

VSF PROJECTS LIMITED

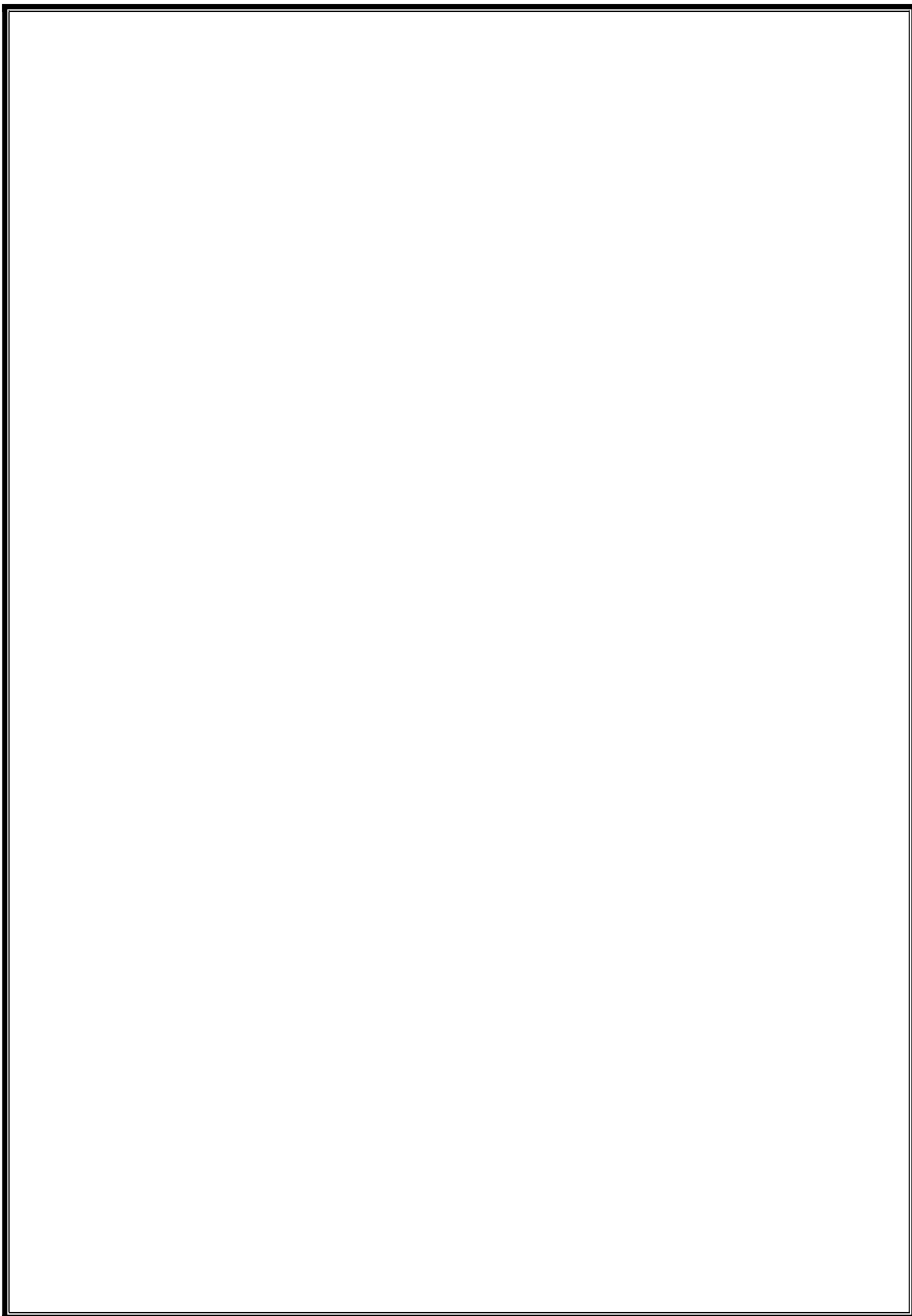
30<sup>th</sup>

Annual Report

2021-22

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## CORPORATE INFORMATION

### Board of Directors

Sri NARAYANA MURTHY BOBBA	: Managing Director
Smt VIJAYA LAKSHMI BOBBA	: Director
Sri Lakshmi Narasimha Bobba Chowdary	: Director
Sri Rahul Patibandla	: Director
Sri Ramesh Babu Nemani (from 15th November 2021)	: Independent Director
Sri AjayaPatibandla (up to 22.11.2021)	: Independent Director
Sri Sriramshetty Srinivasa Rao (from 15th November 2021)	: Independent Director
Smt. Reshma Kiranmayee Pulapa (from 15th November 2021):	Director

### CIN NO

L05005AP1992PLC014326

### REGISTERED OFFICE

Sy.No.782 to 1235  
Ankulapatur Village  
ChillakurMandal, SPSR Nellore District, AP,  
524 412

### CORPORATE OFFICE

Plot No.8-2-269/19/S/D Lavakusa residency  
Rd.No.2, Banjara Hills  
Hyderabad - 500 034, Telangana  
[www.vsfproject.com](http://www.vsfproject.com)

Email:

[vsfprojects1td91@gmail.com](mailto:vsfprojects1td91@gmail.com)

**AUDITORS**

NVSR & ASSOCIATES, LLP

Chartered Accountants

Flat no 202, Nestcon Gayatri, Plot no 28,

Panchavati Cooperative society,

Near South Indian Bank, Road no 10,

Banjara Hills, Hyderabad-500 034

**REGISTRAR AND SHARE TRANSFER  
AGENT:**

Aarthi Consultants Private Limited

1-2-285, Near Gaganmahal Hospital

Domalaguda, Himayatnagar

Hyderabad - 500 029

Ph.No.040-27638111

**BANKERS/FINANCIAL  
INSTITUTIONS**

**Indusind Bank**

**BSE Script Code : 519331**

**Script : VSFPROJ**

**ISIN No : INE923K01014**

## NOTICE

Notice is hereby given that the **Thirtieth Annual General Meeting** of the members of the Company will be held on Saturday, 12<sup>th</sup> November, 2022 at 03.00 PM at the registered office of the Company at Sy.No.782 to 1235, Ankulapatur Village, Chillakur Mandal, SPSR Nellore District, Andhra Pradesh, 524412 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the standalone Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2022 and the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended on that date along with the Report of Directors and the Auditors thereon.
2. To appoint a Director in the place Mr. Rahul Patibandla, who retires by rotation and being eligible himself for reappointment.

### SPECIAL BUSINESS

3. To approve increase in the Authorized Share Capital and alteration of the Capital Clause of the Memorandum of Association of the Company.

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

**“RESOLVED THAT** pursuant to Section 61(1)(a), Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the Authorized Share Capital of the Company be and is hereby increased from Rs. 8,00,00,000 /- (Rupees Eight Crores Only) divided into 80,00,000 (Eighty Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each to Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) equity shares of Rs.10/- (Rupees Ten Only) each by creation of additional 2,00,00,000 (Twenty Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each in the Authorized Share Capital of the Company.”

**“RESOLVED FURTHER THAT** pursuant to Section 64(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the existing Clause V of the Memorandum of Association of the Company be altered to read as under:

V. *The Authorised Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (1 Crore) equity shares of Rs.10/- (Rupees Ten Only)."*

**"RESOLVED FURTHER THAT** Mr. Bobba Narayana Murthy, Managing Director of the company, Mr. Lakshminarasimha Bobba Chowdary, Whole-time Director & Chief Financial Officer of the company be and are hereby severally authorized to intimate the Registrar of Companies, Andhra Pradesh about such increase in the Authorized Share Capital of the Company and to do all such acts, deeds, matters and things to give effect to the aforementioned Resolution, including to enable the Company and the Registrar to make necessary changes in the Capital Clause of the Memorandum of Association of the Company as specified in the above Resolution."

4. To approve Alteration of the Articles of Association of the Company.

*To consider and, if thought fit, to pass the following resolution as a Special Resolution:*

**"RESOLVED THAT** pursuant to provisions of Companies Act, 2013 and other applicable provisions of the Act including Section 14 and the rules made thereunder, consent of the members of the Company be and is hereby accorded to alter the article 3 of articles of association as follows:

***"The Authoised capital of the Company shall be as mentioned in clause V of the Memorandum of Association of the Company"***

**RESOLVED FURTHER THAT** Mr. Bobba Narayana Murthy, Managing Director of the company, Mr. Lakshminarasimha Bobba Chowdary, Whole-time Director & Chief Financial Officer of the company be and are hereby severally authorized to file the necessary forms with Registrar of Companies Andhra Pradesh and to do all acts deeds and things as may be required to give effect to the above resolution."

5. To consider and approve further issue of equity shares on preferential basis for cash

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

**"RESOLVED THAT** pursuant to Sections 23(1)(b), 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)



Regulations 2018, as amended (“SEBI ICDR Regulations”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) the listing agreements entered into by the Company with BSE Limited (“Stock Exchange”) on which the Equity Shares of the Company having face value of Rs.10/- (Ten) each (“Equity Shares”) are listed and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the Ministry of Corporate Affairs (“MCA”), Securities and Exchange Board of India (“SEBI”) and/or any other competent authorities, (hereinafter referred to as “Applicable Regulatory Authorities”) from time to time to the extent applicable and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution, consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot up to 18,00,000 (Eighteen Lakh) equity shares having face value of Rs. 10/- (Rupees Ten) each fully paid-up (“Equity Shares”) at a premium of Rs. 35/- (Rupees Thirty) each on such terms and conditions as may be deemed appropriate by the Board on preferential basis to:

S.No	Name of the proposed allottee	Category	No. of equity shares to be issued
1.	Praveena Palakapati	Non-Promoters	2,50,000
2.	Pannala Ramanakar Reddy	Non-Promoters	70,000
3.	Paladugu Saroj Babu	Non-Promoters	2,50,000
4.	Bijjam Ramanjula Reddy	Non-Promoters	1,30,000
5.	Pavan Thirumala Raju	Non-Promoters	2,20,000
6.	Rajesh Varma Siravuri	Non-Promoters	1,30,000
7.	Harika Kranthi Bhupathiraju	Non-Promoters	4,00,000
8.	Alluri Sainath	Non-Promoters	3,50,000

And at a price being not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations or such higher price determined on

such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

**“RESOLVED FURTHER THAT** in accordance with SEBI ICDR Regulations, the ‘Relevant Date’ for determination of the issue price of Equity Shares, shall be, 13<sup>th</sup> October 2022 being the date 30 (Thirty) days prior to the meeting of members of the Company to be held to consider the Preferential Issue of equity shares and the issue price determined in accordance with SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form”.

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in SEBI ICDR Regulations”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as stock exchange and other appropriate authority may impose at the time of their approval and as agreed to by the Board other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the said equity shares shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said equity shares is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for

matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE where the shares of the Company are listed.”

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

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

6. Approval for offering an option of conversion of unsecured loans and Sundry Creditors into equity.

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

“**RESOLVED THAT** pursuant to the provisions of section 62(3) and other applicable provisions under the Companies Act, 2013 and rules made thereunder basis the option for conversion of Unsecured Loans and Sundry Creditors into equity shares that has been obtained from unsecured lenders and Sundry Creditors the consent of the shareholders be and is hereby accorded to the Board for offering Equity shares to the unsecured lenders and sundry creditors subject to the compliance of applicable provisions under section 42,62 of the Companies Act 2013, Chapter V of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to authorised representatives) as it may, in its

absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of renewal, deciding and / or finalising other terms of conversion of unsecured loans and sundry creditors and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

7. To consider and approve issue of Equity shares to the promoters and non promoters by way of conversion of unsecured loan (USL).

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

**“RESOLVED THAT** pursuant to Sections 23(1)(b), 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“SEBI ICDR Regulations”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) the listing agreements entered into by the Company with the BSE Limited (“Stock Exchange”) on which the Equity Shares of the Company having face value of Rs.10/- (Ten) each (“Equity Shares”) are listed and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the Ministry of Corporate Affairs (“MCA”), Securities and Exchange Board of India (“SEBI”) and /or any other competent authorities, (hereinafter referred to as “Applicable Regulatory Authorities”) from time to time to the extent applicable and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution, consent of the Members of the Company be and is hereby accorded to the Board and

the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot on a preferential basis, from time to time, in one or more tranches, up to 6,89,797 (Six Lakh, Eighty Nine Thousand, Seven Hundred and Ninety Seven Only) fully paidup equity shares of the Company, having face value of Rs.10/- (Rupees Ten Only) each at a premium of Rs. 35/- each to the persons mentioned in the following table below, on such terms and conditions as may be deemed appropriate by the Board by conversion of existing outstanding loans which was extended by the members of promoter group and non promoters to the Company for supporting the day to-day operations and to meet immediate working capital needs:

S. No.	Name of Proposed allottee	Category	No of equity shares to be issued
1	Bobba Lakshmi Narasimha Chowdary	Promoter/Promoter Group	2,20,000
2	Bobba Vijaya Lakshmi	Promoter/ Promoter Group	2,20,000
3	Anagani Satya Prasad	Non-Promoter	1,02,222
4	Incap Limited	Non-Promoter	47,576
5	Gopalan Manoharan	Non-Promoter	33,333
6	Sree Satya Murthy Vemaraju	Non-Promoter	22,222
7	Kakarla Infra Projects Private Limited	Non-Promoter	22,222
8	Rajasekhar Madala	Non-Promoter	22,222

and at the price being not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

**“RESOLVED FURTHER THAT** in accordance with SEBI ICDR Regulations, the ‘Relevant Date’ for determination of the issue price of Equity Shares, shall be, 13<sup>th</sup> October 2022 being the date 30 (Thirty) days prior to the meeting of members of the Company is to be held to consider the Preferential Issue of equity shares and the issue price determined in accordance with SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form”.

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in SEBI ICDR Regulations”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as stock exchange and other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the said equity shares shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said equity shares is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE where the shares of the Company are listed.

