- e) The Company has not revalued any of its Property, Plant and Equipment including right of use assets during the year.
- f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder-

ii. a) The Company does not have any inventory at the year end. Accordingly, clause 3(ii)(a) of the Order is not applicable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

vii.

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- viii.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.**
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- d) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- x.**
- a) The Company has not raised any moneys by way of initial public offer or further public offer(including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The Company has issued 577797 shares for non-cash consideration. The proceeds from issue of 130000 equity shares have been used for the purposes for which the funds were raised.
- xi.**
- a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit
- b) According to point stated above no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii.** According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii.** In our opinion and according to the information and explanations given to us, the transactions with related parties, if any, are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.** Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- xv.** In our opinion and according to the information and explanations given to us, the Company has entered into a non-cash transaction with two directors/ persons connected with the directors. In our opinion, the transaction, which is of issue of shares against unsecured loans given by directors, is covered under the provisions of section 192 of the Act for which prior approval has been obtained in general meeting of the company.

- xvi.**
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and Clause 3(xvi)(b) of the Order is not applicable.
 - b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - c) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii.** The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix.** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the [standalone] financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.** The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi.** There are no qualifications or adverse remarks given by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports, hence this clause is not applicable to the company.

For NSVR & ASSOCIATES LLP.,
Chartered Accountants
FRN No.008801S/S200060

P.Venkata Ratnam
Partner
M.no:230675
UDIN: 23230675BGWGLZ8751

Place: Hyderabad
Date:30-05-2023

ANNEXURE – I: STATEMENT OF ASSETS AND LIABILITIES

| PART:I FORM OF BALANCE SHEET VSF PROJECTS LIMITED Anakalapur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101 CIN:L05005AP1992PLC014326 Balance Sheet as on 31 March 20223 | | | |
|--|----------|--------------------------|--------------------------|
| | | | Rs in Lakh |
| Particulars | Note No. | Standalone | |
| | | Audited As at 31.03.2023 | Audited As at 31.03.2022 |
| ASSETS | | | |
| Non-current assets | | | |
| Property plant and Equipment | 2.10 | | |
| Tangible assets | | 6,347.66 | 6,353.11 |
| Intangible assets | | 0.17 | |
| Capital Work in Progress | | 158.07 | |
| Financial assets | | | |
| Investments | | | - |
| Deferred tax Asset (Net) | 2.20 | 8.47 | 8.88 |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 2.30 | - | 0.56 |
| Cash and cash equivalent | 2.40 | 0.61 | 0.27 |
| Other financial assets | 2.50 | 68.47 | 68.47 |
| Other current assets | 2.60 | 138.73 | 125.72 |
| TOTAL | | 6,722.19 | 6,557.01 |
| | | | |

| EQUITY AND LIABILITIES | | | |
|--------------------------------|------|-----------------|-----------------|
| <u>Equity</u> | | | |
| Equity Share Capital | 2.70 | 657.67 | 586.90 |
| Other Equity | 2.80 | (310.51) | (559.69) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.90 | 1,493.39 | 1,564.52 |
| Other Financial Liabilities | | | - |
| Deferred tax liabilities (net) | | | - |
| Other non-current liabilities | 2.11 | 2,550.00 | 2,550.00 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.90 | - | 0.10 |
| Trade payables | 2.12 | 2,007.75 | 1,998.67 |
| Other financial liabilities | 2.10 | 101.21 | 149.27 |
| Other current liabilities | 2.11 | 213.73 | 261.44 |
| Provision for tax | 2.13 | 8.95 | 5.80 |
| TOTAL | | 6,722.19 | 6,557.01 |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date

For NSVR ASSOCIATES& LLP

Chartered Accountants

Firm Regd No: 008801S/S200060

For and on behalf of Board

VSF PROJECTS LIMITED

P Venkata Ratnam

Partner

MN no:230675

UDIN: 23230675BGWGLZ8751

BN MURTHY

LAKSHMI

Managing Director

DIN:00073068

B VIJAYA

Director

DIN:01496696

Place: Hyderabad

Date: 30-05-2023

PART :II FORM OF STATEMENT OF PROFIT AND LOSS

VSF PROJECTS LIMITED

Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101

CIN:L05005AP1992PLC014326

Statement of Profit and Loss for the year ended 31 March 2023

Rs in
Lakh

| Particulars | Note No. | Year ended March 31,2023 | Year ended March 31,2022 |
|---|----------|-----------------------------|-----------------------------------|
| | | Audited | Audited |
| Income | | | |
| Revenue from operations | 2.14 | 163.23 | 164.76 |
| Total Revenue from operations | | 163.23 | 164.76 |
| Other income | 2.15 | - | 0.08 |
| Total Income | | 163.23 | 164.84 |
| Expenses | | | |
| Cost of materials consumed | 2.16 | 56.29 | 84.65 |
| Employee benefits expense | 2.17 | 67.02 | 43.84 |
| Finance costs | 2.18 | 0.09 | 0.15 |
| Depreciation and amortization expense | 2.1 | 6.07 | 11.67 |
| Other expenses | 2.19 | 27.36 | 25.54 |
| Total Expenses | | 156.83 | 165.85 |
| Profit before tax | | 6.41 | (1.01) |
| Tax expense | | | |
| (1) Current tax | | 4.56 | 7.80 |
| (2) Deferred tax | | 0.41 | (0.76) |
| Net Profit for the Period | | 1.44 | (8.05) |
| Other comprehensive income (OCI) | | | |
| (a) (i) Items that will not be reclassified to profit or loss | | - | - |
| (ii) Tax on items that will not be reclassified to profit or loss | | - | - |
| (b) (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total Other Comprehensive income | | - | - |

| | | | |
|--|--|-------------|---------------|
| Total Comprehensive income | | 1.44 | (8.05) |
| Paid-up Equity Share Capital (Rs.,10/- per Equity Share) | | 657.67 | 586.90 |
| Other Equity | | (310.51) | (559.69) |
| Earnings per equity share (Face value of Rs.10/- each) | | | |
| (1) Basic | | 0.02 | (0.14) |
| (2) Diluted | | 0.02 | (0.14) |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date

For NSVR ASSOCIATES& LLP

Chartered Accountants

Firm Regd No: 008801S/S200060

For and on behalf of Board

VSF PROJECTS LIMITED

P Venkata Ratnam

Partner

MN no:230675

UDIN: 23230675BGWGLZ8751

Place: Hyderabad

Date: 30-05-2023

**BN MURTHY
LAKSHMI**

Managing Director

DIN:00073068

B VIJAYA

Director

DIN:01496696

ANNEXURE – III: STATEMENT OF CASH FLOWS

| PART:III STATEMENT OF CASH FLOW | | |
|---|---------------------------------|---------------------------------|
| VSF PROJECTS LIMITED | | |
| Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101 | | |
| CIN:L05005AP1992PLC014326 | | |
| Statement of Cash Flow statement for the year ended 31 March 2023 | | |
| Particulars | As at March 31, 2023 | As at March 31, 2022 |
| Cash Flows from Operating Activities | | |
| Net profit before tax | 6.41 | (1.01) |
| Adjustments for : | | |
| Depreciation and amortization expense | 6.07 | 11.67 |
| Provision for doubtful debts/advances/ impairment | | |
| Finance cost | 0.09 | 0.15 |
| Profit on Sale of Fixed Asset | | |
| Operating profit before working capital changes | 12.57 | 10.81 |
| Movements in Working Capital : | | |
| (Increase)/Decrease in Trade Receivables | 0.56 | - |
| (Increase)/Decrease in Other financial assets | - | 0.03 |
| (Increase)/Decrease in Other Current Assets | (13.01) | (13.35) |
| Increase/(Decrease) in Trade Payables | 9.08 | (43.80) |
| Increase/(Decrease) in Other financial liabilities | (48.06) | (1.18) |
| Increase/(Decrease) in Other Current liabilities | (47.71) | 47.29 |
| Changes in Working Capital | (99.14) | (11.01) |
| Cash generated from operations | (86.57) | (0.20) |
| Direct Taxes Paid | 1.41 | (2.00) |
| Net Cash from operating activities (A) | (87.98) | (2.20) |
| Cash flows from Investing Activities | | |
| (Purchase)/Sale of Fixed Assets | (0.80) | - |
| (Purchase) /Sale of Investment | - | - |
| Outflow of WIP | (158) | |
| Net Cash used in Investing Activities (B) | (158.86) | - |
| Cash flows from Financing Activities | | |
| Proceeds from issue of shares | 318.51 | - |
| Repayment/(Proceeds) of/from Short-term borrowings | (71.23) | 0.10 |
| Finance cost | (0.09) | (0.15) |
| Net Cash used in Financing Activities (C) | 247.19 | (0.05) |

| | | |
|---|-------------|-------------|
| Net Increase/(Decrease) in cash and cash equivalents (A+B+C) | 0.34 | (2.25) |
| Cash and Cash equivalents at the beginning of the year | 0.27 | 2.52 |
| Cash and Cash equivalents at the ending of the year | 0.61 | 0.27 |

Notes :-

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)
2. The accompanying notes are an integral part of the financial statements.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|---------------------------------|---------------------------------|
| Cash and Cash Equivalent | 0.61 | 0.27 |
| Cash Credit | | |
| | 0.61 | 0.27 |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date

For NSVR ASSOCIATES& LLP
Chartered Accountants
Firm Regd No: 008801S/S200060

For and on behalf of Board
VSF PROJECTS LIMITED

P Venkata Ratnam

Partner

MN no:230675

UDIN: 23230675BGWGLZ8751

BN MURTHY

Managing Director

DIN:00073068

B VIJAYA LAKSHMI

Director

DIN:01496696

Place: Hyderabad

Date: 30-05-2023

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

A. General Information

VSF Projects Limited (the company) is engaged in Construction and Infrastructure development and Execution. The Company is a public limited company incorporated and domiciled in India and has its registered office at Anakalapatur Village, Nellore District, Andhra Pradesh. The Company has its primary listings on the Bombay Stock Exchange. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation and presentation of Financial Statements

The financial statements of VSF Projects Limited (“VSF” or “the Company”) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for impairment of trade receivables as per expected credit loss model in balance sheet.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

B. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or judgments are:

i. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

ii. Provision and contingencies

Provisions and contingencies are based on the Management’s best estimate of the liabilities based on the facts known at the balance sheet date.

iii. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information.

C. Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest rupees.

D. Current and noncurrent classification

All the assets and liabilities have been classified as current or noncurrent as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, and Presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
 - It is held primarily for the purpose of being traded;
 - It is expected to be realized within twelve months after the reporting date; or
 - It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- Liabilities: A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle;
 - It is held primarily for the purpose of being traded;
 - It is due to be settled within twelve months after the reporting date; or
 - The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

Significant Accounting Policies

1) Property Plant & Equipment

The company has elected revaluation model as its accounting policy for accounting its property, plant and equipment.

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. If an asset's carrying amount is increased as a result of a revaluation, the increase should be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

Depreciation

Depreciation is recognized in the statement of profit and loss on a Straight line method over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on prorata basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate

The estimated useful lives are as follows:

| Type of Asset | Estimated useful life in years |
|---|--------------------------------|
| Buildings | 30 |
| Plant & Machinery | 15 |
| Vehicles | |
| i) Motor cycles, scooters and other mopeds | 10 |
| ii) Motor buses, Motor lorries, Motor taxis and Motor | 8 |

| | |
|----------------------|----|
| cars | |
| Office Equipment | 5 |
| Furniture & Fixtures | 10 |
| Intangible Assets | 5 |

2) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial Assets at amortized cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets at fair value through profit or loss (FVTPL)
- Impairment of financial assets

Financial Assets at amortised cost

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss.

Financial Assets at FVTOCI

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the statement of profit and loss. Interest earned whilst holding FVTOCI is reported as interest income using the EIR method.

Financial Assets at FVTPL

FVTPL is a residual category for Financial Assets. Any asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. These include surplus funds invested in mutual funds.

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration deviation of receivables turnover ratio from normal credit period.

Investment in Subsidiary:

Following the principles enumerated in Ind AS 27, *Separate Financial Statements*, the Company elected to account for its investment in its subsidiary in accordance with Ind AS 109, *Financial Instruments*.

Ind AS 109 requires an entity to measure the investment in equity shares at fair value and recognize the changes in fair value through profit and loss account. However, it also gives an irrevocable option to an entity to recognize the aforesaid changes in fair value through other comprehensive income ("OCI"). On the transition date, the Company has elected the irrevocable option to recognize the fair value changes in the equity shares in the subsidiary in Other Comprehensive Income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

3) Inventories

Inventories consist of goods and to be measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5) Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

6) **Employee Benefits**

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

7) **Provisions, contingent liabilities and contingent assets**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

8) **Revenue Recognition**

Revenue from Construction Contracts

Revenue from Construction contracts is measured at fair value of the consideration received or receivable.

Revenue from construction contracts is recognized only to the extent of contract costs incurred that is probable will be recoverable.

Revenue from construction contracts is recognized only when the revenue can be estimated reliably and contract revenue and contract costs associates with the construction contract is recognized by reference to the stage of completion of the contract activity at the end of the reporting period.

