



CIN No. L05005AP1992PLC014326

# VSF PROJECTS LIMITED

CORPORATE OFFICE: PLOT NO. 89/A, AISHWARYA, 3RD FLOOR, ST. NO.8,  
SAGAR SOCIETY, ROAD NO. 2, BANJARA HILLS, HYDERABAD - 500 034. TEL FAX : 040-40102929  
E-mail: vsfprojectsLtd91@gmail.com info@vsfprojects.com Website: www.vsfprojects.com

Date: 03.09.2018

To  
The Department of Corporate Services,  
BSE Limited  
PhirozeJeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai – 400 001

Dear Sir/Madam,

**Sub: Annual Report for the FY-2017-18**

**Scrip Code: 519331**

**Ref: Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015**

With reference to the above cited subject, please find the enclosed Annual Report copy of the Company for the Financial Year 2017-18, which the members of the company have adopted in their 26<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August, 2018 at the registered office of the company at Anakalapatur Village, Chillakur, Mandal, Nellore. AP- 524101.

This is for your information and record.

Thanking you,  
Yours faithfully,

Yours faithfully  
For VSF PROJECTS LIMITED

BN MURTHY  
Managing Director  
DIN:00073068



# VSF PROJECTS LIMITED

26<sup>th</sup>

Annual Report

2017-18

**CORPORATE INFORMATION**

### **Board of Directors**

Sri Rahul Patibandla : Additional Director Appointed w.e.f 26-10-2017

Sri AjayaPatibandla : Additional Director Appointed w.e.f 26-10-2017

**CIN NO** L05005AP1992PLC014326

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

**CORPORATE OFFICE** Plot No.89/A, Aiswarya, 3<sup>rd</sup> Floor,

### **AUDITORS**

NVSR & ASSOCIATES, LLP  
Chartered Accountants  
Flat no 202, NestconGayatri, Plot no 28,

Panchavati Cooperative society,

### **REGISTRAR AND SHARE TRANSFER AGENT:**

Aarathi Consultants Private Limited  
1-2-285, Near Gaganmahal Hospital  
Domalaguda, Himayatnagar

Hyderabad – 500 029

**BANKERS/FINANCIAL INSTITUTIONS**

UCO BANK

HDFC Bank

**BSE Script Code : 519331**

**Script : VSFPROJ**

**ISIN No : INE923K01014**

**NOTICE**

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of the members of the Company will be held on Thursday, 9<sup>th</sup> August, 2018 at 11:30 A.M. at the registered office of the Company at Sy.No.782 to 1235, Ankulapatur Village, ChillakurMandal, SPSR Nellore District, AP, 524 412, to transact the following business:

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**ORDINARY BUSINESS**

1. To receive, consider and adopt the standalone Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2018 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. Appointment of Statutory Auditor

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

**"RESOLVED THAT** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. NVSR & Associates, LLP Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s.R.K. Reddy & Associates, Chartered Accountants from 12<sup>th</sup> May, 2018 till the conclusion of this AGM and to hold the office from the conclusion of 26<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting for a tenure of 5 (five) years, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company".

### **SPECIAL BUSINESS**

3. **APPOINTMENT OF SRI. RAHUL PATIBANDLA (DIN 07344724) AS NON EXECUTIVE DIRECTOR OF THE COMPANY**

To Consider and if thought fit pass with or without modification(s) the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the section 149 and 152, 162 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Sri. Rahul Patibandla (DIN 07344724) who was appointed by the Board of Directors of the company as additional director of the company whose term of office is upto conclusion of this AGM and in respect of whom a notice in writing proposing his candidature for the office of the Director under section 160 of the Companies Act, 2013 and an amount of Rs. 1,00,000/- has been received be and is hereby appointed as non executive Director of the company, whose appointment is liable to retirement by rotation.