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

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to

modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

8. To consider and approve conversion of outstanding amount due to Sundry Creditors by way of Preferential Issue of Equity Shares

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

**“RESOLVED THAT** pursuant to Sections 23(1)(b), 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“SEBI ICDR Regulations”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) the listing agreements entered into by the Company with the BSE Limited and (“Stock Exchange”) on which the Equity Shares of the Company having face value of Rs.10/- (Ten) each (“Equity Shares”) are listed and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the Ministry of Corporate Affairs (“MCA”), Securities and Exchange Board of India (“SEBI”) and /or any other competent authorities, (hereinafter referred to as “Applicable Regulatory Authorities”) from time to time to the extent applicable and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution, consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot on a preferential basis, from time to time, in one or more tranches, up to 6,49,133 (Six Lakh Forty Nine Thousand, One Hundred and Thirty Three Only) fully paidup equity shares of the Company, having face

value of Rs.10/- (Rupees Ten Only) each at a premium of Rs. 35/- each to the persons mentioned in the following table below, on such terms and conditions as may be deemed appropriate by the Board by conversion of existing outstanding sum due by the company for the services extended/rendered by the non-promoters to the Company

S. No.	Name of Proposed allottee	Category	No of equity shares to be issued
1	Shaik Chan Basha	Non-Promoters	4,43,000
2	Maganti Saikrishna	Non-Promoters	90,000
3	Sunkara Jaya Bharath Reddy	Non-Promoters	1,16,133

and at the price being not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

**“RESOLVED FURTHER THAT** in accordance with SEBI ICDR Regulations, the ‘Relevant Date’ for determination of the issue price of Equity Shares, shall be, 13<sup>th</sup> October 2022 being the date 30 (Thirty) days prior to the meeting of members of the Company is to be held to consider the Preferential Issue of equity shares and the issue price determined in accordance with SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form”.

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in SEBI ICDR Regulations”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as stock exchange and other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the said equity shares shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said equity shares is pending on account of pendency of any approval for such allotment



by any regulatory authority, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE where the shares of the Company are listed.

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

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

9. To approve borrowing of funds from banks and Financial Institutions to an aggregate sum of Rs. 200 Crores (Fund and Non Fund Based)

*To consider and, if thought fit, to pass the following resolution as a Special Resolution:*

**“RESOLVED THAT** pursuant to the provisions of Sections 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded, to borrow, from time to time, any sum or sums of monies (exclusive of interest) on such terms and conditions as may be determined,

from anyone or more of the Company's bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, -issue of debentures, commercial papers, long/short term loans, suppliers' credit, securitized instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institutions, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves and securities premium, so that the total amount up to which the moneys may be borrowed by the Company and outstanding at any time shall not exceed the sum of Rs.200 Crores (Rupees Two Hundred Crores).

**RESOLVED FURTHER THAT** in connection with the aforesaid, the Board of Directors (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

10. To Authorize creation of charges on the assets of the company.

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

**"RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to create charge / provide security for the sum borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders / Institutions, under the respective arrangements entered into / to be entered by the Company and/or Board.

**RESOLVED FURTHER THAT** the Securities to be created by the Company for its borrowing as aforesaid may rank with the security already created in the form of mortgage and / or charges already created or to be created in future by the Company as may be agreed to between the Board and concerned parties.

11. To approve reappointment of Mr. Bobba Narayana Murthy, Managing Director of the Company.

*To consider and, if thought fit with or without modification, to pass the following as an Special Resolution:*

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 33 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr Bobba Narayana Murthy (DIN: 00073068), as Managing Director of the Company for a period of three years commencing from 10th October, 2022, for a period of 3 years, at a remuneration of Rupees Thirty Six Lakhs Only Per annum and as per the terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.”

12. To approve reappointment of Mr. Bobba Lakshmi Narasimha Chowdary, Director and CFO of the Company.

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

“RESOLVED that pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to applicable provisions of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr Bobba Lakshmi Narasimha Chowdary (DIN: 02381545) as Wholetime Director of the Company for a period of three years commencing from 10<sup>th</sup> October, 2022 for a period of 3 years, at a remuneration of Rupees Twenty Four Lakhs Only Per annum and as per the terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.”

13. To approve reappointment of Mrs. Vijaya Lakshmi Bobba, Director of the Company.

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to applicable provisions of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for re-appointment of Mrs. Vijaya Lakshmi Bobba, (DIN: 01496696) as Director of the Company for a period of three years commencing from 10<sup>th</sup> October, 2022, for a period of 3 years, at a remuneration of Rupees Six Lakhs Only Per annum and as per the terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice."

14. To consider, approve and regularize the appointment of additional director, Mr. Sriramshetty Srinivasa Rao.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013, ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read the Articles of Association of the Company, Mr. Sriramshetty Srinivasa Rao (DIN: 00895774), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting, be and is hereby appointed as Independent Director of the Company for a period of 5 years effective from 15<sup>th</sup> November, 2021 to 14<sup>th</sup> November, 2026, whose period of office shall not be liable to determine by retirement of directors by rotation."

15. To consider, approve and regularize the appointment of additional director, Mr. Ramesh Babu Nemani.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013, ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read the Articles of Association of the Company, Mr. Ramesh Babu Nemani (DIN: 08089820), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting, be and is hereby appointed as Independent

Director of the Company for a period of 5 years effective from 15<sup>th</sup> November, 2021 to 14<sup>th</sup> November, 2026, whose period of office shall not be liable to determine by retirement of directors by rotation."

16. To consider, approve and regularize the appointment of additional director, Ms. Reshma Kiranmayee Pulapa.

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

"**RESOLVED THAT** pursuant to the provisions of Section 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013, ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read the Articles of Association of the Company, Ms. Reshma Kiranmayee Pulapa (DIN: 09388548), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting, be and is hereby appointed as Non-Executive Director of the Company, whose period of office shall be liable to determine by retirement of directors by rotation."

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Place: Hyderabad  
Date: 10.10.2022**

**Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

## NOTES:

1. A member entitled to attend and to vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and such a proxy need not be a member of the company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. A person cannot act as proxy for more than 50 members and holding in aggregate not more than 10% of the total share capital of the Company.
2. The Register of Members and the Share Transfer Books will remain closed from 6<sup>th</sup> November, 2022 to 12<sup>th</sup> November, 2022 (both days inclusive).
3. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
4. Members are requested to quote their Registered Folio No or Demat Account No and Depository Participant Identification Number (DPID No) on all correspondence with the Company.
5. Members are requested to send all communication relating to shares to the Company's RTA M/s Aarthi Consultants (P) Limited, 1-2-285, Near Gaganmahal Hospital, Domalaguda, Hyderabad - 500029
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/ documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green initiative. Accordingly, the members are requested to inform their e-mail addresses to RTA - Aarthi Consultants (P) Limited, 1-2-285, Near Gaganmahal Hospital, Domalaguda, Hyderabad - 500029
7. Members who hold shares in physical form can nominate any person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares. Further, as per the amended regulations of SEBI (Listing Obligations and Disclosure requirements) (Fourth Amendment Regulations), 2018, transfer of securities of listed companies shall not be processed unless the securities held in the Demat form with a depository.
8. The information pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015) with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed hereto.
9. Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report for 2021-22 will also be available on the Company's website at [www.vsfproject.com](http://www.vsfproject.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 10:30 A.M to 12:30 P.M on all working days till 12<sup>th</sup> November, 2022. Even after registering for e-communication, members are

entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's email id: [vsfprojects1td91@gmail.com](mailto:vsfprojects1td91@gmail.com).

10. Voting through Electronic means

- (a) The Company is pleased to provide members the facility to exercise their right to vote on the resolutions as set out in the Notice calling for the Annual General Meeting (AGM) by 'electronic means' and all the businesses may be transacted through e- Voting services provided by Central Depository Services (India) Limited (CDSL), in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014.
- (b) Voting rights are reckoned on the basis of the shares registered in the names of the members / beneficial owners as on the record date fixed for this purpose viz 5<sup>th</sup> November, 2022.

11. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Mr. Mohit Gurjar, Practicing Company Secretary has been appointed as scrutinizer for conducting the e-Voting process in a fair and transparent manner.

12. **The instructions for members for voting electronically are as under :-**

1. The voting period begins on Wednesday 9<sup>th</sup> November 2022 (9:00 am) and ends on Friday 11<sup>th</sup> November 2022 (5:00pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date is Saturday, 5<sup>th</sup> November, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
4. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
5. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs,

thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on</p>



	<p><a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during</p>

	the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible

to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [vsfprojectsLtd91@gmail.com](mailto:vsfprojectsLtd91@gmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to helpdesk.evoting@cdslindia.com.

The Scrutinizer shall after the conclusion of the e-Voting period and after AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast "in favour" or "against", if any, forthwith to the Chairman of the Company.

The Results declared along with the Scrutinizer's Report will be placed on the Company's website [www.vsfproject.com](http://www.vsfproject.com) and on the website of CDSL within two days of passing of the resolutions at the AGM and communicated to the Stock Exchange.

All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during 10.30 am to 12.30 noon on all working days up to and including the date of the AGM.

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Place: Hyderabad  
Date: 10.10.2022**

**Sd/-  
Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

**EXPLANATORY STATEMENT  
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item Nos. 3 to 16 of the accompanying Notice.

**Item No. 3**

In view of the proposed project of setting up Multi-Product Free Trade Warehousing Zone, it is proposed to raise Equity capital of the company, which requires a commensurate increase in the Authorized Capital. Accordingly, it is proposed to increase the Authorized capital of the company, subject to the approval of the shareholders of the Company, from Rs. 8,00,00,000/- to Rs.10,00,00,000/-. As per the provisions of Section 13 of the Companies Act, 2013, any increase in Authorised Capital of the Company requires prior approval of the Shareholders. Hence, the proposed resolution is recommended for consideration and approval of the Members of the Company.

Copy of the existing Memorandum of Association of the Company and copy of Memorandum of Association, indicating the proposed amendments, being referred in the resolution would be available for inspection by the Members free of cost, in physical or electronic form during business hours ie, 09.00 a.m. to 05.00 p.m. at the Registered Office and Corporate Office of the Company, up to and including the last date of Annual General Meeting.

None of the Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

**Item No. 4**

As per the existing Articles of Association of the Company the Authorized Capital of the Company is Rs. 8,00,00,00/- Now the Board proposes to alter the Articles of Association of the Company to refer to the capital clause of Memorandum of association of the Company. As per the provisions of Section 14 of the Companies Act, 2013, any alteration of the Articles of Association of the Company requires prior approval of the Shareholders by means of Special Resolution.

Hence, the proposed resolution is recommended for consideration and approval of the Members of the Company. Copy of the existing Articles of Association of the Company and copy of Memorandum of Association, indicating the proposed amendments, being referred in the resolution would be available for inspection by the Members free of cost, in physical or electronic form during business hours i.e, 09.00 a.m. to 05.00 p.m. at the Registered Office and Corporate Office of the Company, up to and including the last date of Annual General Meeting.

None of the Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

**Item No. 5, 6, 7 & 8:**

The Company has been going through severe financial crisis for over a decade now. In order to meet basic and necessary expenditure, the Company had availed Unsecured loans from Promoters and Non-Promoters.

Further as you are aware, the Company had undertaken to set up super critical Power Plant at its land in Nellore, however due to market conditions, coal shortage and other factors beyond the control of the management, the Company had to shelve the project to set up the Power Plant. The Company was not able to clear some of the dues payable to the vendors in respect of the Power Project.

Currently, the Company is generating minimum revenue, which does not provide the bandwidth to the management to repay the unsecured loans and sundry creditors. Hence, the Board of Directors at their meeting held on 10<sup>th</sup> October, 2022 considered and approved the raising of funds from non-promoters. The Board had further had, based on the consent of the Promoters and the other Non-promoters, approved the proposal for providing an option for conversion of unsecured loan and dues to sundry creditors into equity shares of the Company, subject to the approval of shareholders. Further, the said conversion option is subject to the compliance of applicable provisions and approvals under Section 42 of the Companies Act 2013, Chapter V of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As such, the Board of Directors of the Company, in its meeting held on 10<sup>th</sup> October 2022, subject to the approval of the members of the Company and such other approvals as may be required, approved the proposal for raising funds by way of issuance and allotment of upto 31,38,930 (Thirty One Lakhs Thirty Eight Thousand Nine Hundred Thirty Only) Equity Shares having face value of Rs.10/- (Rupees Ten Only) each on preferential basis to the Promoters and Non-Promoter Investors as mentioned in the resolution no. 5.

Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI (ICDR) Regulations 2018 (as amended), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any and Sections 42 and 62(1) of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

**The information as required under SEBI (ICDR) Regulations 2018 and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are given below:**

#### A. Objects of the Preferential issue

The Company proposes to raise funds through issue of equity shares on preferential basis:

1. Repay Inter Corporate Deposits/ Unsecured Loans and interest thereon /Sundry Creditors of the Company thereby reducing the liability of the Company.
2. For setting up of Multi-Product Free Trade Warehousing Zone
3. Meet working capital requirements to strengthen financial position
4. General corporate purposes.

#### B. Maximum number of specified securities to be issued

The Board of Directors in its meeting held on 10<sup>th</sup> October, 2022 had approved to issue and allot in aggregate up-to 31,38,930 (Thirty One Lakhs thirty Eight thousand Nine Hundred Thirty Only) Equity Shares of the face value of Rs.10/- (Rupees Ten Only) each ("the Equity Shares") at a price of Rs. 45/- each (including premium of Rs. 35/- per share) (being not less than the price calculated in terms of ICDR Regulations) to Promoters and Non-Promoter Investors on a preferential basis.