Prior period figures have been regrouped/reclassified wherever necessary for comparative purposes.

9) **Tax Expenses**

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

10) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

11) Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment.

12) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

13) Recent Accounting Pronouncements:

There is no such notification which would have been applicable from 1st April 2022.

For NSVR & ASSOCIATES LLP.,

Chartered Accountants

(FRN No.008801S/S200060)

Sd/-

P.Venkata Ratnam

Partner

M.no: 230675

UDIN: 23230675BGWGLZ8751

Place: Hyderabad

Date:30-05-2022

2.20 Property, plant and equipment

| Particulars | Gross carrying value | | | | Accumulated depreciation / impairment | | | | Net carrying value | | |
|--------------------------|----------------------|------------------------|-----------|---------------------|---------------------------------------|--------------|-------------------------|-----------|---------------------|---------------------|---------------------|
| | As at 01 April 2022 | Additions/ Revaluation | Disposals | As at 31 March 2023 | As at 1 April 2022 | For the year | Impairment for the year | Disposals | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 |
| Land | 6,335.00 | - | - | 6,335.00 | - | - | - | - | - | 6,335.00 | 6,335.00 |
| Buildings | 22.48 | - | - | 22.48 | 14.64 | 2.44 | - | - | 17.08 | 5.40 | 7.84 |
| Plant and equipment | 25.80 | - | - | 25.80 | 15.53 | 3.62 | - | - | 19.15 | 6.65 | 10.27 |
| Vehicles | 71.04 | - | - | 71.04 | 71.04 | - | - | - | 71.04 | - | - |
| Office equipment | - | 0.62 | - | 0.62 | - | 0.01 | - | - | 0.01 | 0.61 | - |
| Furniture & Fixtures | 3.77 | - | - | 3.77 | 3.77 | - | - | - | 3.77 | - | - |
| Total | 6,458.09 | 0.62 | - | 6,458.71 | 104.98 | 6.07 | - | - | 111.05 | 6,347.66 | 6,353.11 |
| Intangible Assets | | | | | | | | | | | |
| SDD Software | - | 0.18 | - | 0.18 | - | 0.00 | - | - | 0.00 | 0.17 | - |
| Total | - | 0.18 | - | 0.18 | - | 0.00 | - | - | 0.00 | 0.17 | - |
| Capital Work in Progress | - | 158.07 | | 158.07 | - | - | - | - | - | 158.07 | - |
| Total | - | 158.07 | | 158.07 | - | - | - | - | - | 158.07 | - |
| Total | 6,458.09 | 158.86 | - | 6,616.96 | 104.98 | 6.07 | - | - | 111.05 | 6,505.90 | 6,353.11 |

2.21 Deferred tax Asset (Net)

| Particulars | 2023 | 2022 |
|---|-------------|-------------|
| Opening Balance | 8.88 | 8.11 |
| Add : On account of IND AS Adjustment | | |
| Add : On account of difference in Net Block | (0.41) | 0.76 |
| Add : On account of deferment of Processing Charges | | |
| Closing Balance | 8.47 | 8.88 |

2.22 Trade receivables

| Particulars | 2023 | 2022 |
|------------------------------------|--------------------|--------------------|
| Trade Receivables | Non Current | Non Current |
| Unsecured, considered good | 0.56 | 0.56 |
| Less: Allowances for credit losses | 0.56 | |
| TOTAL | 0.00 | 0.56 |

Trade Receivables hypothecated as security for availing working capital facilities

2.23 Cash and Cash Equivalents

| Particulars | 2023 | 2022 |
|-------------------------------------|-------------|-------------|
| a) Cash and Cash equivalents | | |
| i) Cash on hand | 0.42 | 0.17 |
| ii) Balances with banks | | |
| - Current Accounts | 0.19 | 0.10 |
| Total | 0.61 | 0.27 |

Cash and Cash Equivalents include the following for Cash flow purpose

| Particulars | 2023 | 2022 |
|---|-------------|-------------|
| Cash and Cash Equivalents/ Bank Balances | 0.61 | 0.27 |
| Less: Unclaim dividend | - | - |
| Less: Cash credit to be classified as Cash and Cash Equivalents for cash flow purpose | - | - |
| Cash and Cash Equivalents/ Bank Balances | 0.61 | 0.27 |

2.24 Other Financial Assets

| Particulars | 2023 | | 2022 | |
|------------------------------------|--------------|--------------|--------------|--------------|
| | Non- Current | Current | Non- Current | Current |
| Security and Other Deposits | | | | |
| Deposits | | 68.47 | | 68.47 |
| TOTAL | - | 68.47 | - | 68.47 |

2.25 Other Non-Current Assets and Current Assets

| Particulars | 2023 | | 2022 | |
|-----------------------------------|--------------|---------------|--------------|---------------|
| | Non- Current | Current | Non- Current | Current |
| Prepaid Expenses | - | 42.16 | - | 0.66 |
| Balances with Revenue Authorities | - | 45.87 | - | 45.56 |
| Advance to Creditors | - | 50.20 | - | 79.50 |
| Rental Advances | - | 0.30 | - | - |
| Salary Advances | - | 0.20 | - | - |
| TOTAL | - | 138.73 | - | 125.72 |

2.26 Share Capital

| Particulars | 2023 | | 2022 | |
|--|----------------------|------------------|----------------------|------------------|
| Authorized Share Capital | | | | |
| 1,00,00,000 Equity Shares of Rs.10 each (Previous year :80,00,000 Equity Shares of Rs.10 each) | 1000.00 | | 800.00 | |
| Issued Subscribed and Paid up Share Capital | | | | |
| 65,76,747 Equity Shares of Rs.10 each, fully paid up (Previous year :58,68,950 Equity Shares of Rs.10 each,fully paid up) | 657.67 | | 586.90 | |
| | 657.67 | | 586.90 | |
| Details of shareholders holding more than 5% shares : | No. of shares | % Holding | No. of shares | % Holding |
| 1. M Lakshmi | 8.00 | 12.16% | 8.00 | 13.6% |
| 2. B N Murthy | 7.85 | 11.94% | 8.90 | 15.16% |
| 3. B L N Chowdary | 5.53 | 8.40% | 5.53 | 9.42% |
| | 21.38 | 32.50% | 22.43 | 38.21% |

2.27 Reconciliation of Number of Shares:

| Particulars | 2023 | 2022 |
|--|--------------|--------------|
| Number of Shares at the beginning of the year | 58.69 | 58.69 |
| Add: Shares issued during the year | 7.08 | - |
| Number of Shares at the end of the year | 65.77 | 58.69 |

2.28 Shareholding of promoters

| Share held by the promoter as on 31-03-2023 | | | |
|---|--------------|-------------------|--------------------------|
| Promoter Name | No of shares | % of Total shares | % Change during the year |
| B. N. Murthy | 8.90 | 15.16 | - |
| Bobba Vijaya Lakshmi | 2.88 | 4.9 | - |
| Sree Rama Chandra Rao Guttikonda | 0.35 | 0.6 | - |
| Bobba Prabhakar Rao | 1.15 | 1.96 | - |
| Namratha Gutta . | 0.03 | 0.04 | - |
| Ravi Kiran Gutta . | 0.04 | 0.07 | - |
| Kotha Venkata Srinivasa Rao | 0.48 | 0.82 | - |
| K Roja Prasad | 0.50 | 0.86 | - |
| Prasad Dandamudi | 0.20 | 0.34 | - |
| Nagendra Prasad Bobba | 0.20 | 0.34 | - |
| Bobba Lakshmi Narasimha | 5.53 | 9.42 | - |
| Bobba Lakshmi Divya | 2.59 | 4.41 | - |
| Bobba Suvarchala Devi | 0.40 | 0.68 | - |
| Bobba Ranga Rao | 0.34 | 0.58 | - |
| Murali Krishna Mandava | 0.24 | 0.41 | - |
| Koganti Varalakshmi | 0.72 | 1.22 | - |
| Bobba Swarajya Lakshmi | 0.84 | 1.42 | - |
| Total | 25.37 | 43.23 | - |

2.29 Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 /- each. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

2.30 Other Equity

| Particulars | 2023 | 2022 |
|---|-------------------|-------------------|
| Capital Reserve | | |
| Opening Balance | 29.33 | 29.33 |
| Add: Additions during the year | - | - |
| | 29.33 | 29.33 |
| Securities Premium | | |
| Opening Balance | 92.89 | 92.89 |
| Add: Additions during the year | 247.73 | - |
| | 340.61 | 92.89 |
| Revaluation reserve | | |
| Opening Balance | 1,928.40 | 1,928.40 |
| Add: Additions during the year | - | - |
| | 1,928.40 | 1,928.40 |
| Retained Earnings | | |
| Opening Balance | (1,029.30) | (1,021.25) |
| Add: Net profit transferred from the Statement of Profit and Loss | 1.44 | (8.05) |
| | (1,027.86) | (1,029.30) |
| Appropriations | | |
| Net change in fair value of Financial Assets | - | - |
| | | |
| Closing Balance | (1,029.30) | (1,029.30) |
| Other Comprehensive Income | | |
| c. Revaluation Reserve on Fixed Assets | 3,791.00 | 3,791.00 |
| d. Impairment on Investment in Subsidiary | (5,372.00) | (5,372.00) |
| | (1,581.00) | (1,581.00) |
| Total | (310.51) | (559.68) |

2.31 Borrowings

| Particulars | 2023 | | 2022 | |
|------------------------------------|----------|-----------------|-------------|-----------------|
| | Current | Non Current | Current | Non Current |
| Secured Borrowings: | | | | |
| <i>From Banks</i> | - | - | - | - |
| <i>From Financial Institutions</i> | - | - | - | - |
| Cash Credit | - | - | 0.10 | - |
| Unsecured Borrowings | | | | |
| From Others | - | 116.31 | - | 107.11 |
| Inter Corporate Deposit | - | 1,090.11 | - | 1,111.52 |
| Loans from Directors | - | 286.97 | - | 345.89 |
| | | | | |
| Total | - | 1,493.39 | 0.10 | 1,564.52 |

2.32 Other financial liabilities

| Particulars | 2023 | | 2022 | |
|------------------------------|---------------|-------------|----------|---------------|
| | Current | Non Current | Current | Non Current |
| Payable for Expenses | 100.23 | - | - | 146.92 |
| Others financial liabilities | 0.00 | - | - | 0.00 |
| Audit Fees | 0.98 | - | - | 2.35 |
| Total | 101.21 | - | - | 149.27 |

2.33 Other Non Current Liabilities & Current liabilities

| Particulars | 2023 | | 2022 | |
|----------------------------------|---------------|-----------------|---------------|-----------------|
| | Current | Non Current | Current | Non Current |
| Advance for sale of land | 6.50 | - | 34.70 | - |
| Advance against equipment sale | 36.73 | - | 44.73 | - |
| Salaries & Remuneration Payable | 162.85 | - | 162.01 | - |
| TDS Payable on Salaries | 5.64 | - | - | - |
| Environment & Energy Consultancy | 2.00 | - | - | - |
| Advances for material | - | - | 20.00 | - |
| Deferred Lease Rental Deposit | - | 2,550.00 | - | 2,550.00 |
| Total | 213.73 | 2,550.00 | 261.44 | 2,550.00 |

2.34 Trade Payables

| Particulars | 2023 | 2022 |
|----------------------------------|-----------------|-----------------|
| | Current | Current |
| Dues to others | | |
| For Raw material | 200.42 | 196.11 |
| Creditors for Earthwork Expenses | 1807.32 | 1,802.56 |
| Total | 2,007.75 | 1,998.67 |

2.35 Provision for tax

| Other Expenses | 2023 | 2022 |
|--------------------------|-------------|-------------|
| Provision for income tax | 4.39 | 7.80 |
| Current Year Tax | 4.56 | |
| L.Y. tax paid | - | 2.00 |
| Total | 8.95 | 5.80 |

2.36 Revenue from operations

| Particulars | 2023 | 2022 |
|------------------------|---------------|---------------|
| Revenue from : | | |
| Work Bills | - | - |
| Other Operating Income | 163.23 | 164.76 |
| Total | 163.23 | 164.76 |

2.37 Other income

| Particulars | 2023 | 2022 |
|--------------------------|-------------|-------------|
| Income from Aqua Culture | | |
| Sale of Vehicle | - | - |
| Miscellaneous Income | - | 0.08 |
| Total | - | 0.08 |

2.38 Cost of materials consumed

| Particulars | 2023 | 2022 |
|---------------------|--------------|--------------|
| Raw Material | | |
| Purchases | 56.29 | 84.65 |
| Add: Opening Stock | - | - |
| | 56.29 | 84.65 |
| Less: Closing Stock | - | - |
| Total | 56.29 | 84.65 |

2.39 Employee benefits expense

| Particulars | 2023 | 2022 |
|---------------------------|--------------|--------------|
| Salaries, Wages and Bonus | 44.36 | 31.84 |
| Staff welfare | - | - |
| Directors Remuneration | 22.65 | 12.00 |
| Total | 67.02 | 43.84 |