4. **APPOINTMENT OF SRI. AJAYA PATIBANDLA (DIN 07972941) AS NON EXECUTIVE DIRECTOR OF THE COMPANY**

To Consider and if thought fit pass with or without modification(s) the following resolution as an **Ordinary Resolution**

**RESOLVED THAT** pursuant to the section 149 and 152, 162 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Sri. Ajay Patibandla (DIN 07972941) who was appointed by the Board of Directors of the company as additional director of the company whose term of office is upto conclusion of this AGM and in respect of whom a notice in writing proposing his candidature for the office of the Director under section 160 of the Companies Act, 2013 and an amount of Rs. 1,00,000/- has been received and is hereby appointed as non executive Director of the company, whose appointment is liable to retirement by rotation

**BY THE ORDER OF THE BOARD**

**For VSF PROJECTS LIMITED**

Place: Hyderabad

Date: 01.06.2018

**RAHUL PATIBANDLA**

**DIRECTOR**

**(DIN: 07344724)**

**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 2<sup>nd</sup> August, 2018 to 9<sup>th</sup> August, 2018 (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 Aarhi Consultants (P) Limited, 1-2-285, Near Gaganmahal Hospital, Domalaguda, Hyderabad – 500 029
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 - Aarhi Consultants (P) Limited, 1-2-285, Near Gaganmahal Hospital, Domalaguda, Hyderabad – 500 029

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 from 5<sup>th</sup> December, 2018.
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. All the documents referred to in the Notice and explanatory statement will be available to the members at the registered office of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
11. 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. 1<sup>st</sup> August, 2018.
12. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
13. Mr. Mohit Gurjar, Practicing Company Secretary has been appointed as scrutinizer for conducting the e-Voting process in a fair and transparent manner.
14. **The instructions for members for voting electronically are as under :-**
  - (i) The voting period begins on Monday, 6<sup>th</sup> August, 2018 (9:00 am) and ends on Wednesday, 8<sup>th</sup> August, 2018 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Holding date) i.e, Wednesday 1<sup>st</sup> August, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iv) Click on "Shareholders" tab.
- (v) Now, select "**VSF PROJECTS LIMITED**" from the drop down menu and click on "SUBMIT"
- (vi) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) 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 voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</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> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</p>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.

- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN of "**VSF PROJECTS LIMITED**" to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xxi) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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](mailto: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.

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](mailto:helpdesk.evoting@cdslindia.com).

The Scrutinizer shall within a period of 48 Hours from the conclusion of the e-Voting period 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.vsfprojects.com](http://www.vsfprojects.com) and on the website of CDSL within two days of passing of the resolutions at the AGM and communicated to the Stock Exchanges.

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 upto and including the date of the AGM.

**BY THE ORDER OF THE BOARD**

**For VSF PROJECTS LIMITED**

Place: Hyderabad  
**PATIBANDLA**

Date: 01.06.2018

**RAHUL**

**DIRECTOR**

**(DIN: 07344724)**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 2

*This explanatory statement is provided though it is not mandatory*

M/s. R. K. Reddy & Associates, Chartered Accountants, Statutory Auditor of the company, has informed that due to pre-occupation of other assignments they will not be able to continue as Statutory Auditor of the company and have tendered their resignation w.e.f. 12<sup>th</sup> May, 2018.

In order to fill up such casual vacancy due to resignation of M/s. R. K. Reddy & Associates, Chartered Accountants, Statutory Auditor of the company, the Board has appointed M/s. NVSR & Associates, LLP Chartered Accountants, to conduct the audit for the financial year 2017-2018, in their Board Meeting held on 12.05.2018. In pursuance to the provisions of Section 139(8) of the Companies Act, 2013, the company needs to approve the appointment of casual vacancy of M/s. NVSR & Associates, LLP Chartered Accountants, in the General Meeting of the Company within 3 (three) months from the date of appointment by the Board.

Further it is proposed to appoint M/s. NVSR & Associates, LLP Chartered Accountants as Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of 31<sup>st</sup> AGM of the Company.

As per the provisions of Section 139 of Companies Act, 2013, appointment of Statutory Auditor of the Company for a period of 5 years requires approval of members by way of ordinary resolution. Hence your directors commend for approval of members for the item no. 2 by way of ordinary resolution.