#### C. Amount which the company intends to raise by way of such securities;

Rs. 14,12,51,850/- (Rupees Fourteen Crores Twelve Lakhs Fifty One thousand Eight Hundred Fifty Only)

#### D. Intention of promoters / directors / key managerial personnel to subscribe to the offer:

Non of the promoters, directors, key managerial personnel of the Company intend to subscribe to proposed preferential issue except Bobba Lakshmi Narasimha Chowdary and Bobba Vijaya Lakshmi, who intend to subscribe to 4,40,000 equity shares towards convert the unsecured loan extended by them to the Company

#### E. Shareholding Pattern before and after the proposed preferential issue.

S.No	Category	# Pre-Issue Equity		\$ Post Equity Issue	
		No of shares held	% of shareholding	No of shares held	% of shareholding
1	Indian	2537063	43.23	2977063	33.04
2	Foreigner Promoter	0	0	0	0
	Sub Total A2	2537063	43.23	2977063	33.04
	Total Promoters group A=A1+A2	2537063	43.23	297706	33.04
<b>B</b>	<b>Public/ Non-promoters' shareholding</b>				
<b>1</b>	Institutional Investors	0	0	0	0
A	Mutual Funds/Banks/FI	0	0	0	0
B	FII	218991	3.73	218991	2.43



	Subtotal B1	218991	3.73	218991	2.43
<b>2</b>	<b>Non Institutions</b>	3112896	53.04		
	Individual share capital upto Rs. 2 Lacs	1258126	21.44	1258126	13.97
	Individual share capital in excess of Rs. 2 Lacs	1745750	29.75	4374882	48.57
	Non-Resident Indian (NRI)	551	0.01	551	0
	Clearing Members	100	0	100	0
	Foreign Bodies Corporate	0	0	0	
	Indian Bodies Corporate	108269	1.84	178067	1.98
	Foreign Nationals	0	0	0	0
	Others (HUF, NBFC and Trusts)	100	0	100	0
	<b>Sub Total B 2</b>	3112896	53.04	5811826	64.53
	<b>Total Public Shareholding B=B1+B2</b>	3331887	56.77	6030817	66.96
	<b>Grand Total A+B</b>	5868950	100.00	9007880	100.00

# Pre-issue shareholding pattern as on 30/09/2022

\$ The post issue shareholding percentage is arrived after considering all the preferential allotments of equity shares proposed to be made under this notice and on fully diluted basis.

**F. Proposed time within which the allotment shall be completed:**

As required under the ICDR Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

**G. The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them.**

S.No	Details of subscriber	Ultimate beneficial owner	Pre-Issue	Post-Issue
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		of the proposed allotte(s)						
			Category	Holdings	%	Category	Holdings	%
1.	1	Bobba Lakshmi Narasimha Chowdary	Individual Promoter	552766	9.41	Promoter	2,20,000	8.58
2.	2	Bobba Vijaya Lakshmi	Individual Promoter	287500	4.89	Promoter	2,20,000	5.63
3.		Praveena Palakapati	Individual Non-Promoter	0	0	Non-Promoter	2,50,000	2.78
4.		Pannala Ramanakar Reddy	Individual Non-Promoter	0	0	Non-Promoter	70,000	0.78
5.		Paladugu Saroj Babu	Individual Non-Promoter	0	0	Non-Promoter	2,50,000	2.78
6.		Bijjam Ramanjula Reddy	Individual Non-Promoter	1701	0.02	Non-Promoter	1,30,000	1.46
7.		Pavan Thirumala Raju	Individual Non-Promoter	0	0	Non-Promoter	2,20,000	2.44
8.		Rajesh Varma Siravuri	Individual Non-Promoter	0	0	Non-Promoter	1,30,000	1.44
9.		Harika Kranthi Bhupathiraju	Individual Non-Promoter	0	0	Non-Promoter	4,00,000	4.44
10.		Alluri Sainath	Individual Non-Promoter	0	0	Non-Promoter	3,50,000	3.89
11.		Anagani Satya Prasad	Individual Non-Promoter	0	0	Non-Promoter	1,02,222	1.13
12.		Incap Limited	Public Company, Listed on BSE	0	0	Non-Promoter	47,576	0.53
13.		Gopalan Manoharan	Individual Non-Promoter	0	0	Non-Promoter	33,333	0.37
14.		V Satya Murthy	Individual Non-Promoter	0	0	Non-Promoter	22,222	0.25
15.		Kakarla Infra Projects Private Limited	Kakarla Ramesh Babu Non-Promoter	0	0	Non-Promoter	22,222	0.25

16.	Rajasekhar Madala	Individual	Non-Promoter	0	0	Non-Promoter	22,222	0.25
17.	Shaik Chan Basha	Individual	Non-Promoter	0	0	Non-Promoter	4,43,000	4.92
18.	Maganti Saikrishna	Individual	Non-Promoter	0	0	Non-Promoter	90,000	1.00
19.	Sunkara Jaya Bharath Reddy	Individual	Non-Promoter	0	0	Non-Promoter	1,16,133	1.29
	Total			841967	14.32		3980897	44.19

#### H. Undertakings

In terms of SEBI (ICDR) Regulations, 2018, the Company hereby undertakes that:

- It shall re-compute the price of the Equity Shares issued in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.

#### I. The total number of shares or other securities to be issued

The Board of Directors in its meeting held on 10<sup>th</sup> October 2022 had approved the issue of equity shares and accordingly proposes to issue and allot in aggregate upto 18,00,000 (Eighteen Lakh) Equity Shares of the face value of Rs.10/- (Rupees Ten Only) each (“the Equity Shares”) to Promoters and Non-Promoter Investors on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations.

#### J. Terms of Issue of the Equity Shares, if any

The Equity Shares allotted in terms of this resolution shall rank pari passu with existing equity shares of the Company in all respects.

#### K. Pricing of Preferential Issue:

The Board has fixed the price of Rs. 45/- per equity share in terms of Regulation 164 of the ICDR Regulations.

#### L. Basis on which the price would be arrived at

The Equity Shares of the Company are listed on BSE Limited (“Stock Exchange”). The Equity Shares are frequently traded in terms of the SEBI

ICDR Regulations and the has been considered for determining the floor price in accordance with the SEBI ICDR Regulations. Further, in terms of Regulation 166A of SEBI (ICDR) Regulations, the said preferential issue, will not result in allotment of more than five per cent of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, hence valuation report from an independent registered valuer for determining the price is not applicable.

In terms of the applicable provisions of the Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity share to be issued shall be a price, being higher of the following:

- i. Average of 90 trading days of volume weighted average price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date is Rs.41.24/- (Rupees Forty One Rupees twenty four Paise only); or
- ii. Average of 10 trading days of volume weighted average price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date is Rs. 42.05/- (Rupees Forty Two Rupees and Five paise only).

The Board has fixed the floor price as Rs. 45/- per equity share and the said price fixed by the Board is higher than the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

**M. Name and address of valuer who performed valuation;**

Not Applicable

**N. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

Not Applicable as the Company has not proposed to issue the shares for consideration other than cash.

**O. Relevant Date**

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for this Preferential Allotment of equity shares is 13<sup>th</sup> October 2022 being the 30 days prior to the date of Annual General Meeting.

**Q. Change in control if any consequent to preferential issue**

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential issue.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

**R. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

During the year, the company has not made any preferential allotment.

**S. Lock-in period**

The Shares to be offered issued and allotted shall be subject to Lock-in as provided under the provisions of ICDR Regulations. The entire pre preferential shareholding of the above allottees, if any, shall be locked-in from the relevant date up to the period of 90 trading days from the date of trading approval as per Regulation 167 of the ICDR Regulations.

**T. Certificate from M/s P S Rao & Associates, Company Secretaries, Hyderabad**

A certificate from M/s P S Rao & Associates, Company Secretaries, Hyderabad, certifying that the issue of equity shares on preferential basis is being made in accordance with requirements of Chapter V of the SEBI ICDR Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturdays and Sundays) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and all also be available during the Annual General Meeting.

The said Certificate will be uploaded on the Investor Relations page on the website of the Company i.e. [www.vsfproject.com](http://www.vsfproject.com) before the Annual General Meeting.

The said Certificate will be uploaded on the Investor Relations page on the website of the Company i.e. [www.vsfproject.com](http://www.vsfproject.com) before the Annual General Meeting.

**U. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.**

Bobba Lakshmi Narasimha Chowdhary, Director and CFO and Bobba Vijaya Lakshmi, Director who are interested in resolution no. 7. Apart from

the above mentioned directors, none of the directors, Key managerial personals are interested the in the said resolution.

#### **V. Other disclosures**

In accordance with SEBI ICDR Regulations,

- i. The Company has allotted no equity shares on preferential basis in the financial year.
- ii. Neither the Company nor any of its Promoters and Directors has been declared as a willful defaulter or a fraudulent borrower or a fugitive economic offender.
- iii. The pre- preferential holding of the proposed allottees are in dematerialized form.
- iv. The Regulation 166A of the Chapter V of SEBI ICDR Regulations are not applicable, as none of the allottees or allottees acting in concert are not being allotted more than 5% of the post issue fully diluted share capital of Company.
- v. The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations and shall be made in a dematerialized form only.

Except Mr. Bobba Lakshmi Narasimha Chowdary (Whole-time Director and CFO), Mrs. Bobba Vijaya Lakshmi (Director), & Bobba Narayana Murthy (Managing Director), Mrs. Reshama Pulapa and , their immediate relatives are interested in resolution item no. 7. None of other Directors or any Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution except to the extent of their shareholding in the Company.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolution as set out in Item No. 5, 6, 7 & 8 as special resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

### **Item No. 9 and 10**

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Shareholders is obtained by way of a Special Resolution.

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/credit facilities extended by them to the Company.

Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

Accordingly, the Board recommends the Special Resolution set forth in Item No. 9 and 10 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

### **Item No. 11**

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 10<sup>th</sup> October, 2022 has approved re-appointment of Mr. Bobba Narayana Murthy as Managing Director of the Company from 10<sup>th</sup> October, 2022 to 9<sup>th</sup> October, 2025. Pursuant to provisions of Section 203, 196, 197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting.

Hence the resolution is recommended for your approval by way of special resolution.

Excepting for Mr. Bobba Narayana Murthy, Managing Director of the Company, Mr. Bobba Lakshmi Narasimha Chowdary, Director and Chief Financial Officer of the Company and Mrs. Bobba Vijaya Lakshmi, Whole-time Director, Mrs. Reshma Pulapa Kiranmayee, Non executive Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no 11.

**Brief Profile of Bobba Narayana Murthy:**

Mr. B. Narayana Murthy, a diploma holder in Mechanical Engineering has vast experience in the fields of Logistics, Granite Manufacturing, Mining, Aquaculture and Infrastructure Sectors.

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.

**Information pursuant to Section II of Part II of Schedule V of Companies Act, 2013 for Mr. Bobba Narayana Murthy, Managing Director.**

<b>I. General Information</b>				
a) Nature of Industry	The company's business activities primarily consist of infrastructure, civil and engineering works.			
b) Date or Expected date of commencement of commercial production	Management is keen to take up new projects and commence commercial production as and when it is granted.			
c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
d. Financial performance based on given indicators	Rs. In Lakhs			
	<b>Particulars</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>Revenue from Operations</b>	-	-	-
	<b>Profit before tax</b>	-100.03	-729.57	2.69
	<b>Net Profit after Tax</b>	-93.02	-727.11	4.76
e) Foreign investments or collaborations, if any	Not Applicable			
<b>II. Information about the appointee</b>				
a) Background details	Mr. B. Narayana Murthy, a diploma holder in Mechanical Engineering has vast experience in the fields of Logistics, Granite Manufacturing, Mining, Aquaculture and Infrastructure Sectors. He has more than 30 years of rich experience in the field of management and execution of			



	<p>construction of Industrial structures, Cultivation of shrimps, development of lands and buildings. He is the chief promoter of the company.</p> <p>He had successfully executed many civil works in the last 15 years. He has actively participated many business excellence meets in Malaysia, South Africa, Hongkong, etc., He looks after operations, Business development, Purchase, Corporate affairs &amp; finance for all industrial and contracting business and new project ventures.</p>
b) Past remuneration	Rs.1,00,000 per month
c) Recognition and award	Not Applicable
d) Job profile and his suitability	He will exercise the management control over the whole of the affairs of the Company.
e) Remuneration proposed	As detailed in the resolution
f) Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.
g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director
<b>III. Other Information</b>	
a) Reason for loss or inadequate profits	Reduction in revenue is primarily due to the slowdown in the industry and market conditions
b) Steps taken or proposed to be taken for improvement	The Company is exploring to take up new projects.
c) Expected increase in productivity and profits in measurable terms	Actual revenues and commencement of new project may take some time, Thus it is difficult in the present scenario to predict profits in measurable terms.

### **Item No. 12**

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 10<sup>th</sup> October, 2022 has approved re-appointment of Mr. Lakshmi Narasimha Chowdary Bobba as Wholetime Director and Chief Financial Officer of the Company from 10<sup>th</sup> October, 2022 to 9<sup>th</sup> October, 2025. Pursuant to provisions of Section 203, 196, 197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting.

Hence the resolution is recommended for your approval by way of special resolution.

Excepting for Mr. Bobba Narayana Murthy, Managing Director of the Company, Mr. Bobba Lakshmi Narasimha Chowdary, Director and Chief Financial Officer of the Company and Mrs. Bobba Vijaya Lakshmi, Whole-time Director, Mrs. Reshma Pulapa Kiranmayee, Non executive Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no 12.