2.40 Finance costs

| Particulars | 2023 | 2022 |
|-----------------------|-------------|-------------|
| BG commission | - | 0.10 |
| Loan Processing Fee | - | - |
| Other borrowing costs | 0.09 | 0.05 |
| Total | 0.09 | 0.15 |

2.41 Other expenses

| Particulars | 2023 | 2022 |
|------------------------------|-------------|-------------|
| Power and fuel | - | 6.51 |
| Insurance | 0.67 | 0.86 |
| Insurance | 0.53 | 0.25 |
| Rent | 0.12 | 1.32 |
| Rates and Taxes | 2.86 | 0.67 |
| Travelling Expenses | 1.51 | 0.94 |
| Office Maintenance | 1.11 | 1.29 |
| Professional Fees & Expenses | - | - |
| Auditor's Remuneration | 1.50 | 0.75 |

| | | |
|-----------------------|--------------|--------------|
| Telephone charges | 0.39 | 0.29 |
| AGM Expenses | 1.31 | 1.42 |
| Penalty Charges | 10.57 | 2.93 |
| Listing fee | 3.54 | 7.19 |
| Advertisement | 0.09 | - |
| Director Sitting fees | 1.00 | - |
| Printing & Stationery | 0.07 | - |
| DPR Preparation Fee | - | - |
| Mess maintenance | - | 0.77 |
| Other Expenses | 1.54 | 0.35 |
| Bad Debts | 0.56 | - |
| Total | 27.36 | 25.54 |

2.42 Auditors Remuneration

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| a) Audit fees | 1.50 | 0.75 |
| b) Other charges | | |
| Taxation matters | 0 | 0 |
| Certification fee | 0 | 0 |
| c) Reimbursement of out-of-pocket expenses | 0 | 0 |
| TOTAL | 1.50 | 0.75 |

2.43 Earnings per Share

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Earnings | | |
| Profit attributable to equity holders | 1.44 | (8.05) |
| Shares | | |
| Number of shares at the beginning of the year | 58.69 | 58.69 |
| Add: Equity shares issued | 7.08 | - |
| Less: Buy back of equity shares | - | - |
| Total number of equity shares outstanding at the end of the year | 65.77 | 58.69 |
| Weighted average number of equity shares outstanding during the year – Basic | 65.77 | 58.69 |
| Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS | - | - |
| Weighted average number of equity shares outstanding during the year – Diluted | 65.77 | 58.69 |
| Earnings per share of par value Rs.10/- – Basic (`) | 0.02 | (0.14) |
| Earnings per share of par value Rs.10/- – Diluted (`) | 0.02 | (0.14) |

2.44 Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

- Sri B N Murthy – Managing Director
- Smt. B. Vijaya Lakshmi – Whole time Director
- Sri Ram Shetty Srinivasa Rao-Director
- Ramesh Babu Nemani- Independent Director
- Reshma Kiranmayee Pulapa-Director
- Sri. Lakshmi Narasimha Chowdary Bobba –Director
- Sri. Rahul patibandla – Independent Director
- Relative of KMP :
- B L N Chowdary

The following is a summary of significant related party transactions:

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31st March 2023 | 31st March 2022 |
| a) Key managerial personnel | | |
| <i>Remuneration & Commission</i> | | |
| B N Murthy | 22.00 | 12.00 |
| B. Vijaya Lakshmi | 6.00 | 6.00 |
| Lakshmi Narasimha Chowdary Bobba | Nil | Nil |
| Rahul Patibandla | Nil | Nil |
| Patibandla Ajaya | Nil | Nil |
| b) Relatives of Key Managerial Personnel | | |
| B.L.N.Chowdary | 17.00 | 12.00 |
| c) Loan from Directors | | |
| B N Murthy | 189.01 | 164.89 |
| B. Vijaya Lakshmi | 61.56 | 133.56 |
| TOTAL | 250.57 | 298.45 |

2.45 Segment Reporting:

The Company concluded that there is only one operating segment i.e, Construction and Infrastructure development and aqua culture .Hence, the same becomes reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

2.46 Income Taxes:

Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

| Particulars | For the Year Ended 31 st March | |
|--|---|-------------|
| | 2022 | 2021 |
| <i>Current taxes expense</i> | 4.56 | 7.80 |
| Domestic | - | - |
| <i>Deferred taxes expense/(benefit)</i> | | |
| Domestic | 0.41 | (0.76) |
| Total income tax expense/(benefit) recognized in the statement of profit and loss | 4.96 | 7.04 |

| a. Reconciliation of Effective tax rate: | | |
|---|------------------------------------|-------------|
| Particulars | For the Year Ended 31 March | |
| | 2023 | 2022 |
| Profit before income taxes | 6.41 | (1.01) |
| Enacted tax rate in India | 26% | 26% |
| Computed expected tax benefit/(expense) | 4.56 | 1.64 |
| Effect of: | | |
| Expenses not deductible for Tax purposes | 16.94 | 15.42 |
| Expenses deductible for Tax purposes | (7.63) | (8.74) |
| On account of carry forward losses | 0 | 0 |
| Others | | |
| Income tax benefit/(expense) | 0 | 0 |
| Effective tax rate | 26% | 26% |

Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

| Particulars | For the Year Ended 31 March | |
|--|------------------------------------|---------------|
| | 2023 | 2022 |
| Deferred tax assets/(liabilities): | | |
| Property, plant and equipment | 0.41 | (0.76) |
| Others | | |
| Net deferred tax assets/(liabilities) | 0.41 | (0.76) |

Movement in deferred tax assets and liabilities during the year ended 31st March 2023 & 2022:

| Particulars | As at 1 April 2022 | Recognized in statement of profit and loss | Recognized in equity | As at 31 March 2023 |
|--|---------------------------|---|-----------------------------|----------------------------|
| Deferred tax assets/(liabilities) | | | | |
| Property, plant and equipment | 8.88 | (0.41) | | 8.47 |
| Net deferred tax assets/(liabilities) | 8.88 | (0.41) | | 8.47 |

[Continued from above table, first column(s) repeated]

| Particulars | As at 1 April 2021 | Recognized in statement of profit and loss | Recognized in equity | As at 31 March 2022 |
|--|---------------------------|---|-----------------------------|----------------------------|
| Deferred tax assets/(liabilities) | | | | |
| Property, plant and equipment | 8.11 | 0.76 | | 8.87 |
| Others | | | | |
| Net deferred tax assets/(liabilities) | 8.11 | 0.76 | | 8.87 |

2.47 Property, Plant and Equipment:

The company has elected revaluation model as its accounting policy for accounting its property, plant and equipment. After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. If an asset's carrying amount is increased as a result of a revaluation, the increase should be recognised in other comprehensive income and accumulated in equity under the

heading of revaluation surplus However, the company has not carried out any revaluation of its items of property, plant and equipment and hence, the previous balance amount of property plant and equipment is continued to be considered carrying amount of property, plant and equipment for the end of the reporting period.

2.48 Investments:

Ind AS 109 requires an entity to measure the investment in equity shares at fair value and recognize the changes in fair value through profit and loss account. However, it also gives an irrevocable option to an entity to recognise the aforesaid changes in fair value through other comprehensive income (“OCI”). Accordingly, the company has no Investments during the year as there is material uncertainty in respect ability to continue as going concern.

2.49 Financial Risk Management:

The Company’s activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company’s risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company’s risk assessment and management policies and processes.

a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade Receivables-The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Financial assets that are neither past due nor impaired - None of the Company’s cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2023.

Of the total trade and other receivables, 0.56 as at 31 March 2022 and Nil as at 31 March 2021 has been impaired.

The Company’s credit period for customers generally ranges from 60-90 days. The ageing of trade receivables that are past due but not impaired is given below:

As on 31-03-2023

| Particulars | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|--------------------|------------------|-----------|-----------|-------------------|-------|
| (i) Undisputed Trade receivables - considered good | | Nil | | | | Nil |
| (ii) Undisputed Trade Receivables which have significant increase in credit risk | | | | | | |
| (iii) Undisputed Trade Receivables credit impaired | | | | | | |
| (iv) Disputed Trade Receivables - considered good | | | | | | |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | | | | | | |
| (vi) Disputed Trade Receivables credit impaired | | | | | | |

As on 31-03-2022

| Particulars | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|--------------------|-----------------|-----------|-----------|-------------------|-------|
| (i) Undisputed Trade receivables - considered good | | 0.56 | | | | 0.56 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | | | | | | |
| (iii) Undisputed Trade Receivables - credit impaired | | | | | | |
| (iv) Disputed Trade Receivables - considered good | | | | | | |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | | | | | | |
| (vi) Disputed Trade Receivables - credit impaired | | | | | | |

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31 March 2023 and 31 March 2022 are as follows:

| Particulars | For the Year Ended 31 March | |
|--------------------------------------|-----------------------------|--------|
| | 2023 | 2022 |
| Balance at the beginning of the year | 128.21 | 128.21 |
| Impairment of Trade receivables | (0.56) | - |
| Balance at the end of the year | 127.65 | 128.21 |

Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2023, the Company had working capital (current assets less current liabilities) of Rs. (2051.82) Lakhs including cash and cash equivalents of Rs 0.61 Lakhs. As of 31 March 2022, the Company had working capital of Rs. (2,220.25) Lakhs, including cash and cash equivalents of Rs. 0.27 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023:

| Particulars | 2023 | 2024 | 2025 | 2026 | Thereafter | Total |
|---|----------|------|------|------|------------|----------|
| Trade payables | 2,007.75 | | | | | 2,007.75 |
| Long term borrowings | 1,493.39 | | | | | 1,493.39 |
| Bank overdraft, short-term loans and borrowings | - | | | | | - |
| Other financial liabilities-Non current | 2550.00 | | | | | 2550.00 |
| Other financial liabilities- Current | 101.21 | | | | | 101.21 |
| Other current liabilities | 213.73 | | | | | 213.73 |

Trade payables as on 31-03-2023

| Particulars | Less than 1 Year | 1-2 years | 2-3 years | More than 3 Years | Total |
|----------------------|------------------|-----------|-----------|-------------------|---------|
| MSME | | | | | |
| Others | | 2007.75 | | | 2007.75 |
| Disputed dues-MSME | | | | | |
| Disputed dues-others | | | | | |

Trade payables as on 31-03-2022

| Particulars | Less than 1 Year | 1-2 years | 2-3 years | More than 3 Years | Total |
|----------------------|------------------|-----------|-----------|-------------------|---------|
| MSME | | | | | |
| Others | | 1998.67 | | | 1998.67 |
| Disputed dues-MSME | | | | | |
| Disputed dues-others | | | | | |

CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement is met through equity, borrowings and operating cash flows required.

2.28) Ratios

| Ratio | Numerator | Denominator | 31-03-2023 | 31-03-2022 | % change | Reason for variance |
|------------------------------------|---|---|------------|------------|----------|--|
| Current ratio | Current assets | Current liabilities | 0.09 | 0.08 | (13.90) | |
| Debt-Equity ratio | Total debt | Shareholder's equity | 18.36 | 240 | 92.35 | The change is due to shares issued in the current year |
| Debt service coverage ratio | Earning for debt service = Net profit after tax + non cash operating expenses | Debt service = Interest & lease payments + principal repayments | 82.02 | 24.45 | (235.45) | The change is due to reduction in finance cost |
| Return on equity ratio | Net profit after taxes – preference dividend | Average shareholder's equity | 0.01 | 0.12 | 93.36 | The change is due to shares issued in the current year |
| Inventory Turnover ratio | Cost of goods sold | Average inventory | NA | NA | | |
| Trade receivable turnover | Net credit sales = gross creditsales – | Average trade receivables | 585.58 | 295.53 | (98.15) | The change is due to Trade |

| ratio | sales return | | | | | receivables |
|-------------------------------------|--|---|---------|---------|--------|--|
| Trade payable turnover ratio | Net credit sales = gross credit purchase – purchase return | Average trade payables | 0.02 | 0.04 | 32.93 | The change is due to decrease of purchases |
| Net capital turnover ratio | Net sales = Total sales – sales return | Working capital = Current assets – current liabilities | (0.08) | (0.7) | (7.21) | |
| Net profit ratio | Net profit | Net sales = Total sales – sales return | (0.008) | (0.048) | 118.07 | The change is due to expenses |
| Return on capital employed | Earning before interest and tax | Capital employed = Tangible net worth + Total debt + Deferred tax liability | 0.003 | (0.001) | 726.90 | The change is due to expenses |
| Return on investment | Interest(Finance Investment income) | | NA | NA | | |

- 2.28)** Details of dues to Micro, Small and Medium enterprises as defined under the MSMED Act, 2006:
There is no information available to comment on amounts outstanding to any Micro, Small and Medium scale enterprise.
- 2.29)** The Company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 56 of the Companies Act, 1956 during financial year.
- 2.30)** The Company have not received any fund from any person(s) or entit(ies), including foreign entities (Funding party) with understanding (weather recorded in writing or otherwise) that the company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate beneficiaries) or
 - provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.
- 2.31)** The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income Tax Act 1961.
- 2.32)** No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- Crypto currency or Virtual Currency.
 - Benami Property held under the prohibition of Benami Property Transactions act 1988 and rules made thereunder.
 - Registration of charges or satisfaction with Registrar of Companies.
 - Relating to borrowed funds:
 - Willful defaulter.
 - Utilization of borrowed funds & share premium.
 - Borrowings obtained on the basis of security of current assets.
 - Discrepancy in utilization of borrowings.
 - Current maturities of long term liabilities.