None of the directors or key managerial personnel or their relatives are interested financially or otherwise in this resolutions.

### Item No 3

The Board of Directors of the Company at the meeting held on 26<sup>th</sup> October, 2017 and Pursuant to Article 33 of Articles of Association, appointed Sri. Rahul Patibandla as an Additional Director (Non-Executive) of the Company with effect from that date. In terms of the provisions of Section 161 of the Act, Sri. Rahul Patibandla holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

In terms of the provisions of the Companies Act, 2013, Sri. Rahul Patibandla has filed requisite consent(s) before the Board. The Company has also received intimation from Sri. Rahul Patibandla in Form DIR-8 to the effect that he is not disqualified to be appointed as a Director in any company. The company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing the candidature of Sri. Rahul Patibandla, as a Director of the company.

Further in accordance with the provisions of Section 152 read with Schedule IV of the companies Act, 2013, appointment any Director require approval of members by way of ordinary resolution.

Excepting for the appointee Mr Rahul Patibandla and Mr. Ajaya Patibandala, None of the directors or key managerial personnel or their relatives are interested financially or otherwise in this resolutions.

The Board commends the Ordinary Resolutions set out at Item No.3 of the Notice for approval by the Members

### Item No 4

The Board of Directors of the Company at the meeting held on 26<sup>th</sup> October, 2017, Pursuant to Article 33 of Articles of Association, appointed Sri. Ajaya Patibandla as an Additional Director (Non-Executive) of the Company with effect from that date. In terms of the provisions of Section 161 of the Act, Sri. Ajaya Patibandla holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

In terms of the provisions of the companies Act, 2013, Sri. Ajaya Patibandla has filed requisite consent(s) before the Board. The Company has also received intimation from Sri. Ajaya Patibandla in Form DIR-8 to the effect that he is not disqualified to be appointed as a Director in any company. The company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing the candidature of Sri. Ajaya Patibandla, as a Director of the company.

Further in accordance with the provisions of Section 152 read with Schedule IV of the companies Act, 2013, appointment any Director require approval of members by way of ordinary resolution.

Excepting for the appointee Mr. AjayaPatibandala and Mr Rahul Patibandla, None of the directors or key managerial personnel or their relatives are interested financially or otherwise in this resolutions.

The Board commends the Ordinary Resolutions set out at Item No.4 of the Notice for approval by the Members

**ADDITIONAL INFORMATION**

**Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding Director seeking appointment / re-appointment and**

**(Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015)**

<b>Name of the Director</b>	Sri Rahul Patibandla	Sri. AjayaPatibandla
Din No	07344724	07972941
Date of Birth	03-08-1982	04-08-1953
Date of Appointment on the Board	26-10-2017	26-10-2017
Qualification, Experience & Expertise	He holds an MBBS from NTR University MD from KLE University DNB (Nephrology) from NBE, Delhi university.	He holds B Pharm from Andhra University, Vishakapatnam.
Directorship in other public companies (Excluding foreign companies and section 25 Companies)	Nil Director in RENOWN CLINICAL SERVICES PRIVATE LIMITED (Private Company )	Nil
Shareholding	Nil	Nil
Disclosures of relationships between Directors interest		

**BY THE ORDER OF THE BOARD**

**For VSF PROJECTS LIMITED**

Place: Hyderabad  
**PATIBANDLA**

Date: 01.06.2018

**RAHUL**

**DIRECTOR**

**(DIN: 07344724)**

## Director's Report

Your Directors hereby present the **Twenty Sixth Annual Report** together with the Audited Accounts of the company for the financial year ended 31st March, 2018.