**Brief Profile of Mr. Lakshmi Narasimha Chowdary Bobba:**

He did his Masters of Business administration 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. Information pursuant to Section II of Part II of Schedule V of Companies Act, 2013:

I. General Information				
a. Nature of Industry	The company's business activities primarily consist of infrastructure, civil and engineering works.			
b. Date or Expected date of commencement of commercial	Management is keen to take up new projects and commence commercial production as and when it is graded.			
h. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
i. Financial performance based on given indicators	Particulars	2019-20	2020-21	2021-22
	Revenue from Operations	124.10	173.82	164.76
	Profit before tax	2.69	10.35	-1.01
	Net Profit after Tax	4.76	15.34	-8.05
j. Foreign investments or collaborations, if any	Not Applicable			
II. Information about the appointee				

h. Background details	He did his Masters of Business administration 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. He is proposed to be appointed as technical Director (Wholetime Director) of the company.
i. Past remuneration	Rs. 1,00,000 Per Month
j. Recognition and award	Not Applicable
k. Job profile and his suitability	Technical and strategic planning
l. Remuneration proposed	As detailed in the resolution
m. Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.
n. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Director
III. Other information	
d) Reason for loss or inadequate profits	Reduction in revenue is primarily due to the slowdown in the industry and market conditions
e) Steps taken or proposed to be taken for improvement	The Company is exploring to take up new projects.
f) Expected increase in productivity and profits in measurable terms	Actual revenues and commencement of new project may take some time, Thus it is difficult in the present scenario to predict profits in measurable terms.

### **Item No. 13**

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, in their Meeting held on 10<sup>th</sup> October, 2022 has re-appointed Mrs. Bobba Vijaya Lakshmi as Whole-time Director of the Company from 10<sup>th</sup> October, 2022 to 9<sup>th</sup> October, 2025. Pursuant to provisions of Section 196,

197 read with Schedule V of the Companies Act, 2013 any such reappointment shall be subject to the approval of members in their General Meeting. Hence the resolution is recommended for your approval by way of special resolution.

Excepting for Mr. Bobba Narayana Murthy, Managing Director of the Company, Mr. Bobba Lakshmi Narasimha Chowdary, Director and Chief Financial Officer of the Company and Mrs. Bobba Vijaya Lakshmi, Whole-time Director, Mrs. Reshma Pulapa Kiranmayee, Non executive Director of the Company and their relatives, none of the other directors, KMPs or their relatives are concerned or interested, financially or otherwise in this resolution set out in at item no 13.

**Brief Profile of Mrs. Bobba Vijaya Lakshmi :**

She holds Bachelors Degree in Arts, and has a rich experience in the field of cultivation of aqua culture. She also looks after entire administrative and human resource developments across the Company and over the years, she has acquired a sound knowledge in such departments.

Information pursuant to Section II of Part II of Schedule V of Companies Act, 2013:

I. General Information				
a. Nature of Industry	The company's business activities primarily consist of infrastructure, civil and engineering works.			
b. Date or Expected date of commencement of commercial production	Management is keen to take up new projects and commence commercial production as and when it is grabbed.			
c. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
d. Financial performance based on given indicators	Rs in Lakhs			
	Particulars	2019-20	2020-21	2021-22
	Revenue from Operartions	124.10	173.82	164.76
	Profit before Tax	2.69	10.35	-1.01
	Net Profit after Tax	4.76	15.34	-8.05

e. Foreign investments or collaborations, if any	Not Applicable
II. Information about the appointee	
a. Background details	She is Bachelor of Arts, and having rich experience in the field of cultivation of aqua culture. And also she looks after entire administrative and human resource developments across the Company and over the years, she has acquired a sound knowledge in those departments
b. Past remuneration	Rs. 50,000 Per Month
c. Recognition and award	Not Applicable
d. Job profile and her suitability	Administration & HRD
e. Remuneration proposed	As detailed in the resolution
f. Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.
g. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Director
III Other information	
a) Reason for loss or inadequate profits	Reduction in revenue is primarily due to the slowdown in the industry and market conditions
b) Steps taken or proposed to be taken for improvement	The Company is exploring to take up new projects.
c) Expected increase in productivity and profits in measurable terms	Actual revenues and commencement of new project may take some time, Thus it is difficult in the present scenario to predict profits in measurable terms.

### Item No. 14 & 15

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Ramesh Babu Nemani AND Mr. Sriramshetty Srinivasa Rao were appointed as Additional Directors on the Board of the Company with effect from 15th November 2021 to hold office upto the date of the ensuing Annual General Meeting.

Mr Ramesh Babu Nemani, is a Post Graduate in law from Nagarjuna University Andhra Pradesh with Diploma in Industrial Relations and Personnel Management from Osmania University. He was a practicing advocate for 4 years before the Hon'ble High Court of AP, Industrial Tribunals and Labor Courts at Hyderabad and has 25+ years of extensive corporate experience in Service, Engineering, Telecom, Infrastructure, Real estate, Sports and Entertainment sectors. He worked with corporate giants like Reliance, GMR, TATA group of companies at various levels and has varied experience in Contract Management and handling corporate legal affairs with a proven ability to work cross functionally and multi-jurisdictionally providing comprehensive compliance and legal support whilst responding to a rapidly developing regulatory landscape.

Mr. Sriramshetty Srinivasa Rao is a chemical engineering graduate followed by several specialized mgt. Programs in the field of project management, value engineering, technology transfer, energy conservation etc. Has a total of 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 exposure 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.

Mr. Sriramshetty Srinivasa Rao also Worked as 'National Expert' for a UNIDO on technology cooperations between SMEs of various developing countries. Had the privilege of working as consultant for SME development for Govt. of Baharin. Received various recognitions and awards for best consulting services from renowned organizations like Institute of Management consultants of India (IMCI), consultancy development centers (Govt. of India) ,Small Industry Association of Singapore etc Present engagements include guest faculty at Indian School of Business, working with NGOs, director on company boards. Have registration with Independent Directors Data bank, Govt. of India.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the appointment of Mr Ramesh Babu Nemani AND Mr. Sriramshetty Srinivasa Rao as Independent Directors of the Company

None of the directors, KMPs or their relatives are interested financially or otherwise for the item No. 14 & 15 of the accompanying notice.

**Item No.16**

Based on the recommendation of the Nomination and Remuneration Committee, Mrs. Reshma Pulapa Kiranmayee was appointed as an Additional Director on the Board of the Company with effect from 15th November 2021 to hold office upto the date of the ensuing Annual General Meeting.

Mrs. Reshma Pulapa Kiranmayee is a MBA Graduate having 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.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the appointment of Mrs. Reshma Pulapa Kiranmayee as Non-Executive Directors of the Company

None of the directors, KMPs or their relatives are interested financially or otherwise for the item No. 16 of the accompanying notice.

ADDITIONAL INFORMATION

**Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding Director seeking appointment / re-appointment (Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015)**

<b>Name of the Director</b>	B Vijaya Lakshmi	Lakshminarasimh a Bobba Chowdary	Bobba Narayana Murthy
Din No	01496696	02381545	00073068
Date of Birth	01.07.1961	25.02.1987	04.04.1956
Date of Appointment on the Board	30.04.2007	12/02/2016	04/06/1992
Qualification, Experience & Expertise	<p>Mrs. Bobba Vijaya Lakshmi is a Bachelor of Arts, and 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.</p>	<p>He did his Masters of Business administration 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.</p>	<p>Mr. B. Narayana Murthy, a diploma holder in Mechanical Engineering has vast experience in the fields of Logistics, Granite Manufacturing, Mining, Aquaculture and Infrastructure Sectors.</p> <p>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,</p>



			Purchase, Corporate affairs & finance for all industrial and contracting business and new project ventures.
Directorship in other public companies (Excluding foreign companies and section 25 Companies)	NIL	NIL	NIL
Shareholding	4.90%	9.42%	15.16%
Disclosures of relationships between Directors interest	Bobba Viaya Lakhmi is wife of Bobba Narayana Murthy and mother of Bobba Lakshmi Narasimha Chowdary	Bobba Lakshmi Narasimha Chowdary is son of Bobba Narayan Murthy & Bobba Viaya Lakhmi and husband of Mrs Reshma Pulapa Kiranmayee.	Bobba Narayan Murthy is husband of Bobba Viaya Lakhmi, father of Bobba Lakshmi Narasimha Chowdary and father in law of Mrs Reshma Pulapa Kiranmayee
Terms and Conditions of Appointment with details of Remuneration	The tenure of the appointment position will be for a period of 3 years w.e.f 10 <sup>th</sup> October 2022 which is subject to approval of the shareholders in this AGM.	The tenure of the appointment position will be for a period of 3 years w.e.f 10 <sup>th</sup> October 2022 which is subject to approval of the shareholders in this AGM.	The tenure of the appointment position will be for a period of 3 years w.e.f 10 <sup>th</sup> October 2022 which is subject to approval of the shareholders in this AGM.
Last drawn Remuneration, if any	Rs. 50,000 per month	Rs.1,00,000 per month	Rs.1,00,000 per month
No. of board meetings attended during the year	6	6	6
Membership/Chairmanships of Committees in other Companies	NIL	NIL	NIL

<b>Name of the Director</b>	<b>RAHUL PATIBANDLA</b>	<b>RESHMA KIRANMAYEE PULAPA</b>
Din No	07344724	09388548
Date of Birth	3/08/1982	15/05/1992
Date of Appointment on the Board	26/10/2017	15/11/2021
Qualification, Experience & Expertise	Mr. Rahul Patibandla holds an MBBS from NTR University, MD from KLE University, DNB (NEPHROLOGY) from NBE, Delhi University.	Mrs. Reshma Pulapa Kiranmayee is a MBA Graduate having 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.
Directorship in other public companies (Excluding foreign companies and section 25 Companies)	NIL	NIL
Shareholding	NIL	NIL
Disclosures of relationships between Directors interest	NA	Mrs. Reshma Pulapa Kiranmayee is wife of Mr. Bobba Lakshmi Narasimha Chowdary, Daughter in law of Mr. Bobba Narayana Murthy and Mrs. Bobba Vijaya Lakshmi, Directors of the Company
Terms and Conditions of Appointment with details of Remuneration	Getting reappointed as non executive Director retiring by rotation	Regularisation of appointment of Mrs. Reshma Pulapa as Non executive Director
Last drawn Remuneration, if any	Nil	Nil
No. of board meetings attended during the year	6	2

Membership/Chairmanships of Committees in other Companies	NIL	NIL
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<b>Name of the Director</b>	<b>SRIRAMSHETTY SRINIVASA RAO</b>	<b>RAMESH BABU NEMANI</b>
Din No	00895774	08089820
Date of Birth	04/05/1947	15/05/1992
Date of Appointment on the Board	15/11/2021	15/11/2021
Qualification, Experience & Expertise	<p>A chemical engineering graduate followed by several specialized mgt. Programs in the field of project Mgt, value engineering ,technology transfer, energy conservation etc. Has a total of 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 yearsteam of expert consultants working all</p>	<p>Mr. Ramesh Babu Nemanai is a MBA Graduate having 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.</p>

	over the country and some overseas countries like UAE, Saudi Arabia etc.	
Directorship in other public companies (Excluding foreign companies and section 25 Companies)	Telangana Industrial Health Clinic Limited	1. ATHENA GLOBAL TECHNOLOGIES LIMITED 2. NOVA AGRITECH LIMITED 3. GVR INFRA PROJECTS LIMITED 4. MANOJ VAIBHAV GEMS 'N' JEWELLERS LIMITED
Shareholding	NIL	NIL
Disclosures of relationships between Directors interest	NA	NA
Terms and Conditions of Appointment with details of Remuneration	Appointment as Independent Director of the Company for a period of 5 years w.e.f 15 <sup>th</sup> November 2021 till 14 <sup>th</sup> November, 2026.	Appointment as Independent Director of the Company for a period of 5 years w.e.f 15 <sup>th</sup> November 2021 till 14 <sup>th</sup> November, 2026
Last drawn Remuneration, if any	NA	NA
No. of board meetings attended during the year	2	2
Membership in other Companies	Nil	5
Chairmanship in Committees	Nil	3

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Place: Hyderabad  
Date: 10.10.2022**

**Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**



## Director's Report

Your Directors hereby present the **Thirtieth Annual Report** together with the Audited Accounts of the company for the financial year ended 31st March, 2022.

### **Financial summary or Highlights/Performance of the Company:**

The financial highlights for the current year in comparison to the previous year are as under:

Rs. In Lakhs

Particulars	2021-22	2020-21
Revenue from Operations	164.76	173.82
Other Income	0.077	
<b>Total Revenue</b>	<b>164.84</b>	<b>173.82</b>
Profit before Finance Charges, Tax Expenses, Exceptional items and Depreciation	10.82	29.75
Less : Depreciation	11.66	19.19
Profit before Finance Charges, Tax Expenses, Exceptional items	(0.86)	10.56
Less : Finance Charges	0.15	0.21
Profit before Tax Expenses and Exceptional items	(1.01)	10.35
Add : Exceptional Items	-	-
Profit before Tax	(1.01)	10.35
Provision for Tax	7.04	(4.99)
Profit after Tax	(8.05)	15.34
Total Comprehensive Income	(8.05)	
Less: Transfer to Reserves		
<b>Balance</b>	<b>(1029.29)</b>	<b>(1036.59)</b>
Balance of profit of earlier years	-	15.34
Less : Dividend Paid on Equity Shares	-	-
Dividend Distribution Tax	-	-
<b>Balance Carried Forward</b>	<b>(1029.29)</b>	<b>(1021.24)</b>

### **COMPANY PERFORMANCE:**

During the Financial Year 2021-22, Company could clock a revenue of revenue of Rs 164.76 Lakhs Compared to Rs. 173.82 Lakhs in the previous year

The management is pleased to inform its shareholders that the Company has obtained a formal Approval from Ministry of Commerce & Industry Department of Commerce (SEZ Section), Government of India for Setting up of a Multi-Product Free Trade Warehousing Zone at Ankulpaturu Village, SPSR Nellore District, Andhra Pradesh over an area of 50Ha (132.96 Acres ). The same was also intimated to BSE vide letter dated 09.11.2021.

Further the Company has got a Final Confirmation letter dated on 22/09/2022 notifying the area of 53.81 Ha in Gazette Of India for setting up a Multi Sector Free Trade Warehousing Zone near Krishna Patnam port in the Company's Own Land in Chennai-Bengaluru Industrial Corridor.

The management will keep informing the shareholders with relevant updates about the project through BSE.

***TRANSFER TO RESERVES:***

Your Company did not transfer any amount to reserves.

***THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:***

There are no other subsidiaries, joint ventures or associate companies which have become or ceased during the year.

***DIVIDEND:***

In view of accumulated losses, your Directors do not recommend any dividend for the financial year 2021-22.

***STATUTORY AUDITORS:***

M/s. NVSR & Associates, LLP Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of 5 Years from the Conclusion of 27<sup>th</sup> Annual General Meeting of the Company till the Conclusion of 31<sup>st</sup> Annual General Meeting of the Company subject to ratification by members in every Annual General Meeting.

However, by the Companies (Amendment) Act, 2017, provisions pertaining to ratification of appointment of Statutory Auditor has been omitted with effect from 7th May, 2018. Hence, the agenda for ratification of appointment of M/s NVSR & Associates, LLP Chartered Accountants, as Statutory Auditors has not been proposed in the Notice convening the Annual General Meeting.

The Independent Auditors report given by M/s. NVSR & Associates, LLP Chartered Accountants, Statutory Auditors of the Company on standalone Financial Statements of the Company does not contain any qualification, reservation or adverse remark.

***AUDITORS REPORT***

The auditors have given their report on the Annual Accounts of the Company and there was no qualification made by auditor.

**SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has received Secretarial Audit report form M/s. P S Rao & Associates, Practicing Company Secretaries.

The Secretarial Audit Report is annexed herewith as “ **Annexure I**” to this report.

**MEETINGS OF BOARD OF DIRECTORS:**

The Board of Directors of the Company met 6 (six times) during the Financial Year on the following dates.

29.06.2021	14.08.2021	06.09.2021	13.11.2021	01.12.2021	14.02.2022
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**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WEREAPPOINTED OR HAVE RESIGNED DURING THE YEAR:**

During the period under report, Mr. Sriramshetty Srinivasa Rao, Mr. Ramesh Babu Nemani were appointed as additional Directors of the Company under the category of Independent Directors of the Company. Mrs. Reshma Kiranmayee Pulapa was appointed as Additional Director under the category of Non executive Director of the Company from 15.11.2021. Further Mr. Ajaya Patibandla, Independent Director of the Company has resigned from the Board of the Company w.e.f 22.11.2021

Further the Board of Directors based on the recommendation of Nomination and Remuneration Committee in their meeting held on 10<sup>th</sup> October, 2022 has approved reappointment of Mr. Bobba Narayana Murthy as Managing Director, Mr..Bobba Lakshmi Narasimha Chowdary as whole time Director and CFO , Mrs Bobba Vijaya Lakshmi as Wholetime Director of the Company w.e.f 10<sup>th</sup> October, 2022 for a period of 3 years subject to approval of shareholders in the ensuing AGM. Accordingly, a resolution proposing approval of members is made part of this Notice of AGM.

Excepting for the above, there were no changes in the office of Directors and Key Managerial personnel.

Details of Committees of the Board, their composition and meetings details are provided in **Annexure-II** which forms part of this report.

**DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act,2013.

**MEETING OF INDEPENDENT DIRECTOR:**

During the year under review, the Independent Directors met on 14.02.2022 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;



- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

***FIXED DEPOSITS:***

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

***PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS SECTION 186 OF COMPANIES ACT 2013:***

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

***MATERIAL CHANGES AND COMMITMENTS:***

There are no material changes and commitments affecting the financial position of the company occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

***DIRECTORS' RESPONSIBILITY STATEMENT:***

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- a) that in the preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period:
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- d) That the directors have prepared the annual accounts on a going concern basis.
- e) The Directors had laid down Internal Financial controls to be followed by the Company and that such internal financial Controls are adequate and were operating efficiently.

- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The Remuneration Policy is posted on the website of the Company at the link: [www.vsfproject.com](http://www.vsfproject.com)

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company [www.vsfproject.com](http://www.vsfproject.com).

**RISK MANAGEMENT**

The Company has risk management mechanism in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES PURSUANT TO PROVISIONS OF SECTION 188(1) OF COMPANIES ACT, 2013**

There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. All Related Party Transactions were placed before the Audit Committee and to the Board for their approval, whenever required.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as **Annexure -III** and forms part of this report.

**MAINTENANCE OF COST RECORDS:**

Company is not required to maintain cost records as specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013.

## ***ANNUAL RETURN***

The Annual Return of the Company as on 31st March, 2022 is available on the Company's website and can be accessed at [www.vsfproject.com](http://www.vsfproject.com).

## ***MANAGEMENT DISCUSSION AND ANALYSIS REPORT***

Pursuant to the provisions of Regulation 34(2) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Management Discussion & Analysis is herewith annexed as 'Annexure IV' to this report.

## ***CORPORATE GOVERNANCE***

Since the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs.25 Crores, the provisions of Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

## ***LISTING***

Your Company's shares are presently listed on The BSE Limited, Mumbai and the listing fees for FY 2022-2023 to be paid.

## ***DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS***

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired are used economically.

## ***PARTICULARS OF EMPLOYEES***

The information required pursuant to Section 197 read with Rule 5 of The Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as 'Annexure V' to this report.

## ***DETAILS ABOUT THE CORPORATE SOCIAL RESPONSIBILITY POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY***

The Company does not meet the criteria as specified in Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility.

## ***SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS***

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

***DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013***

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal ) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2021-22:

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

***INSIDER TRADING REGULATIONS***

The Company has adopted an 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders ' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the SEBI (PIT) Amendment Regulations, 2018. This Code is displayed on the Company's website viz. [www.vsfproject.com](http://www.vsfproject.com)

***ACKNOWLEDGEMENTS***

Your directors acknowledge the continued support from regulatory, government authorities, staff and all the stake holders for their support and cooperation.

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Sd/-  
Bobbu Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

**Place: Hyderabad**

**Date :10.10.2022**

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

To,  
The Members,  
VSF Projects Limited,  
Nellore

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VSF Projects Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. Other industry specific major law that is applicable to the company as per the information provided by the management specific to the industry are:
- i) Building and other construction workers (Regulation of Employment and conditions of service) Act, 1996
- ii) Inter-state Migrant workmen (Regulation of Employment and conditions of service) Act, 1979
4. We have also examined compliance with the applicable clauses of the following:
- a) Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation 2015
- b) Secretarial Standards SS -1 and SS-2 issued by the Institute of Company Secretaries of India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.,

**We further report that**

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on

the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has obtained a formal Approval from Ministry of Commerce & Industry Department of Commerce (SEZ Section), Government of India for Setting up of a Multi-Product Free Trade Warehousing Zone at Ankulpaturu Village, SPSR Nellore District, Andhra Pradesh over an area of 50Ha (132.96 Acres )

Further the Company has got a Final Confirmation letter dated on 22/09/2022 notifying the area of 53.81 Ha in Gazette Of India for setting up a Multi Sector Free Trade Warehousing Zone near Krishna Patnam port in the Company's Own Land in Chennai-Bengaluru Industrial Corridor.

**For P.S. Rao & Associates  
Company Secretaries**

**Mohit Gurjar  
Company Secretary  
C.P. No.: 18644  
UDIN: A020557D001181728**

**Date: 10.10.2022  
Place: Hyderabad**

## ANNEXURE A'

To,  
The Members,  
VSF Projects Limited  
Nellore

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For P.S. Rao & Associates  
Company Secretaries**

**Mohit Gurjar  
Company Secretary  
C.P. No.: 18644  
UDIN: A020557D001181728**

**Date: 10.10.2022  
Place: Hyderabad**



## COMMITTEES OF THE COMPANY

### 1. AUDIT COMMITTEE

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.

The Composition of the Committee is as follows:

Name of the Director	Category
Mr. Ramesh Babu Nemani (w.e.f 15.11.2021)	Chairman
Mr. Sriramshetty Srinivasa Rao (w.e.f 15.11.2021)	Member
Mr. Bobba Lakshmi Narasimha Chowdary	Member

#### Meetings during the year:

During the Financial year ended 31st March, 2022, the Audit Committee met Five (5) times as follows:

29.06.2021	14.08.2021	13.11.2021	01.12.2021	14.02.2022
------------	------------	------------	------------	------------

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 of Company's financial reporting process and disclosure of its financial

Information to ensure the 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.

• Approval of payment to statutory auditors for any other services rendered by them.

• Reviewing, with the management, the annual financial statements 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 of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

• 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.

• 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.

## **2. 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:

Name of the Director	Category
Mr. Ramesh Babu Nemani (w.e.f 15.11.2021)	Chairman
Mr. Sriramshetty Srinivasa Rao (w.e.f 15.11.2021)	Member
Mrs. Reshma Kiranmayee Pulapa (w.e.f 15.11.2021)	Member

**Meetings during the year:**

During the Financial year ended 31st March, 2022, the Committee met Four (4) times as follows:

06.09.2021	13.11.2021	01.12.2021	14.02.2022
------------	------------	------------	------------

**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 their 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 RELATIOSHIP 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:

<b>Name of the Director</b>	<b>Category</b>
Mr. Sriramshetty Srinivasa Rao (w.e.f 15.11.2021)	Chairman
Mr. Ramesh Babu Nemani (w.e.f 15.11.2021)	Member
Mr. Bobba Lakshmi Narasimha Chowdary	Member

#### **Terms of reference**

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.

The company has registered itself under SEBI Compliant Redressal System (SCORES) for faster and transparent processing of Investor Grievance. The details of Complaints receive and resolved during the year is as follows:

1	PENDING AT THE BEGINNING OF THE YEAR	0
2	RECEIVED DURING THE YEAR	0
3	DISPOSED OF DURING THE YEAR	0
4	REMAINING UNRESOLVED AT THE END OF THE YEAR	0

There are no outstanding complaints as on 31st March, 2022

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Sd/-  
Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

**Place: Hyderabad  
Date :10.10.2022**

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as below.

**A. CONSERVATION OF ENERGY:**

**The steps taken or impact on conservation of energy:**

The operations of the Company are not power intensive. However the company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

**Steps taken by the Company for utilizing alternate sources of energy:**

As the Company is not a power intensive Company, there are no requirements for utilizing of alternate sources of energy.

**The capital investment on energy conservation equipments:**

The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

**B. TECHNOLOGY ABSORPTION:**

- (i) the efforts made towards technology absorption :NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
  - (a) The details of technology imported : No technology imported during the last 3 years
  - (b) The year of import : NA
  - (c) Whether the technology been fully absorbed : NA
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : NA
  - (iv) The expenditure incurred on Research and Development: NIL

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Activities relating to exports and initiatives taken to increase export products, services and export plans

Foreign Exchange earnings and outgo: (on receipts and payments basis)

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	-----	-----

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Sd/-  
Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

**Place: Hyderabad  
Date :10.10.2022**



**REPORT ON MANAGERIAL  
REMUNERATION As per Section 197  
of the Companies Act 2013**

**Read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (A) Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-2022

	<b>Remuneration of Director KMP for the financial year 2021-22 (Rs .in Lakhs)</b>	<b>% increase in Remuneration in the Financial year 2021-22</b>	<b>Ratio of remuneration of each Director/to median remuneration of employees</b>
<b>B Narayana Murthy</b>	<b>12.00</b>	<b>NIL</b>	1.33
<b>B Vijaya Lakshmi</b>	<b>6.00</b>	<b>NIL</b>	0.67
<b>B Lakshmi Narasimha Chowdary</b>	<b>12.00</b>	<b>NIL</b>	1.33

- ii) The percentage increase in the median remuneration of employees in the financial year: **N.A**

The number of permanent employees on the rolls of Company as at March 31, 2022: 4

- iii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **N.A**

**(B) Statement of Particulars of Employees Pursuant to Provisions of Rule 5 (2) of Section 197 (12) of the Companies Act 2013 read with**

**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl.No.	Name of the employee	Designation	Remuneration Per annum	Nature of employment( whether contractual or otherwise)	Qualification & experience	Date of commencement of employment	Age	Last employment of such employee	% of equity shares held of the employee	Whether the employee is a relative of any director/manager,if yes name of such director and manager
1	B Lakshmi Narasimha Chowdary	Head-Operations	12,00,000	Salaried	MB A 10 Years	12.02.2016	35	N A	9.42	Yes related to B Vijaya Lakshmi and B Narayana Murthy and Reshma Pulapa Kiranmayee
2	B Narayana Murthy	Managing Director	12,00,000	Contractual	Diploma in Mechanical Engineering 28 Years	04.06.1992	66	N A	15.16	Yes related to B Vijaya Lakshmi and B Lakshmi Narasimha Chowdary
3	B Vijaya Lakshmi	Whole time Director	6,00,000	Contractual	Bcom 12 years	30.04.2007	60	N A	4.90	Yes related to B Narayana Murthy and B Vijaya

										Lakshmi
4	M. Rajasekhar	Manager - Site	785000	Salaried	B. Tech 7 Years	01.04.09	34	NA		

There were no employees drawing remuneration of Rs. 8.50 Lakhs p.m or above / Rs. 102

Lakhs p.a or above whether employed throughout or part of the financial year.

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Sd/-  
Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

**Place: Hyderabad  
Date :10.10.2022**

## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world

### INFRASTRUCTURE AND CONSTRUCTION - THE LONG TERM OPPORTUNITY

Infrastructure remains a vital sector for India's growth story. But, lack of adequate infrastructure is a major constraint in India's growth. Infrastructure, which was the golden sector a few years ago, is battling regulatory bottlenecks, land acquisition delays and credit crunch. Without any dichotomy - the future growth prospects of the Indian economy lingers primarily on the infrastructure investment and timely execution of the projects.

Defying inflationary pressures and euro zone crisis, the Finance Minister in his Budget has attempted to steer the economy out of recessionary slumber. To give infrastructure the much needed boost and to bridge the infra funding deficit he marshaled all resources at his disposal and fired a barrage of tax free bonds to generate funds for infrastructure sector which plays a pivotal role in generating jobs, shaping the fiscal health of economy and accelerating GDP growth. In fact, the approach is straight, loud and crystal clear attempt to make India an attractive destination for global investors by conceptualizing the cascading effect of dividend distribution tax by terminating secondary tax on companies and skillfully employing the ECB window to generate infra funds both from internal and external resources.