2.33) The Company is constructing a Free Trade & warehousing zone (FTWZ) which involves a Total Project cost of Rs. 6700.74 million (670.074Cr). The Company is planning to invest in phased manner the company is planning to invest Rs. 130Cr in the first phase which consists of promoters contribution of Rs 51Cr and Debt of Rs 83 Crs. The company has invested Rs 1,58,06,771 till 31-3-2023 which is disclosed in the balance sheet as capital Work in Progress.

2.34) The Previous year's figures have been regrouped and recast wherever necessary to bring them in with current year's figures

For NSVR & ASSOCIATES LLP.,

Chartered Accountants
(FRN No.008801S/S200060)

Sd/-

P.Venkata Ratnam

Partner

M.no:230675

UDIN:23230675BGWGLZ8751

Place: Hyderabad

Date: 30-05-2022

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total debt as of September 30, 2023 (based on our Financial Statements) and as adjusted to give effect to the Issue. This table should be read in conjunction with the section titled '*Financial Statements*', '*Risk Factors*', '*Management's Discussion and Analysis of Financial Position and Results of Operations*' and '*Other Financial Information*'.

(Rs in Lakhs)

| Particulars | PRE ISSUE as on 30.09.2023 | POST ISSUE |
|---|-------------------------------|------------|
| Borrowings: | | |
| Short term Debt (A) | - | [●] |
| Long-term Debt (B) | 2,278.18 | [●] |
| Total debts (C) | 2,278.18 | [●] |
| Shareholders' funds | | |
| Share capital | 657.67 | [●] |
| Reserve and surplus | (353.24) | [●] |
| Total shareholders' funds (D) | 304.43 | [●] |
| Long term debt / shareholders' funds (B/D) | 7.48 | [●] |
| Total debt / shareholders' funds (C/D) | 7.48 | [●] |

Note

The above statement should be read with the significant accounting policies and notes to summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures.

The above has been computed on the basis of Financial Statements.

OTHER FINANCIAL INFORMATION

The accounting ratios derived from our Financial Information are given below:

| Particulars | As at and for the half year ended September 30, 2023 | As at and for the year ended March 31, 2023 | As at and for the year ended March 31, 2022 |
|--|---|---|---|
| Basic Earnings per share (₹) ⁽¹⁾ | (0.65) | 0.02 | (0.14) |
| Diluted Earnings per equity share (₹) ⁽²⁾ | (0.65) | 0.02 | (0.14) |
| Return on net worth (%) ⁽³⁾ | (14.03) | 0.41 | (29.58) |
| Net asset value per Equity Share (₹) ⁽⁴⁾ | 4.62 | 5.28 | 0.46 |
| EBITDA ⁽⁵⁾ (₹ in lakhs) | (38.20) | 12.57 | 10.81 |

Not annualised.

The ratios have been computed as under:

1. *Basic Earnings per share (₹) = profit for the year attributable to equity shareholders / Weighted average number of Equity Shares.*
2. *Diluted Earnings per equity share (₹) = profit for the year attributable to Equity shareholders / Weighted average number of diluted Equity Shares.*
3. *Return on net worth (%) = Net Profit after tax attributable to shareholder / Average of Net worth at the beginning and end of the year/period.*

“Net worth”: Net worth represents the shareholders’ funds and is computed as sum of share capital and reserves including share premium share application money and fair value change account net of debit balance in profit and loss account.

4. *Net asset value per Equity Share (₹) = Net Worth at the end of the year or period / Total number of equity shares outstanding at the end of the year/period.*
5. *Earnings Before Interest, Tax, Depreciation and Amortisation.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for Fiscal year ended 31st March 2023 are available on our website at www.vsfproject.com . Our Company is providing a link to this website solely to comply with the requirements specified in the ICDR Regulations.

The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) a Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 - Related Party Disclosures, read with the SEBI ICDR Regulations for the period September 30th, 2023 and for the year ended March 31st 2023 / March 31st 2022, and as reported in the Financial Information, see “*Financial Information Related Party Disclosure*” .

| Particulars | Standalone Un Audited / Audited Financial Statements | | |
|--|--|--|--|
| | For the Half Year ended September 30, 2023. (₹ in Lakhs) | For the Financial Year ended March 31, 2023 (₹ in Lakhs) | For the Financial Year ended March 31, 2022 (₹ in Lakhs) |
| a) Key managerial personnel | | | |
| Remuneration & Commission | | | |
| B N Murthy | 18.00 | 22.00 | 12.00 |
| B. Vijaya Lakshmi | 3.00 | 6.00 | 6 |
| Lakshmi Narasimha Chowdary Bobba | 12.00 | Nil | Nil |
| Rahul Patibandla | Nil | Nil | Nil |
| Patibandla Ajaya | Nil | Nil | Nil |
| b) Loan from Directors | | | |
| Rahul Pathibandla | 3.85 | | |
| Lakshminarasimha bobba chowdary | 63.14 | 17.00 | 12.00 |
| B N Murthy | 213.93 | | |
| B. Vijaya Lakshmi | 63.56 | 189.01 | 164.89 |
| B.Lakshmi Divya | 86.46 | 61.56 | 133.56 |
| TOTAL | 430.94 | 250.57 | 298.45 |

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the Financial Statements for the period ended September 30, 2023 and September 30, 2022 and for the year ended March 31, 2023, and March 31, 2022.

OVERVIEW OF REVENUE & EXPENDITURE

| Particulars | For the Period Ended September 30, 2023 | % of Total Income | For the Period Ended September 30, 2022 | % of Total Income | For the Year Ended March 31, 2023 | % of Total Income | For the Year Ended March 31, 2022 | % of Total Income |
|--|---|-------------------|---|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| <u>Revenue from operations</u> | 0.00 | 0.00% | 93.58 | 99.63% | 163.23 | 100.00% | 164.76 | 99.95% |
| Other income | 0.00 | 0.00% | 0.34 | 0.36% | - | 0.00% | 0.08 | 0.05% |
| Total Income | 0.00 | 0.00% | 93.93 | 100.00% | 163.23 | 100.00% | 164.84 | 100.00% |
| Expenses: | | 0.00% | | | | | | |
| Cost of Materials Consumed | 0.12 | 0.00% | 32.83 | 34.95% | 56.29 | 34.49% | 84.65 | 51.35% |
| Employee Benefit Expenses | 19.21 | 0.00% | 25.8 | 27.47% | 67.02 | 41.06% | 43.84 | 26.60% |
| Finance Cost | 0.10 | 0.00% | 0.04 | 0.04% | 0.09 | 0.06% | 0.15 | 0.09% |
| Depreciation and Amortization Expenses | 3.12 | 0.00% | 3.61 | 3.84% | 6.07 | 3.72% | 11.67 | 7.08% |
| <u>Other Expenses</u> | 18.87 | 0.00% | 15.68 | 16.69% | 27.36 | 16.76% | 25.54 | 15.49% |
| Total Expenses | 41.42 | 0.00% | 77.96 | 83.00% | 156.83 | 96.08% | 165.85 | 100.61% |
| Profit before Exceptional Items | (41.42) | 0.00% | 15.96 | 16.99% | 6.41 | 3.93% | -1.01 | -0.61% |
| Exceptional Items | 0.00 | 0.00% | 0 | 0.00% | - | 0.00% | - | 0.00% |
| Profit/(Loss) before Tax | (41.42) | 0.00% | 15.96 | 16.99% | 6.41 | 3.93% | -1.01 | -0.61% |
| | | 0.00% | | | | | | |
| Tax Expenses: | | | | | | | | |
| Current Tax | | 0.00% | 3.15 | 3.35% | 4.56 | 2.79% | 7.8 | 4.73% |

| | | | | | | | | |
|-----------------------------------|----------------|--------------|--------------|---------------|-------------|--------------|--------------|---------------|
| Mat Credit Entitlement | | 0.00% | 0 | 0.00% | - | 0.00% | - | 0.00% |
| Prior period tax | | 0.00% | 0 | 0.00% | - | 0.00% | - | 0.00% |
| Deferred Tax | 1.31 | 0.00% | 1.26 | 1.34% | 0.41 | 0.25% | -0.76 | -0.46% |
| | | | | | | | | |
| Profit/(Loss) for the year | (42.72) | 0.00% | 11.56 | 12.31% | 1.44 | 0.88% | -8.05 | -4.89% |
| | | | | | | | | |
| Earnings per equity share: | | | | | | | | |
| Basic (in Rs.) | (0.65) | | 0.20 | | 0.02 | | -0.14 | |
| Diluted (in Rs.) | (0.65) | | 0.20 | | 0.02 | | -0.14 | |

Our Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “Financial Statements” beginning on page 116 of the DLOF

Overview of Revenue & Expenditure

Our revenue and expenses are reported in the following manner:

Revenues

- **Revenue of operations:** - Our Revenue from operations comprises of revenue generated from infrastructure, civil and engineering works.
- **Other Income:** - Our other income comprises of Miscellaneous income

Summary of our revenues is as follows:

(Amount in ₹ In Lakhs)

| Particulars | For the Period Ended September 30,2023 | For the Period Ended September 30,2022 | For the Year Ended March 31,2023 | For the Year Ended March 31,2022 |
|-------------------------|--|--|----------------------------------|----------------------------------|
| Revenue from operations | 0.00 | 93.58 | 163.23 | 164.76 |
| % of Total Income | 0.00% | 99.63% | 100.00% | 99.95% |
| Other income | 0.00 | 0.34 | - | 0.08 |
| % of Total Income | 0.00% | 0.36% | 0.00% | 0.05% |
| Total Income | 0.00 | 93.93 | 163.23 | 164.84 |

Expenditure

Our total expenditure primarily consists of cost of materials consumed, employee benefit expenses, finance cost, depreciation and amortization expenses and Other Expenses.

- **Cost of Material Consumed:** - Cost of Material Consumed comprises of purchases of raw materials.
- **Employment Benefit Expenses:** - Employee benefit expenses comprise of salaries, Wages and Bonus and Directors Remuneration
- **Finance Costs:** - Finance costs includes BG commission and Other borrowing costs.
- **Depreciation and amortization expenses:** - Tangible assets are depreciated over periods corresponding to their estimated useful lives.
- **Other Expenses:** - Other expenses include Power and fuel, Insurance, Rent, Rates and Taxes, Travelling Expenses, Office Maintenance, Professional Fees, Auditor's Remuneration, Telephone charges, AGM Expenses, Penalty Charges, Listing fee, Advertisement, Director Sitting fees, Printing & Stationery , DPR Preparation Fee ,Mess maintenance , Bad debts and Other Expenses.

(Amount in ₹ In Lakhs)

| Particulars | For the Period Ended September 30,2023 | For the Period Ended September 30,2022 | For the Year Ended March 31,2023 | For the Year Ended March 31,2022 |
|--|--|--|----------------------------------|----------------------------------|
| Cost of Materials Consumed | 0.12 | 32.83 | 56.29 | 84.65 |
| % of Total Income | 0.00% | 34.95% | 34.49% | 51.35% |
| Employee Benefit Expenses | 19.21 | 25.8 | 67.02 | 43.84 |
| % of Total Income | 0.00% | 27.47% | 41.06% | 26.60% |
| Finance Cost | 0.10 | 0.04 | 0.09 | 0.15 |
| % of Total Income | 0.00% | 0.04% | 0.06% | 0.09% |
| Depreciation and Amortization Expenses | 3.12 | 3.61 | 6.07 | 11.67 |
| % of Total Income | 0.00% | 3.84% | 3.72% | 7.08% |
| Other Expenses | 18.87 | 15.68 | 27.36 | 25.54 |
| % of Total Income | 0.00% | 16.69% | 16.76% | 15.49% |
| Total Expenses | 41.42 | 77.96 | 156.83 | 165.85 |
| % of Total Income | 0.00% | 83.00% | 96.08% | 100.61% |

COMPARISON OF YEAR ENDED SEPTEMBER 30, 2023 WITH SEPTEMBER 30, 2022

Income

Total revenue decreased by ₹93.58 Lakhs or 100.00% from ₹ 93.58 Lakhs for the period ended September 2022 to ₹ 0.00 Lakhs for the period ended September 2023. The decrease in revenue was on account of an decrease in operations and products offered by the Company.

Expenditure

Total Expenditure excluding finance costs and depreciation and amortization expenses decreased by ₹36.11 Lakhs and 48.60%, from ₹ 74.31 Lakhs for the period ended September 2022 to ₹ 38.20 lakhs for the period ended September 2023. Overall expenditure was decreased mainly due to low volume of operation and which impact on low material consumed.