### **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**

<b>PARTICULARS</b>	<b>2017-18</b>	<b>2016-17</b>
Total Income from Operations	0	125.82
Total Expenses	100.03	112.63
Profit Before Tax (PBT)	-100.03	-15.97
Less: Tax	-7.03	0
Profit After Tax (PAT)	-93.02	-15.97
Loss from Previous Year		0
Net Profits/Loss carried to Balance Sheet	-93.02	-15.97

### ***COMPANY PERFORMANCE:***

The Financial Year 2017 -18 has been a very tough year for the Company as the company had no operations as the Company could not bag any new order due to huge financial crunch which resulted into zero revenues as against the income of Rs. 125.82Lacs in the previous year. With the recurring expenditure with relation to employees benefits, depreciation etc. the company incurred the Net loss of Rs. 93.02 Lacs as against loss of Rs. 15.97Lacs in the previous year.

There is no change in the nature of business during the FY 2017-18.

### ***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***

Ministry of Corporate Affairs has struck off the name of subsidiary Company M/s VSF Energy Projects Private Limited from Register of Companies maintained by the Registrar of Companies, Hyderabad.

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 2017-18.



## **STATUTORY AUDITORS**

R. K. Reddy & Associates, Chartered Accountants, Statutory Auditor of the company, has informed that due to pre-occupation of other assignments they will not be able to continue as Statutory Auditor of the company and have tendered their resignation w.e.f. 12<sup>th</sup> May, 2018.

In order to fill up such casual vacancy, the company has appointed NVSR & Associates, LLP Chartered Accountants, to conduct the audit for the financial year 2017-2018, in the Board Meeting held on 12<sup>th</sup> May, 2018

The company has received letter from M/s. NVSR & Associates, LLP, Chartered Accountants under Section 139(1) of the Companies Act, 2013 and the Rules framed there under furnished a certificate of their eligibility and consent for appointment to that effect, that, their appointment, if made, would be within the prescribed limits under provisions of sections specified under the Act and that, they are not disqualified for such appointment within the meaning of the section of the said Act.

The term of M/s NVSR & Associates, LLP Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, will expire on the conclusion of ensuing Annual General Meeting. Hence it is proposed to appoint M/s. NVSR & Associates, LLP Chartered Accountants, Hyderabad, (ICAI Firm Registration No. 008801S/S200060 as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 31st Annual General Meeting of the Company (FY. 2018-19 to FY. 2022-23) i.e. for a period of five years.

## **AUDITORS REPORT**

The auditors have given their report on the Annual Accounts of the Company and there was no qualification made by auditor. However Auditors have expressed disclaimer of opinion on the financial statements of the Company in relation to the investment made in the subsidiary company and re valuation of Property, Plant and machinery.

### ***Disclaimer of Opinion made by Auditor***

#### **a. Investment in Subsidiary**

The total investments of the company consists of equity shares in M/s. VSF Energy Projects Private Limited ("subsidiary company"). Following the principles of 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 recognise 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"). On the transition date, the Company has elected the irrevocable option to recognise the fair value changes in the equity shares in the subsidiary in OCI.

However, the management of the Company has not submitted the audited financial statements of the subsidiary company and we were also explained by the management that the subsidiary company has been in "strike off" status as per the ROC records and the Board of Directors of the Subsidiary has also been disqualified. This has led to a material uncertainty in respect of subsidiary company's ability to continue as a going concern. In these circumstances, we are of the opinion that the company shall carry out impairment test in respect of the investments in equity shares in subsidiary company.

In the absence of such fair valuation of equity shares in the subsidiary company, we cannot determine the impact of such fair valuation on the total comprehensive income of the Company in the Standalone Financial Statements and also the recoverability of investments disclosed in the balance sheet of the company.

**b. Property, Plant and Equipment**

Following the principles of Ind AS 16, Property, plant and equipment an entity should choose either the cost model or the revaluation model as its accounting policy for subsequent measurement of its items of property, plant and equipment. Consequently, the Company has chosen to adopt revaluation model as its accounting policy for subsequent measurement of its items of property, plant and equipment. Accordingly, all the revaluation changes shall be recognised in the statement of OCI.