### ECONOMIC OVERVIEW

The global economy is now projected to grow by only 3.1 per cent in 2022, down from the 4.0 per cent growth forecast released in January 2022. Global inflation is projected to increase to 6.7 per cent in 2022, twice the average of 2.9 per cent during 2010-2020, with sharp rises in food and energy prices, it said.

The report said that the outlook in South Asia has deteriorated in recent months, against the backdrop of the ongoing conflict in Ukraine, and higher commodity prices and potential negative spillover effects from monetary tightening in the United States. The regional economic output is projected to expand by 5.5 per cent in 2022, which is 0.4 percentage points lower than the forecast released in January.

India, the largest economy in the region, is expected to grow by 6.4 per cent in 2022, well below the 8.8 per cent growth in 2021, as higher inflationary pressures and uneven recovery of the labour market will curb private consumption and investment, it said. For the fiscal year 2023, India's growth is forecast to be 6 per cent.

Lead Author & Chief, Global Economic Monitoring Branch, Economic Analysis and Policy Division, United Nations Department of Economic and Social Affairs Hamid Rashid told reporters at the UN Headquarters that almost all regions in the world are affected by high inflation except for East Asia and South Asia. He said India in that sense is a little bit in a better position as it did not have to aggressively pursue monetary tightening compared to other countries in Latin America. Brazil has raised interest rates repeatedly.

India's projected growth for 2022 is 6.4 per cent, a downward adjustment of 0.3 per cent from January. We expect Indian recovery to remain strong in the near term, in the next year and two, but again we cannot completely discount the downside risk that would come from external channels. So that risk is still there, he said. The report added that higher prices and shortages of farming inputs including fertilisers are likely to persist in the region, negatively impacting the agricultural sector in Bangladesh, India, Pakistan, and Sri Lanka.

This will probably result in weaker harvests and exert further upward pressures on food prices in the near term, the report said. It said along with higher energy prices, elevated prices of food will likely increase food insecurity across the region. Consumer price inflation in the region is expected to accelerate to 9.5 per cent in 2022, from 8.9 per cent in 2021.

## **FINANCIAL PERFORMANCE AND OPERATIONS**

VSF Projects (VSFPROJ.) is one of India's leading companies with a history of 29 years. Over this span, the company built strong capabilities and established widespread credentials for success of project delivery across wide spectrum of sectors within the infrastructure industry. It is this pedigree that has helped the Company re-invents itself to meet the challenges of different times and deliver value to all stake-holders.

The Company's core business is providing Engineering & Construction services for large projects across sectors like Power (Thermal, Solar), Transportation (Roads, Bridges etc.) Water (Irrigation and water supply) and Industrial Projects.

The Financial Year 2021-22 has been a another very tough year for the Company as the company had no new order due to huge financial crunch and the biggest slowdown in construction business over all in the economy. Further the Management has been scouting for various other business opportunities and Accordingly, Company has obtained a formal Approval from Ministry of Commerce & Industry Department of Commerce (SEZ Section), Government of India for Setting up of a Multi-Product Free Trade Warehousing Zone at Ankulpaturu Village, SPSR Nellore District, Andhra Pradesh over an area of 50Ha (132.96 Acres ).

## **OPPORTUNITIES & THREATS**

Infrastructure Industry: The continued thrust on infrastructure projects including highways / express ways and Power will bring lot of opportunities for India and your Company.

Power Generation: The necessity for addition of power generation capacity of the country and the various incentives provided by the Government of India for private sector participation in development of power will be key to the development of Power projects.

General: The Indian Economy is expected to slowdown and grows at around 5% p.a and provides ample opportunity for the Company to sustain the growth.

All though the Company is well poised and equipped to face any risk of exposure to Business, Assets and Financial Risks in the form of competition, accidents, natural calamities, obsolescence, and fluctuations in foreign currency etc, the Company is not secluded from the threats of slowing economy around the world and India in particular.

Emerging economies around the globe have witnessed outflow of FII investment from both Debt and Equities, resulting in a free fall of the domestic currency against the US Dollar. India is no exception to this and companies across the sectors are feeling the pinch of the slowing economy and falling rupee.

Apart from the global and macro factors, power sector in India is going through a lean phase. The delay in getting various clearances from the government, non signing of Fuel Supply Agreements by the Coal and Gas ministries, the cost escalation have all impacted adversely the Power Sector.

The management of your company is however hopeful that the government will take appropriate and timely steps to revive the prospects of the ailing infra and power companies.

## **RISKS & CONCERNS**

1. Infrastructure sector is dependent on political stability.
2. Contract Payment Risk
3. un organized Sector
4. Shortage of Labor and Employees.
5. Coal Shortages

## **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data. The Company has a well defined organization structure with clear functional authority, limits for approval of all transactions. The Company has a strong reporting system, which evaluates and forewarns the management on issues related to compliance. Company updates its internal

control system from time to time, enabling it to monitor employee adherence to internal procedures and external regulatory guidelines.

### **HUMAN RESOURCES**

Human wealth is the ultimate wealth in for any industry. The Company recognizes this fact and understands that employees are one of the most important sources for sustained growth of any business. Quality personnel delivering their optimum potential for the organization is the key differentiator. The Company maintained good relations with its employees and there was no unrest in the Company at any point of time.

Industrial relations in the organization continued to be cordial and progressive.

### **HEALTH AND SAFETY**

The Company places considerable emphasis on health and safety throughout its operation and displays commitment to ensure the high standards being maintained in compliance with applicable laws and regulations.

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

PARTICULARS	2021-22	2020-21
Total Income (Including other income)	164.84	173.82
Total Expenses	165.85	163.46
Profit Before Tax	-1.01	10.35
Profit After Tax	-8.05	15.34
Earnings per share	-0.14	0.26

### **KEY FINANCIAL RATIOS:**

S.No	PARTICULARS	2021-22	2020-21	Change as Percentage
1	Debtors turnover Ratio	295.5	311.7	5.21
2	Inventory Turnover ratio	NA	NA	NA
3	Debt Equity Ratio	240	185	(29.76)
4	Interest Coverage Ratio	NA	NA	NA
5	Current Ratio	0.08	0.076	(5.66)

6	Operating Profit Margin	NA	NA	NA
7	Net Profit Margin	(0.048)	0.088	155
8	Return on Networth	0.12	1.86	93.76

**FORWARD LOOKING / CAUTIONARY STATEMENT:**

Certain statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finish goods prices, changes in Government Regulations and Tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

**BY THE ORDER OF THE BOARD  
For VSF Projects Limited**

**Sd/-  
Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

**Place: Hyderabad  
Date :10.10.2022**



## DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

**VSF PROJECTS LIMITED** has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company. Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards.

I hereby certify that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2021-22.

**For VSF Projects Limited**

**Sd/-  
Bobba Narayana Murthy  
Chairman and Managing Director  
(DIN: 00073068)**

**Place: Hyderabad  
Date :30.05.2022**

**INDEPENDENT AUDITOR’S REPORT**  
**To The Members of**  
**VSF PROJECTS LIMITED**

**Report on Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **VSF PROJECTS LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, 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.

**Key Audit Matters**

Key audit matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**Other Information**

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company’s financial reporting process

### **Auditor’s Responsibility for the Financial Statements**

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

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

#### **We also:**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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, 2016, 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) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements and for that Refer Note 2.29 in notes to financial statements.
    - 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 miss-statement.

vii) The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013. Or The company hasn’t declared any Dividend for the current year.

viii) The company has used “Tally” accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

h) 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 No.008801S/S200060)**  
**Venkata Ratnam.P**  
**Partner**  
**M.no:219486**  
**UDIN:22230675AJVSHY7654**  
**Place: Hyderabad Date:30-05-2022**

## **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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **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.

## **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, 2022, 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.

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

Venkata Ratnam.P  
Partner  
M.no:219486  
UDIN:22230675AJVSHY7654

Place:Hyderabad  
Date:30-05-2022



## **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 Kaveri Engineering Projects Private 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) Maintenance of Proper records for Intangible records is not applicable to the company.
  - (c) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (d) According to the information and explanations given to us, the company does not own any immovable Properties at the balance sheet date, hence the clause of reporting whether the title deeds are held in the name of company is not applicable.
  - (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, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
  
- ii.
  - (a) As explained to us, the physical verification of inventories, excluding stocks lying with third parties, have been conducted at reasonable intervals by the Management during the year. In case of inventories lying with third parties, certificates of stocks holding have been received.
    - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
    - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
    - d) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. There is no material discrepancy found between quarterly returns or statements filed by the company with such banks or financial institutions and books of account of the Company.
  
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a),(b),(c),(d),(e),(f) of the order are not applicable to the Company.

- iv. The company has not advanced any loans, guarantees to directors of the company. Hence this clause is not applicable to the company.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. Maintenance of cost records as specified by central government under subsection (1) of section 148 is not applicable to the company.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - (b) There are no disputed dues Pending as on March 31,2022.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. The Company has not defaulted in repayment of Loans or borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
  - (a) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - (b) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - (c) On an overall examination of the financial statements, Company has not raised fund any funds during the Year. Hence, this clause is not applicable.
  - (d) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations.
  - (e) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.  
No whistle blower complaints received by the Company during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are Opinion that no material uncertainty exists as on the date of the audit report that company is 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;

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013 is not applicable to the company.

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

Venkata Ratnam.P  
Partner  
M.no:219486  
UDIN:22230675AJVSHY7654

Place:Hyderabad  
Date:30-05-2022



**PART:I FORM OF BALANCE SHEET**  
**VSF PROJECTS LIMITED**  
**Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101**  
**CIN:L05005AP1992PLC014326**  
**Balance Sheet as on 31-03-2022**

Rs in Lakhs

Particulars	Note No.	Standalone	
		Audited As at 31.03.2022	Audited As at 31.03.2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and Equipment	2.1	6,353.11	6,364.78
<b>Financial assets</b>			
Investments			-
Deferred tax Asset (Net)	2.2	8.88	8.11
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	2.3	0.56	0.56
Cash and cash equivalent	2.4	0.27	2.52
Other financial assets	2.5	68.47	68.50
<b>Other current assets</b>	2.6	125.72	112.37
<b>TOTAL</b>		<b>6,557.01</b>	<b>6,556.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2.7	586.90	586.90
Other Equity	2.8	(559.68)	(551.63)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.9	1,564.52	1,564.52
Other Financial Liabilities			-
Deferred tax liabilities (net)			-
Other non-current liabilities	2.11	2,550.00	2,550.00
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.9	0.10	-
Trade payables	2.12	1,998.67	2,042.46

Other financial liabilities	2.10	149.27	150.45
Other current liabilities	2.11	261.44	214.15
Provision for tax	2.13	5.80	
<b>TOTAL</b>		<b>6,557.01</b>	<b>6,556.85</b>

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:22230675AJVSHY7654**

**BN MURTHY**

Managing Director

**DIN:00073068**

**B L N CHOWDARY**

Director & CFO

**DIN: 02381545**

**Place: Hyderabad**

**Date: 30-05-2022**

**PART :II FORM OF STATEMENT OF PROFIT AND LOSS**  
**VSF PROJECTS LIMITED**  
**Anakalapur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101**  
**CIN:L05005AP1992PLC014326**  
**Statement of Profit and Loss as on 31-03-2022**

**Rs in Lakhs**

Particulars	Note No.	Year ended March 31,2022	Year ended March 31,2021
		Audited	Audited
<b>Income</b>			
Revenue from operations	2.14	164.76	173.82
<b>Total Revenue from operations</b>		<b>164.76</b>	<b>173.82</b>
Other income	2.15	0.077	-
<b>Total Income</b>		<b>164.84</b>	<b>173.82</b>
<b>Expenses</b>			
Cost of materials consumed	2.16	84.65	70.68
Employee benefits expense	2.17	43.84	46.91
Finance costs	2.18	0.15	0.21
Depreciation and amortization expense	2.1	11.67	19.19
Other expenses	2.19	25.54	26.49
<b>Total Expenses</b>		<b>165.85</b>	<b>163.47</b>
<b>Profit before tax</b>		<b>(1.01)</b>	<b>10.35</b>
<b>Tax expense</b>			



(1) Current tax	7.80	-
(2) Deferred tax	(0.76)	(4.99)
<b>Net Profit for the Period</b>	<b>(8.05)</b>	<b>15.34</b>
<b>Other comprehensive income (OCI)</b>		
(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		-
<b>Total Other Comprehensive income</b>		-
<b>Total Comprehensive income</b>	<b>(8.05)</b>	<b>15.34</b>
<b>Paid-up Equity Share Capital</b> (Rs.,10/- per Equity Share)	586.90	586.90
<b>Other Equity</b>	(559.68)	(551.63)
<b>Earnings per equity share</b> (Face value of Rs.10/- each)		
(1) Basic	(0.14)	0.26
(2) Diluted	(0.14)	0.26

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**

**BN MURTHY**

**B L N CHOWDARY**

**MN no:230675**

**Managing Director**

**Director & CFO**

**UDIN:22230675AJVSHY7654**

**DIN:00073068**

**DIN: 02381545**

Place: Hyderabad  
Date: 30-05-2022

<b>PART:III STATEMENT OF CASH FLOW STATEMENT</b>		
<b>VSF PROJECTS LIMITED</b>		
<b>Anakalapur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101</b>		
<b>CIN:L05005AP1992PLC014326</b>		
<b>Statement of Cash Flow statement as on 31-03-2022</b>		
<b>Rs in lakhs</b>		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Cash Flows from Operating Activities</b>		
Net profit before tax	(1.01)	10.35
Adjustments for :		
Depreciation and amortization expense	11.67	19.19
Provision for doubtful debts/advances/ impairment		-
Finance cost	0.15	0.21
Profit on Sale of Fixed Asset		
Operating profit before working capital changes	<b>10.81</b>	<b>29.75</b>
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/Decrease in Other financial assets	0.03	(1.44)
(Increase)/Decrease in Other Current Assets	(13.35)	12.90
Increase/(Decrease) in Trade Payables	(43.80)	(68.09)
Increase/(Decrease) in Other financial liabilities	(1.18)	17.22
Increase/(Decrease) in Other Current liabilities	47.29	7.52
Changes in Working Capital	<b>(11.01)</b>	<b>(31.90)</b>
<b>Cash generated from operations</b>	<b>(0.20)</b>	<b>(2.15)</b>

Direct Taxes Paid	(2.00)	-
<b>Net Cash from operating activities (A)</b>	<b>(2.20)</b>	<b>(2.15)</b>
<b>Cash flows from Investing Activities</b>		
Sale of Fixed Assets	-	-
(Purchase) /Sale of Investment	-	-
<b>Net Cash used in Investing Activities (B)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from Long term borrowings	-	107.11
Repayment/(Proceeds) of/from Short-term borrowings		(107.11)
Finance cost	(0.15)	(0.21)
<b>Net Cash used in Financing Activities (C)</b>	<b>(0.15)</b>	<b>(0.21)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2.35)</b>	<b>(2.35)</b>
Cash and Cash equivalents at the beginning of the year	2.52	4.87
<b>Cash and Cash equivalents at the ending of the year</b>	<b>0.17</b>	<b>2.52</b>

Notes :-

- 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)
- The accompanying notes are an integral part of the financial statements.