Cost of Material Consumed

Cost of Material Consumed decreased by ₹ 32.71 Lakhs and 99.63% from ₹ 32.83 Lakhs for the period ended September 2022 to ₹0.12 lakhs for the period ended September 2023. The cost of Material Consumed was decreased due to an decrease in raw material purchases. .

Employee benefits expenses

Our employee benefit expenses decreased by ₹ 6.59 lakhs, from ₹ 25.80 Lakhs for the period ended September 2022 to ₹ 19.21 Lakhs period ended September 2023 representing an increase of 52.87% due to decrease in Directors remuneration..

Finance costs

Our finance cost increased by ₹ 0.06 lakhs, from ₹0.04 Lakhs for the period ended September 2022 to ₹0.10 Lakhs period ended September 2023 representing an increase of 152.13% on account of increase in other borrowing cost commission.

Depreciation and amortization expense

The depreciation decreased by ₹0.49 lakhs from ₹3.61 Lakhs for period ended September 2022 to ₹ 3.12 Lakhs for period ended September 2023 representing a decrease of 47.99%. The decrease in depreciation is due to obsolete assets.

Other expenses

Other Expenses in terms of value and percentage increased by ₹3.19 Lakhs and 20.31% from ₹ 15.68 Lakhs for the Period ended September 2022 to ₹ 18.87 Lakhs for the period ended September 2023.

Profit before tax

Profit/(loss) before tax decreased by ₹ 57.38 Lakhs in terms of value from ₹15.96 Lakhs for the period ended September 2022 to loss of ₹ (41.42) Lakhs for the Period ended September 2023.

Tax expenses

Current tax for the year ended September 2022 stood ₹ 3.15 whereas Deferred Tax for the same period was ₹ 1.26 which decreased to 3.15 lakhs for the period ended September 2023 Also, deferred tax for the period ended September 2023 amounted to ₹ 1.31 Lakhs .

Profit after Tax

Net Profit/(loss) has decreased from ₹ 11.56 Lakhs for the period ended September 2022 to loss of ₹(42.72) Lakhs for the period ended September 2023, reflecting an decrease of ₹ 54.28 Lakhs due to the reasons mentioned above..

COMPARISON OF YEAR ENDED MARCH 2023 WITH MARCH 2022

Income

Total revenue decreased by ₹1.61 Lakhs or 0.97% from ₹ 164.84 Lakhs for the year ended March 2022 to ₹ 163.23 Lakhs for the year ended March 2023. The increase in revenue was on account of an increase in operations and products offered by the Company.

Expenditure

Total Expenditure excluding finance costs and depreciation and amortization expenses decreased by ₹3.36 Lakhs and 26.50%, from ₹ 154.03 Lakhs for the year ended March 2022 to ₹150.67 lakhs for the year ended March 2023. Overall expenditure was decreased mainly due to an increase in the volume of operations and expansion of the Company.

Cost of Material Consumed

Cost of Material Consumed decreased by ₹ 28.36 Lakhs and 33.50% from ₹ 84.65 Lakhs for the year ended March 2022 to ₹56.29 lakhs for the year ended March 2023. The cost of Material Consumed was decreased due to an decrease in purchases.

Employee benefits expenses

Our employee benefit expenses increased by ₹ 23.18 lakhs, from ₹43.84 Lakhs for the year ended March 2022 to ₹67.02 Lakhs year ended March 2023 representing an increase of 52.87% due to increase in salaries wages and Directors remuneration.

Finance costs

Our finance cost decreased by ₹ 0.06 lakhs, from ₹0.15 Lakhs for the year ended March 2022 to ₹0.09 Lakhs year ended March 2023 representing a decrease of 40.00% on account of decrease in other borrowing cost commission which was set off by increase in other borrowing costs.

Depreciation and amortization expense

The depreciation decreased by ₹5.60 from ₹11.67 Lakhs for year ended March 2022 to ₹6.07 Lakhs for year ended March 2023 representing a decrease of 47.99%. The decrease in depreciation is due to obsolete assets.

Other expenses

Other Expenses in terms of value and percentage increased by ₹1.82 Lakhs and 7.13% from ₹ 25.54 Lakhs for the year ended March 2022 to ₹ 27.36 Lakhs for the year ended March 2023. Increase in other expenses was mainly due to increase in Insurance, Rates and Taxes, Travelling expenses, Auditors remuneration, telephone charges, Penalty charges, Advertisement, Director Sitting fees, Printing and stationery, Other expenses and Bad debts which was partially set off against a decrease in Power and fuel, Insurance, rent, Office Maintenance, AGM Expenses, Listing fees and Mess Maintenance.

Profit before tax

Profit/(loss) before tax increased by ₹ 7.42 Lakhs in terms of value from loss of ₹ 1.01 Lakhs for the year ended March 2022 to Profit of ₹ 6.41 Lakhs for the year ended March 2023. Profit before exceptional and Extraordinary Items and Tax was increased due to decrease in expenses of the Company.

Tax expenses

Current tax for the year ended March 2022 stood ₹7.80 whereas Deferred Tax for the same year was ₹ (0.76) which increased to 0.41 lakhs for the year ended March 2023 Also, current tax for the year ended March 2023 amounted to ₹ 4.56 Lakhs.

Profit after Tax

Net Profit/(loss) has increased from Loss of ₹ 8.05 Lakhs for the year ended March 2022 to profit of ₹ 1.44 Lakhs for the year ended March 2023, reflecting an increase of ₹ 9.49 Lakhs due to the reasons mentioned above.

Changes in Cash Flows

The table below summaries our cash flows from our Financial Statements for the year ended September 30,2023 and September 30,2022 and for the year ended March 2023, and 2022.

(₹ in Lakhs)

| Particulars | For the period ended September 30, 2023 | For the period ended September 30, 2022 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|---|---|-----------------------------------|-----------------------------------|
| Net cash (used in)/ generated from operating Activities | 133.64 | (185.02) | (87.98) | (2.20) |
| Net cash (used in)/ generated from investing Activities | (774.78) | - | (158.86) | - |
| Net cash (used in)/ generated from financing Activities | 784.68 | 185.57 | 247.19 | (0.05) |
| Net increase/ (decrease) in cash and cash Equivalents | 143.55 | 0.55 | 0.34 | (2.25) |
| Cash and Cash Equivalents at the beginning of the period | 0.61 | 0.27 | 0.27 | 2.52 |
| Cash and Cash Equivalents at the end of the Period | 144.16 | 0.82 | 0.61 | 0.27 |

Operating Activities

Year ended 30.09.2023.

Our net cash generated in operating activities was ₹ 133.64 Lakhs for the period ended September 30, 2023. Our operating profit before working capital changes was ₹ (38.20) Lakhs for the period ended September 2023 which was primarily adjusted against Decrease in Other Current Assets by ₹ 8.37 Lakhs, decrease in Trade Payables by ₹ 49.76 lakhs, decrease in Other financial Liability ₹ 68.82 Lakhs, increase in Other Current Liability ₹ 303.24 Lakhs. Income tax paid for the period amounts to ₹ 4.44 Lakhs.

Year ended 30.09.2022.

Our net cash used from operating activities was ₹ (185.02) Lakhs for the period ended September 30, 2022. Our operating profit before working capital changes was ₹19.61 Lakhs for the period ended September 2022 which was primarily adjusted against increase in Other Current Assets by ₹15.66 Lakhs, decrease in Trade Payables by

₹20.82, decrease in Other financial Liability ₹ 116.79, decrease in Other Current Liability ₹ 51.37 Lakhs. Income tax paid for the period amounts to Nil.

Investing Activities

Year ended 30.09.2023.

Our net cash used in investing activities was ₹ (774.78) Lakhs for the period ended September 30, 2023. These were on account of Outflow of WIP of ₹ 774.78 Lakhs.

Year ended 30.09.2022.

There was no cash flow generated from investing activities for the year ended 31.09.2022.

Financing Activities.

Year ended 30.09.2023.

Net cash flow generated from financing activities for the period ended September 30, 2023, was ₹ 784.68 Lakhs which was primarily on account of Proceeds from short term borrowings of ₹ 784.78 Lakhs and Finance cost of ₹ 0.10.

Year ended 30.09.2022.

Net cash flow generated from financing activities for the period ended September 30, 2022, was ₹ 185.57 Lakhs which was primarily on account of proceeds from long term Borrowings of ₹ 185.71 Lakhs, repayment of short-term borrowings of ₹ 0.10 and Finance cost of ₹ 0.04 Lakhs.

Operating Activities

Year ended 31.03.2023.

Our net cash used in operating activities was ₹ (87.98) Lakhs for the year ended March ,2023. Our operating profit before working capital changes was ₹12.57 Lakhs for the year ended March 2023 which was primarily adjusted against decrease in Trade Receivables by ₹0.56 Lakhs, Increase in Other Current Assets by ₹13.01 Lakhs, increase in Trade Payables by ₹9.08 lakhs, decrease in Other financial Liability ₹ 48.06 Lakhs, decrease in Other Current Liability ₹ 47.71 Lakhs. Income tax paid for the year amounts to ₹1.41 Lakhs.

Year ended 31.03.2022.

Our net cash generated from operating activities was ₹(2.20) Lakhs for the year ended March 2022. Our operating profit before working capital changes was ₹10.81 Lakhs for the year ended March, 2022 which was primarily adjusted against decrease in Other Financial Assets by ₹0.03 Lakhs, increase in Other Current Assets by ₹13.35 Lakhs, decrease in Trade Payables by ₹43.80, decrease in Other financial Liability ₹ 1.18, increase in Other Current Liability ₹ 47.29 Lakhs. Income tax paid for the year amounts to ₹2.00 Lakhs

Investing Activities

Year ended 31.03.2023.

Our net cash flow generated from investing activities was ₹ (158.86) Lakhs for the year ended March 31, 2023. These were on account of Purchase of Property, Plant & Equipment ₹ 0.80 Lakhs and Outflow of WIP of ₹ 158 Lakhs.

Year ended 31.03.2022.

There was no cash flow generated from investing activities for the year ended 31.03.2022

Financing Activities.

Year ended 31.03.2023.

Net cash flow generated from financing activities for the year ended March 31, 2023 was ₹ 247.19 Lakhs which was primarily on account of Proceeds from issuance of Share Capital of ₹ 318.51 Lakhs, proceeds from Short term Borrowings of ₹71.23 Lakhs and Finance cost of ₹ 0.09.

Year ended 31.03.2022.

Net cash flow generated from financing activities for the year ended March 31, 2022, was ₹ (0.05) Lakhs which was primarily on account of proceeds from Short term Borrowings of ₹0.10 Lakhs and Finance cost of ₹ 0.15 Lakhs.

Other Key Ratios

The table below summaries key ratios in our Financial Statements for the period September 30,2023 and for the year ended March 2023.

| Particulars | For the half year ended September 30, 2023 | For the year ended March 31, 2023 |
|----------------------------|--|-----------------------------------|
| Fixed Asset Turnover Ratio | - | 0.03 |
| Current Ratio | 0.14 | 0.09 |
| Debt Equity Ratio | 7.48 | 18.36 |
| Inventory Turnover Ratio | - | - |

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total Property, Plant & Equipment based on Financial Statements Restated.

Current Ratio: This is defined as current assets divided by current liabilities, based on Financial Statements Restated.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long-term debt, based on Financial Statements as Restated.

Inventory Turnover Ratio: This is defined as average inventory divided by total turnover based on Financial Statements as restated.

Financial Indebtedness

As on September 30, 2023, the total outstanding borrowings of our Company is ₹ 2,278.18 Lakhs.

(Amount in ₹ in Lakhs)

| Particulars | For the period ended september30, 2023 | For the year ended March 31, 2023 |
|---------------------------|--|-----------------------------------|
| Secured Borrowings | | |
| From Banks | 709.62 | |
| Unsecured Loans | | |
| Loan from Others | 101.31 | 116.31 |
| Inter Corporate Deposit | 1,090.11 | 1,090.11 |
| Loans from Directors | 377.13 | 286.97 |
| Total | 2,278.18 | 1,493.39 |

Related Party Transactions

Related party transactions with our promoters, directors and their entities and relatives primarily relate to the purchase and sale of products and services. For further information, please refer to the chapter titled “Financial Statements” on page 88 of this Draft Letter of Offer.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we're working our margins to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customer. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled "Financial Statements" beginning on page 88 of this Draft Letter of Offer, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution.

Except as disclosed in chapter titled "Financial Statements" beginning on page 88 of this Draft Letter of Offer, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATION

Unusual or infrequent events or transactions.

Except as described in this Draft Letter of Offer, during the period under review there have been no events or transactions, which in our best judgement would consider unusual or infrequent on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "Significant Factors affecting our Results of Operations" and the uncertainties described in the section entitled '*Risk Factors*' beginning on page 21 of the Draft Letter of Offer.

To our knowledge, except as we have described in the Draft Letter of offer, there are no known factors which we expect to bring about significant economic changes that could materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Except as mentioned above and other than as described in this Draft Letter of Offer, particularly in the section titled '*Risk Factors*' and this '*Management's Discussion and Analysis of Financial Position and Results of Operations*' beginning on page 21 and 140, respectively of this Draft Letter of Offer, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our sales, revenues or income from continuing operations.

Future relationship between cost and income

Our Company's future costs and revenues will be determined by demand/supply situation, government policies.

Increase in net sales or revenue and Introduction of new products or services or increased in sales prices.

Increase in revenue are by and large linked to increase in volume of business and inception of new varieties of products.

Total Turnover of each major industry segment in which Company operated

Relevant Industry data, as available, has been included in the section titled *'Industry Overview'* beginning on page 56 of the Draft Letter of Offer.

Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment, except otherwise disclosed in this Draft Letter of Offer.

Seasonality of Business

Our Company's business is not seasonal in nature.

Competitive conditions

We face competition from existing and potential competitors, which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titled *'Business Overview'* beginning on page 67 of this Draft Letter of Offer.

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Standalone Financial Statements for the half year September 30, 2023, year ending March 31, 2023 and March 31, 2022 For further details please refer to the section titled '*Financial Information*' beginning on [page 88](#) of this Draft Letter of Offer.

ACCOUNTING RATIOS

| Particulars | Based on Un Audited Financial Statements for the Half Year ended on September 30 | Based on Audited Financial Statements for the Financial Year ended on March 31 | Based on Audited Financial Statements for the Financial Year ended on March 31 |
|---------------------------------------|--|--|--|
| | 2023 | 2023 | 2022 |
| Basic earnings per Equity Share (₹) | (0.65) | 0.02 | (0.14) |
| Diluted earnings per Equity Share (₹) | (0.65) | 0.02 | (0.14) |
| Return on Net Worth (%) | (14.03%) | 0.41% | (29.59%) |
| Net Asset Value per Equity Share (₹) | ₹ 4.62 | ₹ 5.28 | ₹ 0.46 |
| EBITDA (₹) | (38.20) | 12.57 | 10.81 |

The formula used in the computation of the above ratios are as follows:

| Particular | Computation of Formulas |
|---------------------------------------|---|
| Basic earnings per Equity Share (₹) | (Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares); |
| Diluted earnings per Equity Share (₹) | (Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities)); |
| Return on Net Worth (%) | (Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income))/ (Net worth at the end of the year); |
| Net Asset Value per Equity Share (₹) | (Net Worth)/ (Number of Equity Shares outstanding for the year); |
| EBITDA (₹) | Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss |

Calculation of Return on Net Worth (%)

| Particulars | Based on Un Audited Financial Statements for the Half Year ended on September 30 | Based on Audited Financial Statements for the Financial Year ended on March 31 | Based on Audited Financial Statements for the Financial Year ended on March 31 |
|---|--|--|--|
| | 2023 | 2023 | 2022 |
| Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A) | (41.42) | 1.44 | (8.05) |
| Net worth at the end of the year (₹) (B) | 304.44 | 347.16 | 27.21 |
| Return on Net Worth (%) [(A)/(B)] | (14.03%) | 0.41% | (29.59%) |

Calculation of Net asset value per Equity Share

| Particulars | Based on Un-Audited Financial Statements for the Half Year ended on September 30 | Based on Audited Financial Statements for the Financial Year ending March 31 | Based on Audited Financial Statements for the Financial Year ending March 31 |
|---|--|--|--|
| | 2023 | 2023 | 2022 |
| Net Worth (₹) (A) | 304.44 | 347.16 | 27.21 |
| Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B) | 65.77 | 65.77 | 58.69 |
| Net Asset Value per Equity Share (₹) [(A)/(B)] | ₹ 4.62 | ₹ 5.28 | ₹ 0.46 |

Calculation of Net Worth

| Particulars | Based on Un-Audited Financial Statements for the Half Year ended on September 30 | Based on Audited Financial Statements for the Financial Year ending March 31 | Based on Audited Financial Statements for the Financial Year ending March 31 |
|--------------------------------|--|--|--|
| | 2023 | 2023 | 2022 |
| Equity Share capital (₹) (A) | 657.67 | 657.67 | 586.9 |
| Other Equity (₹) (B) | (353.24) | (310.51) | (559.69) |
| Net Worth (₹) [(A)+(B)] | 304.44 | 347.16 | 27.21 |

Calculation of EBITDA

| Particulars | Based on Un-Audited Financial Statements for the Half Year ended on September 30 | Based on Audited Financial Statements for the Financial Year ending March 31 | Based on Audited Financial Statements for the Financial Year ending March 31 |
|---|--|--|--|
| | 2023 | 2023 | 2022 |
| Net Profit/ (loss) after tax (₹) (A) | (42.72) | 1.44 | (8.05) |
| Income tax expenses (₹) (B) | 1.31 | 4.96 | 7.04 |
| Finance Cost (₹) (C) | 0.10 | 0.09 | 0.15 |
| Depreciation and amortization expense (₹) (D) | 3.12 | 6.07 | 11.67 |
| EBITDA (₹) (A+B+C+D) | (38.20) | 12.57 | 10.81 |

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on BSE Limited, and the Rights Shares issued pursuant to this Issue will be listed on the said Stock Exchange. For further details, please refer to the section titled '*Terms of the Issue*' on page 168 of this Draft Letter of Offer.

Our Company shall make an application for being in receipt of the in-principle approval for listing of the Rights Shares on BSE Limited to be issued pursuant to this Issue. In pursuance of which, our Company is in receipt of in-principle approval from the Stock Exchange vide its letter bearing reference number [●] dated [●]. Our Company shall also make applications to the Stock Exchange to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

- i. Year is a Financial Year;
- ii. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- iii. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- iv. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

1. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in the preceding 3 (Three) Financial Years:

| Financial Year ending on March 31 | High (₹) | Date of High | Number of Equity Shares traded on date of High | Total turnover of Equity Shares traded on date of High (₹) | Low (₹) | Date of Low | Number of Equity Shares traded on date of Low | Total turnover of Equity Shares traded on date of Low (₹) | Average Market Price for the Year (₹) | Total volume of Equity Shares traded in the Financial Year (in number) | |
|-----------------------------------|----------|-------------------|--|--|---------|----------------|---|---|---------------------------------------|--|--------------|
| | | | | | | | | | | (in number) | (₹ in Lakhs) |
| 2023 | 60.7 | November 02, 2022 | 250 | 15145 | 24.8 | July 15, 2022 | 127 | 3246 | 43.451 | 890488 | 396.23 |
| 2022 | 59.7 | January 17, 2022 | 6240 | 370309 | 8.27 | April 27, 2021 | 210 | 1822 | 25.570 | 413553 | 123.127 |
| 2021 | 11 | March 22, 2021 | 10 | 110 | 9.65 | 04-Jun-20 | 3 | 28 | 10.498 | 388 | 0.03985 |

Source: www.bseindia.com

2. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in each of the last 6 (Six) Months:

| Month | High (₹) | Date of High | Number of Equity Shares traded on date of High | Total turnover of Equity Shares traded on date of High (₹ in Lakhs) | Low (₹) | Date of Low | Number of Equity Shares traded on date of Low | Total turnover of Equity Shares traded on date of Low (₹ in Lakhs) | Average Market Price in the Month (₹) | No. of trading days in the period | Total volume of Equity Shares traded in the Month (in number) | |
|----------------|----------|--------------------|--|---|---------|--------------------|---|--|---------------------------------------|-----------------------------------|---|--------------|
| | | | | | | | | | | | (in number) | (₹ in Lakhs) |
| July 2023 | 50 | July 03, 2023 | 17 | 840 | 40 | July 17, 2023 | 276 | 11425 | 44.3045 | 20 | 18307 | 8.11082 |
| August 2023 | 49.79 | August 18, 2023 | 5 | 231 | 40.38 | August 04, 2023 | 1040 | 42753 | 45.157 | 22 | 17401 | 7.85776 |
| September 2023 | 55 | September 08, 2023 | 1390 | 74393 | 47 | September 05, 2023 | 5028 | 249104 | 50.9155 | 20 | 26535 | 13.51042 |
| October 2023 | 57.60 | October 9, 2023 | 3567 | 191720 | 50.02 | October 30, 2023 | 6021 | 314359 | 53.908 | 20 | 110685 | 59.6681 |

| Month | High (₹) | Date of High | Number of Equity Shares traded on date of High | Total turnover of Equity Shares traded on date of High (₹ in Lakhs) | Low (₹) | Date of Low | Number of Equity Shares traded on date of Low | Total turnover of Equity Shares traded on date of Low (₹ in Lakhs) | Average Market Price in the Month (₹) | No. of trading days in the period | Total volume of Equity Shares traded in the Month (in number) | |
|---------------|----------|-------------------|--|---|---------|-------------------|---|--|---------------------------------------|-----------------------------------|---|--------------|
| | | | | | | | | | | | (in number) | (₹ in Lakhs) |
| November 2023 | 62 | November 30, 2023 | 7506 | 427345 | 46.8 | November 01, 2023 | 7538 | 382326 | 52.2565 | 21 | 139381 | 72.8357 |
| December 2023 | 70.26 | December 15, 2023 | 3652 | 222040 | 52.5 | December 5, 2023 | 18105 | 1002563 | 56.7025 | 20 | 134697 | 76.3765 |

3. The Board has approved the Issue at their meeting held on [●]. The following table sets forth the market prices of our Equity Shares on the BSE on [●], the first working day immediately following the date of the Board meeting

| Open (₹) | High (₹) | Low (₹) | Close (₹) | Number of Equity Shares traded | Turnover (₹ in Lakhs) |
|----------|----------|---------|-----------|--------------------------------|-----------------------|
| [●] | [●] | [●] | [●] | [●] | [●] |

The Issue Price of ₹[●].00/- per Equity Share has been determined by the Board of Directors of our Company.

SECTION VIII- OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company whose financial statements are included in the Draft Letter of Offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, including criminal proceedings, statutory or regulatory actions as 'Material' in the opinion of the Board of directors under Regulation 30 of the SEBI Listing Regulations for the purpose of litigation disclosure in this Draft Letter of Offer:

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

CONTINGENT LIABILITIES OF OUR COMPANY

As on date of this Draft Letter of Offer, there are no contingent liabilities as per Ind AS – 37 Provisions and contingent liabilities of our Company.

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Information*' beginning on **page 88** of this Draft Letter of Offer.

LITIGATION INVOLVING OUR COMPANY

A. Litigations Against Our Company

As on date of the Draft Letter of Offer, there are no proceedings filed against our Company.

B. Litigations Filed by Our Company

As on date of the Draft Letter of Offer, there are no proceedings filed by our Company.

C. Matters of Moral Turpitude or Criminal Liability on the Part of Our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of Moral Turpitude or Criminal Liability on our Company.

D. Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of material violations of statutory regulations our Company.

E. Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Draft Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

F. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

As on date of this Draft Letter of Offer, there are no proceedings involving our Company which involve an amount, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;

LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP

As on date of this Draft Letter of Offer, there are no subsisting litigation filed by or against on our Directors and Promoter.

LITIGATION INVOLVING OUR GROUP COMPANIES

1) Litigation involving our Group Companies

As on date of this Draft Letter of Offer, there are no group company.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2023

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next 12 (Twelve) months to our knowledge.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Letter of Offer.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. The Board of Directors in its meeting held on April 26, 2023, has approved / authorized the issue.;
- b. In-principal approval from [●] dated [●], to use their name for listing of Equity Shares issued by our Company.
- c. The ISIN of the Company is INE923K01014;

II. Approvals Related to Incorporation of Company

| Sr. No. | Description | CIN/Registration No. | Registrar | Date of Certificate | Date of Expiry |
|---------|---|-------------------------------|---|---------------------|-----------------------|
| 1. | Certificate of Incorporation in the name of Vijaya Shrimp Farms and Exports Limited | L05005AP1992PLC014326 of 1992 | Registrar of Companies, Andra Pradesh at Vijayawada | June 4, 1992 | Valid until cancelled |
| 2. | Certificate of commencement of Business in the Vijaya Shrimp Farms and Exports Limited | L05005AP1992PLC014326 of 1992 | Registrar of Companies, Andra Pradesh at Vijayawada | June 25, 1992 | Valid until cancelled |
| 3. | Fresh Certificate of Incorporation in pursuant to change of name from Vijaya Shrimp Farms and Exports Limited to VSF Projects Limited | L05005AP1992PLC014326 of 1992 | Registrar of Companies, Andra Pradesh at Vijayawada | September 8, 2005 | Valid until cancelled |

III. Tax Approvals in relation to our Company

| Sr No. | Description | Authority | Registration Number | Date of Certificate | Validity Upto |
|--------|---|--|---------------------|---------------------|----------------------|
| 1. | Permanent Account Number (PAN) | Income Tax Department | AAACV7255P | June 25, 1992 | Valid till Cancelled |
| 2. | Tax deduction Account Number (TAN) | Income Tax Department | HYDV00524G | June 25, 1992 | Valid till Cancelled |
| 3. | GST Registration for the state of Andra Pradesh | The Central Goods and Services Tax Act, 2017 | 37AAACV7255P3ZK | March 9, 2023 | Valid till Cancelled |

IV. Approvals Obtained in relation to business operations.

| Sr. No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---------|---|---|---------------------|---------------------|--------------------------------|
| a. | Import Export Certificate | Office of the Additional Director General of Foreign Trade | 0909021163 | March 10, 2010 | Valid till cancelled |
| b. | Consent To Establish under Water (Prevention & Control of Pollution) Act, 1974 and under Sec.21 of Air (Prevention & Control of Pollution) Act, 1981 | Andhra Pradesh Pollution Control Board Zonal Office Kurnool | NA | March 20, 2023 | 7 years from the date of issue |
| c. | Formal approval for Setting up Multi Product FTWZ at Ankulpaturu Village SPSR Nellore District Andhra Pradesh over area of 50 Ha (132.69 Acers) | Government of India Ministry of Commerce & Industry Department of Commerce (SEZ Section) | NA | November 3, 2021 | NA |
| d. | Ministry Of Commerce And Industry (Department Of Commerce) (Sez Division) Gazette Notification notifying the land admeasuring 132.96 acres as Special Economic Zone | Joint Secretary (Government of India) | NA | September 22, 2022 | NA |
| e. | No Objection Certificate to setup Multi Product Free Trade & Warehousing Zone at Ankulpaturu Village SPSR Nellore District Andhra Pradesh | Special Chief Secretary to Government & CIP Industries and Commerce Department, Andhra Pradesh. | NA | June 25, 2021 | NA |

V. Details of the domain name in the name of our Company

| Domain Name |
|----------------|
| vsfproject.com |

VI. Registration Certificate Yet to Receive

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on April 26, 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

Our Board in its meeting held on April 26, 2023, has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an issue price of ₹[●].00/- per Rights Equity Shares. The Issue Price of ₹[●].00/- per Rights Share has been arrived at, in consultation, prior to determination of the Record Date.