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Cash and Cash Equivalent	0.27	2.52
Cash Credit	0.10	-
	<b>0.17</b>	<b>2.52</b>

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

**For and on behalf of Board**  
**VSF PROJECTS LIMITED**

Chartered Accountants

**Venkata Ratnam P**

**Partner**

**MN no:230675**

**UDIN:22230675AJVSHY7654**

**Place: Hyderabad**

**Date: 30-05-2022**

**BN MURTHY**

Managing Director

**DIN:00073068**

**B L N CHOWDARY**

Director & CFO

**DIN: 02381545**

PART:IV STATEMENT OF CHANGES IN EQUITY						
VSF PROJECTS LIMITED						
Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101						
CIN:L05005AP1992PLC014326						
Statement of changes in equity as on 31-03-2022						
Rs in Lakhs						
<b>Statement of changes in equity</b>						
<b>Statement of changes in equity for the period ended 31.03.2022</b>						
<b>Equity share capital</b>	<b>Opening balance as at 1 Apr 2021</b>	<b>Changes in equity share capital during the year</b>	<b>Closing balance as at 31 Mar 2022</b>			
58,68,950 Equity Shares of Rs.10 each, fully paid up	586.90		586.90			
	<b>586.90</b>		<b>586.90</b>			
<b>Equity share capital</b>	<b>Opening balance as at 1 Apr 2020</b>	<b>Changes in equity share capital during the year</b>	<b>Closing balance as at 31 Mar 2021</b>			
58,68,950 Equity Shares of Rs.10 each, fully paid up	586.90		586.90			
	<b>586.90</b>	-	<b>586.90</b>			
Reserves and surplus						
<b>PARTICULARS</b>	<b>RETAINED EARNINGS</b>	<b>CAPITAL RESERVE</b>	<b>SECURITIES PREMIUM</b>	<b>REVALUATION RESERVE</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>TOTAL EQUITY</b>
Balance as at 1/4/2021	(1,021.25)	29.33	92.89	1,928.40	(1,581.00)	(551.63)
Profit for the year	(8.05)					(8.05)
Additions during the year						-
Dividend paid						-
Amount transfer to general reserve						-
Net change in fair value of FVTPL investments and others						-
Measurement of derivatives at fair value						-
Prior period errors						-
Actuarial gain/(loss) on post-employment benefit						-
<b>Balance as at 31/03/2022</b>	<b>(1,029.30)</b>	<b>29.33</b>	<b>92.89</b>	<b>1,928.40</b>	<b>(1,581.00)</b>	<b>(559.68)</b>
<b>PARTICULARS</b>	<b>RETAINED EARNINGS</b>	<b>CAPITAL RESERVE</b>	<b>SECURITIES PREMIUM</b>	<b>REVALUATION RESERVE</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>TOTAL EQUITY</b>
Balance as at 1/4/2020	(1,036.59)	29.33	92.89	1,928.40	(1,581.00)	(566.97)
Profit for the year	15.34					15.34
Additions during the year						-
Dividend paid						-
Amount transfer to general reserve						-
Net change in fair value of FVTPL investments and others						-
Prior period errors						-
Actuarial gain/(loss) on post-employment benefit						-
<b>Balance as at 31/03/2021</b>	<b>(1,021.25)</b>	<b>29.33</b>	<b>92.89</b>	<b>1,928.40</b>	<b>(1,581.00)</b>	<b>(551.63)</b>
For NSVR & Associates LLP Chartered Accountants Firm Regd No: 008801S/S200060				For and on behalf of Board VSF PROJECTS LIMITED		
<b>Venkataratnam P</b> Partner Membership No:230675 <b>UDIN:22230675AJVSHY7654</b>			<b>BN MURTHY</b> Managing Director <b>DIN:00073068</b>		<b>B L N CHOWDARY</b> Director & CFO <b>DIN:02381545</b>	
Place :Hyderabad Date:30-05-2022						

## **NOTES TO FINANCIAL STATEMENTS**

### **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
<b>Buildings</b>	30
<b>Plant &amp; Machinery</b>	15
<b>Vehicles</b>	
i) Motor cycles, scooters and other mopeds	10
ii) Motor buses, Motor lorries, Motor taxis and Motor cars	8
<b>Computers</b>	3
<b>Office Equipment</b>	5
<b>Furniture &amp; Fixtures</b>	10

## **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.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

## **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 Prouncements:**

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

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

**Venkata Ratnam.P  
Partner  
M.no:219486  
UDIN:22230675AJVSHY7654**

**Place:Hyderabad  
Date:30-05-2022**

**2.1: Property, plant and equipment**

Particulars	Gross carrying value			Accumulated depreciation / impairment			Net carrying value	
	As at 01 April 2021	Additions/Revaluation	As at 31 March 2022	As at 1 April 2021	For the year	Disposals	As at 31 March 2022	As at 31 March 2021
Land	6,335.00	-	6,335.00	-	-	-	6,335.00	6,335.00
Buildings	22.48	-	22.48	12.20	2.44	-	14.64	22.48
Plant and equipment	25.80	-	25.80	11.91	3.62	-	15.53	25.80
Vehicles	71.04	-	71.04	65.47	5.58	-	71.04	71.04
Furniture & Fixtures	3.77	-	3.77	3.74	0.04	-	3.77	3.77
<b>Total</b>	<b>6,458.09</b>	<b>-</b>	<b>6,458.09</b>	<b>93.31</b>	<b>11.67</b>	<b>-</b>	<b>104.98</b>	<b>6,458.09</b>



## 2.2 Deferred tax Asset (Net)

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
Opening Balance	8.11	3.12
Add : On account of IND AS Adjustment		
Add : On account of difference in Net Block	0.76	4.99
Add : On account of deferment of Processing Charges		
Closing Balance	<b>8.88</b>	<b>8.11</b>

## 2.3 Trade receivables

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
	<b>Non Current</b>	<b>Non Current</b>
<b>Trade Receivables</b>		
Unsecured, considered good	0.56	0.56
Less: Allowances for credit losses		
<b>TOTAL</b>	<b>0.56</b>	<b>0.56</b>

Trade Receivables hypothecated as security for availing working capital facilities

## 2.4 Cash and Cash Equivalents

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
<b>a) Cash and Cash equivalents</b>		
i) Cash on hand	0.17	2.42
ii) Balances with banks		
- Current Accounts	0.10	0.10
<b>Total</b>	<b>0.27</b>	<b>2.52</b>

**Cash and Cash Equivalents include the following for Cash flow purpose**

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
Cash and Cash Equivalents/ Bank Balances	0.27	2.52
Less: Unclaim dividend	-	-
Less: Cash credit to be classified as Cash and Cash Equivalents for cash flow purpose	-	-
<b>Cash and Cash Equivalents/ Bank Balances</b>	<b>0.27</b>	<b>2.52</b>

### 2.5 Other Financial Assets

Particulars	2022		2021	
	Non- Current	Current	Non- Current	Current
<b>Security and Other Deposits</b>				
Deposits		68.47	-	68.50
<b>TOTAL</b>	-	<b>68.47</b>	-	<b>68.50</b>

### 2.6 Other Non Current Assets and Current Assets

Particulars	2022		2021	
	Non- Current	Current	Non- Current	Current
Prepaid Expenses	0.66		-	0.66
Balances with Revenue Authorities	45.56		-	45.56
Advance to Creditors	79.50		-	66.15
<b>TOTAL</b>	<b>125.72</b>			<b>112.37</b>

## 2.7 Share Capital

Particulars	2022		2021	
<b>Authorized Share Capital</b>				
80,00,000 Equity Shares of Rs.10 each		800.00		800.00
(Previous year :80,00,000 Equity Shares of Rs.10 each)				
<b>Issued Subscribed and Paid up Share Capital</b>				
58,68,950 Equity Shares of Rs.10 each, fully paid up		586.90		586.90
(Previous year :58,68,950 Equity Shares of Rs.10 each, fully paid up)				
		<b>586.90</b>		<b>586.90</b>
Details of shareholders holding more than 5% shares :	<b>No. of shares</b>	<b>% Holding</b>	<b>No. of shares</b>	<b>% Holding</b>
1. M Lakshmi	8.00	13.6%	8.00	13.6%
2. B N Murthy	8.90	15.2%	8.90	15.2%
3. B L N Chowdary	5.53	9.4%	5.53	9.4%
	<b>22.43</b>	<b>38.21%</b>	<b>22.43</b>	<b>38.21%</b>

### 2.7.1 Reconciliation of Number of Shares :

Particulars	2022	2021
Number of Shares at the beginning of the year	58,68,950.00	58,68,950.00
Add : Shares issued during the year		
<b>Number of Shares at the end of the year</b>	<b>58,68,950</b>	<b>58,68,950</b>

## 2.7.2 Shareholding of promoters

<b>Share held by the promoter as on 31-03-2022</b>			
<b>Promoter Name</b>	<b>No of shares</b>	<b>% of Total shares</b>	<b>% Change during the year</b>
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	-
<b>Total</b>	<b>25.37</b>	<b>43.23</b>	-

## 2.8. 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	2022	2021
<b>Capital Reserve</b>		
Opening Balance	29.33	29.33
Add: Additions during the year		-
	<b>29.33</b>	<b>29.33</b>
<b>Securities Premium</b>		
Opening Balance	92.89	<b>92.89</b>
Add: Additions during the year		-
	<b>92.89</b>	<b>92.89</b>
<b>Revaluation reserve</b>		
Opening Balance	1,928.40	1,928.40
Add: Additions during the year		-
	<b>1,928.40</b>	<b>1,928.40</b>
<b>Retained Earnings</b>		

Opening Balance	(1,021.25)	(1,036.59)
Add: Net profit transferred from the Statement of Profit and Loss	(8.05)	15.34
	<b>(1,029.30)</b>	<b>(1,021.25)</b>
<b>Appropriations</b>		
Net change in fair value of Financial Assets		-
		-
<b>Closing Balance</b>	<b>(1,029.30)</b>	<b>(1,021.25)</b>
<b>Other Comprehensive Income</b>		
a. Revaluation Reserve on Fixed Assets	3,791.00	3,791.00
b. Impairment on Investment in Subsidiary	(5,372.00)	(5,372.00)
	<b>(1,581.00)</b>	<b>(1,581.00)</b>
<b>Total</b>	<b>(559.68)</b>	<b>(551.63)</b>

## 2.9 Borrowings

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
<b>Secured Borrowings:</b>				
<i>From Banks</i>	-	-	-	-
<i>From Financial Institutions</i>	-	-	-	-
Cash Credit	<b>0.10</b>	-	-	-
<b>Unsecured Borrowings</b>				
From Others	-	107.11	-	107.11
Inter Corporate Deposit	-	1,111.52	-	1,111.52
Loans from Directors	-	345.89	-	345.89
<b>Total</b>	<b>0.10</b>	<b>1,564.52</b>	-	<b>1,564.52</b>

## 2.10 Other financial liabilities

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
Payable for Expenses		146.92		147.96
Others financial liabilities		0.00		0.00
Audit Fees		2.35		2.49
<b>Total</b>	-	<b>149.27</b>	-	<b>150.45</b>

**2.11 Other Non Current Liabilities & Current liabilities**

Particulars	2022		2021	
	Current	Non Current	Current	Non Current
Advance for sale of land	34.70		34.70	-
Advace against equipment sale	44.73		44.73	-
Salaries & Remuneration Payable	162.01		134.72	
Advances for material	20.00			
Deferred Lease Rental Depoist	-	2,550.00	-	2,550.00
<b>Total</b>	<b>261.44</b>	<b>2,550.00</b>	<b>214.15</b>	<b>2,550.00</b>

**2.12 Trade Payables**

Particulars	2022	2021
	Current	Current
Particulars		
<b>Dues to others</b>		
For Raw material	196.11	204.51
Creditors for Earthwork Expenses	1,802.56	1,837.96
<b>Total</b>	<b>1,998.67</b>	<b>2,042.46</b>

**2.13 Provision for tax**



<b>Other Expenses</b>	<b>2022</b>	<b>2021</b>
Provision for income tax	7.80	
L.y tax paid	2.00	
<b>Total</b>	<b>5.80</b>	-

#### 2.14 Revenue from operations

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
<b>Revenue from :</b>		
Work Bills	-	-
Other Operating Income	164.76	173.82
<b>Total</b>	<b>164.76</b>	<b>173.82</b>

#### 2.15 Other income

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
Income from Aqua Culture		
Sale of Vehicle	-	
Miscellaneous Income	0.077	
<b>Total</b>	<b>0.077</b>	-

#### 2.16 Cost of materials consumed

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
<b>Raw Material</b>		
Purchases	84.65	70.68
Add: Opening Stock		-
	84.65	70.68
Less: Closing Stock		-

<b>Total</b>	<b>84.65</b>	<b>70.68</b>
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### 2.17 Employee benefits expense

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
Salaries, Wages and Bonus	31.84	34.91
Staff welfare		-
Directors Remuneration	12.00	12.00
<b>Total</b>	<b>43.84</b>	<b>46.91</b>

### 2.18 Finance costs

<b>Particulars</b>	<b>2022</b>	<b>2021</b>
BG commission	0.10	-
Interest expense	-	0.18
Other borrowing costs	0.05	0.03
<b>Total</b>	<b>0.15</b>	<b>0.21</b>

## 2.19 Other expenses

Particulars	2022	2021
Power and fuel	6.51	8.72
Repairs and Maintenance to Other assets	0.86	1.79
Insurance	0.25	-
Rent	1.32	1.31
Rates and Taxes	0.67	0.99
Travelling Expenses	0.94	0.89
Office Maintenance	1.29	1.40
Professional Fees & Expenses	-	4.12
Auditor's Remuneration	0.75	0.75
Telephone charges	0.29	0.27
AGM Expenses	1.42	1.52
Penalty Charges	2.93	0.15
Listing fee	7.19	3.54
Advertisement		0.58
Mess maintenance	0.77	-
Other Expenses	0.35	0.45
<b>Total</b>	<b>25.54</b>	<b>26.49</b>

## 2.20 Auditors Remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Audit fees	75,000	75,000
b) Other charges		
Taxation matters	0	0
Certification fee	0	0
c) Reimbursement of out of pocket expenses	0	0
<b>TOTAL</b>	<b>75,000</b>	<b>75,000</b>

## 2.21 Earnings per Share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Earnings</b>		
Profit attributable to equity holders	<b>( 8,05,248)</b>	<b>15,34,170</b>
<b>Shares</b>		
Number of shares at the beginning of the year	58,68,950	58,68,950
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	58,68,950	58,68,950
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	<b>58,68,950</b>	<b>58,68,950</b>
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	-	-
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>58,68,950</b>	<b>58,68,950</b>
<b>Earnings per share of par value Rs.10/- – Basic ( ` )</b>	<b>(0.14)</b>	<b>0.26</b>
<b>Earnings per share of par value Rs.10/- – Diluted ( ` )</b>	<b>(0.14)</b>	<b>0.26</b>

## 2.22 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 – Independent Director
- Sri. Rahul patibandla – Director

Relative of KMP :

- B L N Chowdary

The following is a summary of significant related party transactions:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>a) Key managerial personnel</b>		
<i>Remuneration &amp; Commission</i>		
<b>B N Murthy</b>	12,00,000	12,00,000
<b>B. Vijaya Lakshmi</b>	6,00,000	6,00,000
<b>Lakshmi Narasimha Chowdary Bobba</b>	Nil	Nil
<b>Rahul Patibandla</b>	Nil	Nil
<b>Patibandla Ajaya</b>	Nil	Nil
<b>b) Relatives of Key Managerial Personnel</b>		
<b>B.L.N.Chowdary</b>	12,00,000	12,00,000
<b>c) Loan from Directors</b>		
<b>B N Murthy</b>	1,64,89,000	1,64,89,000
<b>B. Vijaya Lakshmi</b>	1,33,56,000	1,33,56,000
<b>TOTAL</b>	<b>2,98,45,000</b>	<b>2,98,45,000</b>

## 2.23 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.

## 2.24 Income Taxes:

### a. *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 <sup>st</sup> March	
	2022	2021
<i>Current taxes expense</i>	7,80,356	-
<b>Domestic</b>	-	-
<i>Deferred taxes expense/(benefit)</i>		
<b>Domestic</b>	(76176)	(4,98,986)
<b>Total income tax expense/(benefit) recognized in the statement of profit and loss</b>	<b>(7,04,181)</b>	<b>(4,98,986)</b>

a. <i>Reconciliation of Effective tax rate:</i>		
Particulars	For the Year Ended 31 March	
	2022	2021
<b>Profit before income taxes</b>	(1,01,067)	10,35,184
<b>Enacted tax rate in India</b>	26%	26%
<b>Computed expected tax benefit/(expense)</b>	1,64,446	2,69,147.84
<b>Effect of:</b>		
<b>Expenses not deductible for Tax purposes</b>	15,42,575	6,20,269
<b>Expenses deductible for Tax purposes</b>	(8,74,452)	(2,66,106)
<b>On account of carry forward losses</b>	0	(1,77,33,733)
<b>Others</b>		
<b>Income tax benefit/(expense)</b>	0	(1,71,10,422)
<b>Effective tax rate</b>	26%	-

**b. 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	
	2022	2021
<b><u>Deferred tax assets/(liabilities):</u></b>		
Property, plant and equipment	(76,176)	(4,98,986)
Others		
<b>Net deferred tax assets/(liabilities)</b>	<b>(76,176)</b>	<b>(4,98,986)</b>

**c. Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March 2022 & 2021:**

Particulars	As at 1 April 2021	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2022
<b><u>Deferred tax assets/(liabilities)</u></b>				
Property, plant and equipment	8,11,459	76,176		8,87,635
<b>Net deferred tax assets/(liabilities)</b>	<b>8,11,459</b>	<b>76,176</b>		<b>8,87,635</b>

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

Particulars	As at 1 April 2020	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2021
<b><u>Deferred tax assets/(liabilities)</u></b>				
Property, plant and equipment	3,12,473	4,98,986		8,11,459
Others				
<b>Net deferred tax assets/(liabilities)</b>	<b>3,12,473</b>	<b>4,98,986</b>		<b>8,11,459</b>

**2.25 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.

### **2.26 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.

### **2.27 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 2022.



Of the total trade and other receivables, Nil 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 31-03-2022

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>(i) Undisputed Trade receivables - considered good</b>			55,751			55,751
<b>(ii) Undisputed Trade Receivables - which have significant increase in credit risk</b>						
<b>(iii) Undisputed Trade Receivables - credit impaired</b>						
<b>(iv) Disputed Trade Receivables - considered good</b>						
<b>(v) Disputed Trade Receivables - which have significant increase in credit risk</b>						
<b>(vi) Disputed Trade Receivables - credit impaired</b>						

As on 31-03-2021

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>(i) Undisputed Trade receivables - considered good</b>		55,751				55,751
<b>(ii) Undisputed Trade Receivables - which have significant increase in credit risk</b>						
<b>(iii) Undisputed Trade Receivables - credit impaired</b>						
<b>(iv) Disputed Trade Receivables - considered good</b>						
<b>(v) Disputed Trade Receivables - which have significant increase in credit risk</b>						
<b>(vi) Disputed Trade Receivables - credit impaired</b>						

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 2022 and 31 March 2021 are as follows:

Particulars	For the Year Ended 31 March	
	2022	2021
<b>Balance at the beginning of the year</b>	12,82,10,080	12,82,10,080
<b>Impairment of Trade receivables</b>	Nil	Nil
<b>Balance at the end of the year</b>	<b>12,82,10,080</b>	<b>12,82,10,080</b>

### **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 2022, the Company had working capital (current assets less current liabilities) of Rs. (22,20,25,440) including cash and cash equivalents of Rs 27220/-. As of 31 March 2021, the Company had working capital of Rs. (22,23,11,452/-), including cash and cash equivalents of Rs. 2,52,117/-.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022:

Particulars	2023	2024	2025	2026	Thereafter	Total
<b>Trade payables</b>	19,98,66,665					19,98,66,665
<b>Long term borrowings</b>	-					-
<b>Bank overdraft, short-term loans and borrowings</b>	10,000					10,000
<b>Other financial liabilities-Non current</b>	-				1,55,07,138	1,55,07,138
<b>Other financial liabilities- Current</b>	2,61,43,642					2,61,43,642

Trade payables as on 31-03-2022

Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
<b>MSME</b>		19,98,66,665			19,98,66,665
<b>Others</b>					
<b>Disputed dues-MSME</b>					
<b>Disputed dues-others</b>					

Trade payables as on 31-03-2021

Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
<b>MSME</b>					
<b>Others</b>		20,42,46,473			20,42,46,473
<b>Disputed dues-MSME</b>					
<b>Disputed dues-others</b>					

## ***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)** The Previous year's figures have been regrouped and recast wherever necessary to bring them in with the current year's figures.

**2.29)** The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year

**2.30)** No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
  - i. Willful defaulter
  - ii. Utilization of borrowed funds & share premium
  - iii. Borrowings obtained on the basis of security of current assets
  - iv. Discrepancy in utilization of borrowings

## **2.31 Ratios**

Ratio	Numerator	Denominator	31-03-2022	31-03-2021	% change	Reason for variance
<b>Current ratio</b>	Current assets	Current liabilities	0.08	0.076	(5.66)	
<b>Debt-Equity ratio</b>	Total debt	Shareholder's equity	240	185	(29.76)	
<b>Debt service coverage ratio</b>	Earning for debt service = Net profit after tax + non operating expenses	Debt service = Interest & lease payments + principal repayments	24.4	167.8	85.43	
<b>Return on equity ratio</b>	Net profit after taxes – preference dividend	Average shareholder's equity	0.12	1.86	93.76	
<b>Inventory Turnover ratio</b>	Cost of goods sold	Average inventory				
<b>Trade receivable turnover ratio</b>	Net credit sales = gross credit sales – sales return	Average trade receivables	295.5	311.7	5.21	
<b>Trade payable turnover ratio</b>	Net credit sales = gross credit purchase – purchase return	Average trade payables	0.04	0.03	(23.08)	
<b>Net capital turnover ratio</b>	Net sales = Total sales – sales return	Working capital = Current assets – current liabilities	(0.7)	(0.08)	5.09	
<b>Net profit ratio</b>	Net profit	Net sales = Total sales – sales return	(0.048)	0.088	155	
<b>Return on capital employed</b>	Earning before interest and tax	Capital employed = Tangible net worth + Total debt + Deferred tax liability	(0.001)	0.01	108.21	
<b>Return on investment</b>	Interest(Finance income)	Investment	NA	NA	NA	

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

**Venkata Ratnam.P**  
**Partner**  
**M.no:219486**  
**UDIN:22230675AJVSHY7654**

**Place:Hyderabad**  
**Date:30-05-2022**

**VSF PROJECTS LIMITED**

CIN No L05005AP1992PLC014326

Reg Off: Sy.No.782 to 1235, Ankulapatur Village, ChillakurMandal, SPSR Nellore Dist, A.P. 524 412

**ATTENDANCE SLIP**

**(To be presented at the entrance)**

**30<sup>th</sup> Annual General Meeting on Saturday, 12<sup>th</sup> November 2022 at 3:00 PM.at the Reg Office of the Company**

**Folio No \_\_\_\_\_ DP No \_\_\_\_\_ Client ID \_\_\_\_\_ No. of shares \_\_\_\_\_**

**Name of the Member \_\_\_\_\_**

**Signature \_\_\_\_\_**

**Name of the Proxy Holder \_\_\_\_\_**

**Signature \_\_\_\_\_**

- 1. Only Member/Proxy holder can attend the meeting**
  - 2. Member / Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.**
-

Form MGT-11  
PROXY FORM

[Pursuance of Sec.105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

FORM NO. MGT – 11  
PROXY FORM  
Folio No. /Client ID :  
DP ID :

Name of the Member: \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
E-Mail Id : \_\_\_\_\_

I / We, being the member(s) of \_\_\_\_\_ shares of VSF Projects Ltd., hereby appoint

Name \_\_\_\_\_

Email ID \_\_\_\_\_

Address \_\_\_\_\_

signature \_\_\_\_\_

As my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 12<sup>th</sup> November 2022 at 3:00 PM at the Registered Office.

S.NO	Brief Description of Resolutions to keep the same for E-Voting Purpose
1	To receive, consider and adopt the standalone Audited Balance Sheet of the Company as at 31 <sup>st</sup> March, 2022 and the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended on that date along with the Report of Directors and the Auditors thereon
2	To appoint a Director in the place Mr. Rahul Patibandla, who retires by rotation and being eligible himself for reappointment.
3	To approve increase in the Authorized Share Capital and alteration of the Capital Clause of the Memorandum of Association of the Company
4	To approve Alteration of the Articles of Association of the Company
5	To consider and approve further issue of equity shares on preferential basis for cash
6	Approval for offering an option of conversion of unsecured loans and Sundry Creditors into equity.
7	To consider and approve issue of Equity shares to the promoters and non promoters by way of conversion of unsecured loan (USL).



8	To consider and approve conversion of outstanding amount due to Sundry Creditors by way of Preferential Issue of Equity Shares
9	To approve borrowing of funds from banks and Financial Institutions to an aggregate sum of Rs. 200 Crores (Fund and Non Fund Based)
10	To Authorize creation of charges on the assets of the company
11	To approve reappointment of Mr. Bobba Narayana Murthy, Managing Director of the Company.
12	To approve reappointment of Mr. Bobba Lakshmi Narasimha Chowdary, Director and CFO of the Company.
13	To approve reappointment of Mrs. Vijaya Lakshmi Bobba, Director of the Company.
14	To consider, approve and regularize the appointment of additional director, Mr. Sriramshetty Srinivasa Rao
15	To consider, approve and regularize the appointment of additional director, Mr. Ramesh Babu Nemani
16	To consider, approve and regularize the appointment of additional director, Ms. Reshma Kiranmayee Pulapa.

Signed this \_\_\_\_\_ day of November 2022

Signature of the Shareholder \_\_\_\_\_ Signature of Proxy Holder(s)

Affix Rs.1/-  
Revenue  
Stamp

- Notes: 1. This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the v company, not less than 48 hours before the commencement of meeting.  
2. Please complete all details, including details of member(s) in above box before submission.

# ROUTE MAP TO THE VENUE OF AGM