This Draft Letter of Offer has been approved by our Rights Issue Committee, at its meeting held on Friday, August 4, 2023.

On Application, Investors will have to pay ₹[●].00/- (Rupees [●] Only) per Rights Equity Shares, which constitutes [●]% ([●] Percent) of the Issue Price and the balance ₹[●].00/- (Rupees [●] Only) per Rights Share which constitutes [●] % ([●] Percent) of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board and, or, the Rights Issue Committee at its sole discretion.

Our Company has received 'in-principle' approvals from the BSE Limited vide its letter bearing reference number '[●]' dated '[●]', pursuant to Regulation 28 (1) of the SEBI (LODR) Regulations, for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Our Company will also make applications to Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circular.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. Our Company has been allotted the ISIN [●] by the Depositories for the Rights Equity Shares to be issued pursuant to this Issue. For further details, kindly refer to the section titled '*Terms Of The Issue*' beginning on page 168 of this Draft Letter of Offer.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Directors, and persons in control of our Company have not been and are not debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Draft Letter of Offer.

None of the companies with which our Promoters or our Directors are associated with as promoters or directors have been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor any of our Directors, have been declared a Wilful Defaulter or Fraudulent Borrower or Fugitive Economic Offender as defined under SEBI (ICDR) Regulations.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market.

There are no outstanding action(s) initiated by SEBI against our Directors in the 5 (Five) years preceding the date of this Draft Letter of Offer.

PROHIBITION BY RBI

Neither our Company, nor our Promoter or any of our Directors, have been categorized or identified or declared as a Wilful Defaulter or Fraudulent Borrower.

CONFIRMATION UNDER COMPANIES (SIGNIFICANT BENEFICIAL OWNERS) RULES, 2018

Our Company and our Promoter are in compliance with the requirements of the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are currently listed on BSE Limited. Our Company is eligible to offer the Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI (ICDR) Regulations and other applicable provisions of the SEBI (ICDR) Regulations.

Our Company is mandated to satisfy the condition set out in Part B of Schedule VI to the SEBI (ICDR) Regulations. Consequently Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI (ICDR) Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI (ICDR) Regulations, our Company has made applications to the Stock Exchanges and has received their 'in-principle' approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

COMPLIANCE WITH PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

DISCLAIMER CLAUSE OF SEBI

This Draft Letter of Offer is being filed with BSE Limited as per the provisions of the SEBI (ICDR) Regulations. Further, our Company will simultaneously submit this Draft Letter of Offer to SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in accordance SEBI circular bearing reference number 'SEBI/HO/CFD/DIL1/CIR/P/2018/011' dated January 19, 2018, issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address at cfddil@sebi.gov.in.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE BOARD OF DIRECTORS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE

INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company accepts no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue. Our Company accepts no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

CAUTION

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Andhra Pradesh, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its letter dated [●] to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on BSE Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.s

SELLING RESTRICTIONS

The distribution of this Issue Documents and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI (ICDR) Regulations, our Company will send / dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

LISTING

Our Company will apply to BSE Limited for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

CONSENTS

Consents in writing of our Directors, Company Secretary, Compliance Officer, Chief Financial Officer, Statutory Auditors, the Registrar to the Issue, the Bankers to the Issue, and Experts to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this DRAFT Letter of Offer.

EXPERT OPINION

Our Company has received written consent from M/s. NVSR & Associates, LLP The Statutory Auditors of our Company, to include its name as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in this Draft Letter of Offer to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report Financial Statements; and (ii) the Statement of Special Tax Benefits available to our Company and its shareholders dated August 02, 2023 included in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

The term 'expert' and 'consent' thereof shall not be construed to mean an 'expert' or 'consent' as defined under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Statutory Auditors, our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC / RIGHTS ISSUE OF OUR COMPANY

Our Company has not undertaken any rights issues or public issues during the 5 years immediately preceding the

date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on BSE Limited. For details in connection with the stock market data of the Stock Exchanges, see '*Stock Market Data for equity shares of our Company*' on page 151 of this Draft Letter of Offer.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Purva Sharegistry (India) Private Limited is our Registrar to the Issue. All investor grievances received by us have been handled by the Registrar in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 7 (Seven) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, [●] for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue, or our Company Secretary, or our Compliance Officer for any Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole / first holder, folio number or demat account number, serial number of the Application Form, number of the Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' on page 168 of this Draft Letter of Offer.

The contact details of the Registrar and the Company Secretary and Compliance Officer of our Company are as follows:

| Company Secretary and Compliance Officer | Registrar to the Issue |
|--|---|
| <p>Soumith Kumar Sikinderpurkar Address: Sy.No.782 to 1236, Ankulapatur Village, Chillakur Mandal, Tirupati District, Andhra Pradesh, 524 412 Contact Details: +040-23548694 Email-ID: vsfprojectsLtd91@gmail.com</p> | <p>Purva Sharegistry (India) Private Limited Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai - 400011, Maharashtra, India; Contact Details: + 91-22-2301-2518 / 6761; E-mail ID: support@purvashare.com; Investor grievance e-mail: support@purvashare.com; Website: www.purvashare.com; Contact Person: Ms. Deepali Dhuri; SEBI Registration Number: INR000001112 Validity: Permanent;</p> |

KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an indicative summary of certain key industry laws, regulations and policies as notified by the Government of India or State Governments and other regulatory bodies, which are applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled '*Government and Other Approvals*' beginning on page 156 of this Draft Prospectus.

INDUSTRY SPECIFIC LAWS

The Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSME Act')

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 The Micro, Small and Medium Enterprises Development Act, 2006 ('MSME Act'). In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

CORPORATE LAWS

The Companies Act, 2013

The Companies Act, 2013 came into existence by repealing the Companies Act, 1956 in a phased manner. It received the assent of the President on August 29, 2013. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with matters related to Incorporation of Companies, Prospectus and allotment of securities, share capital and Debentures, Acceptance of Deposits by Companies, Management and Administration, Appointment and Qualifications of Directors and other matters incidental thereto which are necessary for better Corporate Governance, bringing in more transparency in relation to Compliances and protection of shareholders & creditors.

The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019

The new Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. Under the Act, the Central Government shall determine wage-related provisions in railways, mines, oil fields, etc., while the State Government is empowered to take such decisions in relation to other employments.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers. In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Public Liability Insurance Act, 1991 ('PLI Act')
- Industrial (Development and Regulation) Act, 1951 ('IDRA')
- Industrial Disputes Act, 1947 ('ID Act')
- Payment of Bonus Act, 1965 ('POB Act')
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Equal Remuneration Act, 1976 ('ER Act')
- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ('WCA')
- Maternity Benefit Act, 1961 ('Maternity Act')
- Industrial Employment Standing Orders Act, 1946
- The Employees Compensation Act, 1923 ('EC Act') and the rules framed thereunder
- Minimum Wages Act, 1948 ('MWA') and the rules framed thereunder

TAX RELATED LAWS

The Income Tax Act, 1961

The Income Tax Act deals with computation of tax liability of individuals, corporates, partnership firms and others. The Income-tax Act, 1961 ('IT Act') is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and

'Type of Income' involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assessee. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

The Goods and Service Tax (GST)

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Import, Export, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST has mainly removed the Cascading effect on the sale of goods and services. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

INTELLECTUAL PROPERTY RELATED LAWS

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- The Trademarks Act, 1999; and
- Design Act, 2000.

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Trademark Act, 1999

The Trademark Act, 1999 was developed keeping in view the need for simplification of and harmonization of Trademarks system, registration and statutory protection for the purpose of prevention of the use of fraudulent marks in India. A trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Once granted, trade mark registration is valid for ten years unless cancelled, which may be renewed for similar periods on payment of a prescribed renewal fee. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Designs Act, 2000 ('Designs Act')

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or color or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for

registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

GENERAL LEGISLATIONS

The Arbitration and Conciliation Act, 2015 ('Arbitration Act')

The Arbitration Act was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ('Contract Act') codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

The Competition Act, 2002

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates 'combinations' in India. The Competition Act also established the Competition Commission of India (the 'CCI') as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Transfer of Property Act, 1882 ('TP Act')

The Transfer of Property Act, 1882 (the 'TP Act') establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose.

The Information Technology Act, 2000

The Information Technology Act, 2000 (the IT Act) is an Act of the Indian Parliament notified on October 17, 2000. It is the primary law in India dealing with cybercrime and electronic commerce. It was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber-crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, and the unauthorized disclosure of confidential information and computer fraud.

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

The Registration Act, 1908

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

Negotiable Instruments Act, 1881

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheque without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act creates statutory offence in the matter of dishonour of cheque on the ground of insufficiency of funds in the account maintained by a person with the banker.

Limitation Act, 1963

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

The Special Economic Zones Act, 2005

The Law relating to law of The Special Economic Zones Act, 2005 which was enacted on by Parliament in the Fifty-sixth Year of the Republic of India. This Act to provide for the establishment, development and management of the Special Economic Zones for the promotion of exports and for matters connected therewith or incidental thereto. It states Procedure for making proposal to establish Special Economic Zone, Establishment of Special Economic Zone and approval and authorisation to operate it to, Developers. It sates the Guidelines for notifying Special Economic Zone and various other provision for setting up procedure and Tax benefit as per the law.

FOREIGN REGULATIONS

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 ('FEMA') was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ('FEMA Regulations') to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see ‘**Application By Eligible Equity Shareholders Holding Equity Shares In Physical Form**’ on page 184 of this Draft Letter of Offer.*

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with BSE Limited and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations , ASBA Circular, our Company will send/dispatch at least 3 (Three) days before the Issue Opening Date, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

| Access of Documents on the website of | URL of websites |
|---------------------------------------|--|
| Company | www.vsfproject.com |
| Registrar to the Issue | www.purvashare.com |
| BSE Limited | www.bseindia.com |

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.purvashare.com by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.vsfproject.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. **Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.**

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and BSE Limited. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Process of making an Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars, and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA detailed under the Paragraph titled 'Procedure for Application through the ASBA Process' on page 179 of this Draft Letter of Offer.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be

submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled '*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*' on page 170 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled 'Grounds for Technical Rejection' on page 187 of this Draft Letter of Offer. Our Company, the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled '*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*' on page 182 of Draft Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

- (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- (b) Equity Shares held in the account of IEPF authority; or
- (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- (e) Credit of the Rights Entitlements returned/reversed/failed; or
- (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
- (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.vsfproject.com)

Other important links and helpline

The Investors can visit following links for the below-mentioned purposes:

| Particulars | Website Links |
|---|--|
| Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors | www.purvashare.com |
| Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders | |
| Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company | www.purvashare.com |
| Updation of demat account details by Eligible Equity Shareholders holding shares in physical form | |

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Basis for this Issue

The Rights Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held

in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, i.e. [●].

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. [●], you may be entitled to subscribe to the number of Rights Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.vsfproject.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, please refer to the section titled '*Notice to Investors*' on page 13 of this Draft Letter of Offer.

PRINCIPAL TERMS OF THIS ISSUE

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| Face Value | Each Rights Equity Share will have the face value of ₹10.00/- (Rupees Ten Only). |
| Issue Price | ₹[●].00/- (Rupees [●] Only) per Rights Equity Share issued in [●] ([●]) Rights Entitlement, (i.e. ₹[●].00/- (Rupees [●] Only) per Rights Equity Share, including a premium of ₹[●].00/- (Rupees [●] Only) per Rights Share). On Application, Investors will have to pay ₹[●]00/- (Rupees [●] Only) per Rights Share which constitutes [●]% ([●]Percent) of the Issue Price, and the balance ₹[●].00/- (Rupees [●] Only) per Rights Share which constitutes [●]% ([●]Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Rights Issue Committee of the Board from time to time. |
| Rights Entitlements Ratio | The Rights Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●]([●]) Rights Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., [●]. |
| Renunciation of Rights Entitlements | This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and <i>vice versa</i> shall be subject to provisions of FEMA Rules and other circular, directions, or |

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| | <p>guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see <i>‘Procedure for Renunciation of Rights Entitlements’</i> on page 180 of this Draft Letter of Offer.</p> <p>In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p> |
| <p style="text-align: center;">Credit of Rights Entitlements in dematerialised account</p> | <p>In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. [●]; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.</p> <p>In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from [●] to [●] (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.</p> <p>Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to BSE Limited after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.</p> |

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| | <p>PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, <i>PER SE</i>, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., [●] AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE ‘PROCEDURE FOR APPLICATION’ ON PAGE 177 OF THIS DRAFT LETTER OF OFFER.</p> |
| <p>Trading of the Rights Entitlements</p> | <p>In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on BSE Limited under Rights Entitlement ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from BSE for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.</p> <p>The On Market Renunciation shall take place electronically on the secondary market platform of BSE Limited on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.</p> <p>The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, <i>i.e.</i>, from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see ‘<i>Procedure for Renunciation of Rights Entitlements – On Market Renunciation</i>’ and ‘<i>Procedure for Renunciation of Rights Entitlements – Off Market Renunciation</i>’ on page 181 of this Draft Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see ‘<i>Procedure for Application</i>’ on page 177 of this Draft Letter of Offer.</p> <p>Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.</p> |
| <p>Terms of Payment</p> | <p>₹[●].00/- (Rupees [●]Only) per Rights Equity Share issued in [●] ([●]) Rights Entitlement, (i.e. ₹[●].00/- (Rupees [●] Only) per Rights Equity Share, including a premium of ₹[●].00/- (Rupees [●] Only) per Rights Share).</p> <p>On Application, Investors will have to pay ₹[●].00/- (Rupees [●] Only) per Rights Share which constitutes [●]% ([●]) of the Issue Price, and the balance ₹[●].00/- (Rupees [●] Only) per Rights Share which constitutes [●]% ([●]Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Rights Issue Committee of the Board from time to time, which shall be made within twelve months from the date of allotment in the issue.</p> <p>Rights Equity Shares in respect of which the Calls payable remains unpaid shall be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association</p> |
| <p>Fractional Entitlements</p> | <p>The Rights Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Shares for every [●] ([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.</p> |
| <p>Credit Rating</p> | <p>As this Issue is a rights issue of Rights Shares, there is no requirement of credit rating for this Issue.</p> |

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| <p>Ranking</p> | <p>The Rights Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with BSE and the terms and conditions as stipulated in the Allotment advice. The Rights Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank <i>pari passu</i> with the existing Equity Shares, in all respects including dividends. In respect of the Rights Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.</p> |
| <p>Listing and trading of the Rights Shares to be issued pursuant to this Issue</p> | <p>Subject to receipt of the listing and trading approvals, the Rights Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE Limited. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited vide its letter bearing reference number [●] dated [●] respectively. Our Company will apply to BSE Limited for final approvals for the listing and trading of the Rights Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Shares or the price at which the Rights Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on BSE (Scrip Code: 519331) (Symbol: VSFPROJ) under the ISIN: INE923K01014. The Rights Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from BSE Limited. Upon receipt of such listing and trading approvals, the Rights Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from BSE Limited, rejecting the application for listing of the Rights Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of partly paid-up Rights Shares, please refer to the heading '<i>Terms of Payment</i>' at page 174 of this Draft Letter of Offer.</p> |
| <p>Subscription to this Issue by our Promoter</p> | <p>For details of the intent and extent of subscription by our Promoter, please refer to the chapter titled '<i>Capital Structure – Intention and extent of participation by our Promoters and Promoter Group</i>' on page 43 of this Draft Letter of Offer.</p> |
| <p>Rights of Holders of Rights Shares</p> | <p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <p>a) The right to receive dividend, if declared;</p> |

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| of our Company | <p>b) The right to vote in person, or by proxy;</p> <p>c) The right to receive surplus on liquidation;</p> <p>d) The right to free transferability of Rights Shares;</p> <p>e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and</p> <p>f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.</p> <p>Subject to applicable law and Articles of Association, holders of Rights Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Shares in this Issue</p> |
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GENERAL TERMS OF THE ISSUE

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| Market Lot | The Rights Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Shares in dematerialised mode is one (1) Equity Share. |
| Joint Holders | Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Shares offered in this Issue. |
| Nomination | <p>Nomination facility is available in respect of the Rights Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.</p> <p>Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.</p> |
| Arrangements for Disposal of Odd Lots | The Rights Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 (one) Rights Share and hence, no arrangements for disposal of odd lots are required. |
| Restrictions on transfer and transmission of shares and on their consolidation/splitting | There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. |
| Notices | In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials ('Issue Materials') only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. |

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| | <p>Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with BSE Limited for making the same available on their websites.</p> |
| <p style="text-align: center;">Offer to Non-Resident Eligible Equity Shareholders/Investors</p> | <p>As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights shares to non-resident shareholders including additional rights shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on support@purvashare.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Company will not be responsible for any such allotments made by relying on such approvals.</p> <p>The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of the Registrar, our Company and BSE Limited. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Shares are issued on rights basis.</p> <p>In case of change of status of holders, <i>i.e.</i>, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.</p> |

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. [●] see *'Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form'* on page 184 of this Draft Letter of Offer.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or BSE Limited.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of:

| Access of Documents on the website of | URL of websites |
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| Company | www.vsfproject.com |
| Registrar to the Issue | www.purvashare.com |
| BSE Limited | www.bseindia.com |

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.vsfproject.com).

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make

Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Common Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on page 187 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 182 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) Apply for its Rights Shares to the full extent of its Rights Entitlements; or
- (ii) Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
- (v) Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Common Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account

equivalent to the Application Money mentioned in the Common Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Common Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Shares (i) by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA process*' on page 182 of this Draft Letter of Offer.

Additional Rights Shares

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 192 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares. Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of BSE Limited; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on BSE Limited under RE ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by BSE Limited from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the RE ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of BSE Limited and SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Common Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Common Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being VSF Projects Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Shares entitled to;
7. Number of Rights Shares applied for within the Rights Entitlements;
8. Number of additional Rights Shares applied for, if any;
9. Total number of Rights Shares applied for;
10. Total amount paid at the rate of ₹ [●] /- per Rights Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

I/ We understand that neither the Rights Entitlements nor the Rights Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the 'US Securities Act'), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the 'United States'), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ('Regulation S') to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar to the Issue or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Draft Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.'

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com .

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

MODE OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com .

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. [●] and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

| Access of Documents on the website of | URL of websites |
|--|--|
| Company | www.vsfproject.com |

| Access of Documents on the website of | URL of websites |
|---------------------------------------|--|
| Registrar to the Issue | www.purvashare.com |
| BSE Limited | www.bseindia.com |

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.vsfproject.com);
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. [●] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Common Application Form sent to you.
- (c) The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
- (f) In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA process*' on page 182 of this Draft Letter of Offer.
- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by BSE Limited. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

- (j) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
- (k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be 'suspended for credit' and no Allotment and credit of Rights Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
- (l) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (m) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (n) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (o) All communication in connection with Application for the Rights Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (p) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (q) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (r) Investors are required to ensure that the number of Rights Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (s) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- (a) Ensure that the Common Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (***'Demographic Details'***) are updated, true and correct, in all respects.

- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- (e) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be allotted in the dematerialized form only.
- (f) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (g) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (h) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (i) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (j) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- (k) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Dont's:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.
- (f) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (g) Do not send your physical Application to the Registrar to the Issue, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

- (b) Sending an Application to the Registrar to the Issue and Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
- (l) Physical Common Application Forms not duly signed by the sole or joint Investors.
- (m) Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Shares in respect of any such Common Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the

Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar to the Issue shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

MODES OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be Allotted in the dematerialized form only.

- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Common Application Forms on the websites of the Registrar, our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

2. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India.
3. In case of a Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '*Procedure for Applications by Mutual Funds*' on page 196 of this Draft Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter to meet the minimum subscription requirements applicable to this Issue as described in '*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*' on page 43 of this Draft Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with BSE Limited and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Shares hereby offered, as provided under the paragraph titled '*Basis of Allotment*' on page 192 of this Draft Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by BSE Limited.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

| | |
|--|-----|
| LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS | [●] |
| ISSUE OPENING DATE | [●] |
| LAST DATE FOR ON MARKET RENUNCIATION* | [●] |
| ISSUE CLOSING DATE# | [●] |
| FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT) | [●] |

| | |
|---|-----|
| DATE OF ALLOTMENT (ON OR ABOUT) | [●] |
| DATE OF CREDIT (ON OR ABOUT) | [●] |
| DATE OF LISTING / TRADING(ON OR ABOUT) | [●] |

* *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

#*Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. [●].*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, please see the section titled '**General Information - Issue Schedule**' on page 39 of this Draft Letter of Offer.

BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board or duly authorized committee will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, i.e. [●], provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or our duly authorized committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, that our Board or a duly authorized committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board or a duly authorized committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/locked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) National Electronic Fund Transfer ('NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ('IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while

opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Common Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated [●] with NSDL and an agreement dated [●] with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) Prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on

VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ('OCI') may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ('**Restricted Investors**'), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ('NBFC-SI')

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

'Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.'

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months

extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at BSE Limited will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

MINIMUM SUBSCRIPTION

The objects of the Issue involve Funding capital expenditure expenses for Construction of Multi Product Free Trade Warehousing Zone in SEZ with inland Container Depot and General Corporate purposes, hence the minimum subscription of 90.00% (Ninety percent) of the Issue Size, is applicable. Further, the Promoter has undertaken that, he shall subscribe Part or to the full extent of his Rights Entitlements subject to the aggregate shareholding of our Promoter and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations. In case of non-receipt of minimum subscription Company shall refund the entire subscription amount received within 4 days

IMPORTANT

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Draft Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Common Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Common Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Common Application Form and super scribed ‘VSF Projects Limited – Rights Issue’ on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Purva Sharegistry (India) Private Limited
Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai - 400011, Maharashtra, India;
Contact Details: + 91-22-2301-2518 / 6761;
E-mail ID: support@purvashare.com;
Investor grievance e-mail: support@purvashare.com;
Website: www.purvashare.com;
Contact Person: Ms. Deepali Dhuri;
SEBI Registration Number: INR000001112;
Corporate Identification Number: U67120MH1993PTC074079;
3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.purvashare.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are [●].
4. This Issue will remain open for a minimum 7 (Seven) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the 'government route', where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ('**FDI Circular 2020**'), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an

eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the aforementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. (Indian Standard Time) and 5 p.m. (Indian Standard Time) on all Working Days from the date of the Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated [●] [●], 2023, between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] among our Company, the Registrar to the Issue and the Bankers to the Issue;

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of incorporation and fresh certificate of incorporation
Pursuant to change of name of our Company;
3. Copies of annual reports for the preceding 5 (Five) Financial Years;
4. Copies of Financial Statement for the last 3 (Three) Financial Years for the Financial Years ended on March 31, 2023, March 31, 2022, March 31, 2021 and September 30, 2023;
5. Resolution of our Board of Directors dated April 26, 2023, approving the Issue;
6. Resolution of our Rights Issue Committee of Board of Directors dated January 30, 2024, approving this Draft Letter of Offer;
7. Resolution of our Rights Issue Committee dated [●] finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
8. Resolution of our Board of Directors dated [●], approving the Letter of Offer;
9. Consents of our Directors, Banker to our Company Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
10. Report on Statement of Special Tax Benefits dated January 29, 2024, for our Company from the Statutory Auditors of our Company;
11. In-principle approval issued by BSE Limited vide their letter bearing reference number ' [●]' dated [●];

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Narayana Murthy Bobba
Managing Director
DIN: 00073068

Place: Andhra Pradesh,
Date: January 30, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Vijaya Lakshmi Bobba

Whole Time Director

DIN: 01496696

Place: Andhra Pradesh

Date: January 30, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Lakshmi Narasimha Chowdary Booba
Whole Time Director & Chief Financial Officer
DIN: 02381545

Place: Andhra Pradesh

Date: January 30, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Veera Brahma Rao Arekapudi

Executive Director

DIN: 07540040

Place: Andhra Pradesh

Date: January 30, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Ramesh Babu Nemani
Independent Director
DIN: 08089820

Place: Andhra Pradesh
Date: January 30, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Reshma Kiranmayee Pulapa

Non-Executive Director

DIN: 09388548

Place: Andhra Pradesh

Date: January 30, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Rahul Patibandla
Non-Executive Director
DIN: 07344724

Place: Andhra Pradesh
Date: January 30, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Letter of Offer are true and correct.

Signed by the Director of our Company

Sd/-

Sriramshetty Srinivasa Rao

Independent Director

DIN: 00895774

Place: Andhra Pradesh

Date: January 30, 2024