In the absence of revaluation of the item of property, plant and equipment (Land), on a date near to the reporting period i.e., 31st March 2018, the company has not accounted for any revaluation difference in the Statement of OCI. Consequent to this, we are unable to determine the impact of such revaluation on the total comprehensive income of the Company for the year ended 31st March 2018.

**Reply of Board**

- a) Since the Company is proposing to revive the Subsidiary, the management is of the opinion that the fair value approximates to carrying amount of the investment.
- b) Company is in the process of appointing valuer for revaluing the asset of the Company.

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

The Secretarial Audit Report is annexed herewith as "Annexure I" to this report.

## **REPLY TO QUALIFICATIONS IN SECRETARIAL AUDIT REPORT**

### **1. Company has not appointed Company Secretary and CFO for the position of Key Managerial Person as required under section 203 of Companies Act, 2013 and Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.**

As the Company is situated in remote place, we could not get an eligible Company Secretary or CFO. We are trying to find a right candidate and shall appoint a right candidate as and when available.

### **2. Non Appointment of Internal Auditor as required under section 138 of Companies Act, 2013**

The operations of the Company are negligible and company is facing financial crunch thus becoming difficult to appoint internal auditor.

### **3. The Company is irregular in filing various forms required to be filed under provisions of Companies Act, 2013**

Due to constant changes in officers looking after the secretarial matters, there have been instances of delay in filing of forms.

### **4. The Company did not appointed Independent Directors as required under the provisions of section 149 of Companies Act, 2013**

One of the Independent Directors of the Company got disqualified during the year pursuant to non filing of annual returns for period of three years in subsidiary Company/ group Companies and other Independent Director has resigned from the Board w.e.f 22.01.2018. Company is in the process of appointing new director and the disqualified director has informed the Company that he is taking all measures to get reactivation of DIN.

### **5. Constitution of Audit Committee and Nomination and Remuneration Committee is not in compliance with section 178 under section 177 of Companies Act, 2013 respectively.**

One of the Independent Directors of the Company got disqualified during the year pursuant to non filing of annual returns for period of three years in subsidiary Company/ group Companies and other Independent Director has resigned from the Board w.e.f 22.01.2018. Company is in the process of appointing new director and the disqualified director has informed the Company that he is taking all measures to get reactivation of DIN.

### **6. Company does not have minimum number of Directors post resignation of Mr. Gopalan Manoharan w.e.f. 22.01.2018**

During the year five (5) Directors of the Company got disqualified pursuant to non filing of annual returns for period of three years in subsidiary Company/ group Companies and it is informed by them that they are taking all measures to get reactivation of DIN.

**7. The following Directors of the Company have been disqualified under provisions of Companies Act, 2013**

<b>S.No</b>	<b>Name of the Director along with DIN</b>	<b>Designation</b>
1	BOBBA MURTHY NARAYANA (DIN: 00073068)	Managing Director
2	SUBBIAH KAMBAN (DIN: 01023097)	Independent Director
3	VIJAYA LAKSHMI BOBBA (DIN:01496696)	Director
4	LAKSHMI NARASIMHA CHOWDARY BOBBA (DIN:02381545)	Director
5	RAJARAO LINGAMPALLI (DIN:03307037)	Director

**8. Ministry of Corporate Affairs has struck off the name of subsidiary Company M/s VSF Energy Projects Private Limited from Register of Companies maintained by the Registrar of Companies, Hyderabad**

Since the Company is proposing to revive the Subsidiary, the management is of the opinion that the fair value approximates to carrying amount of the investment.

***MEETINGS OF BOARD OF DIRECTORS***

The Board of Directors of the Company met 5 (five times) during the Financial Year. The details of Committees of the Board and the attendance of members of the Committee is mentioned in the **Annexure- II**

**29-05-2017      11-08-2017      26-10-2017      14-11-2017      12-02-2018**

***DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR***

The Directors Bobba Murthy Narayana, Vijaya Lakshmi Bobba, Lakshmi Narasimha Chowdary Bobba, Subbaiah Kambhan and Rajarao Lingampalli were disqualified to act as director of a company by Registrar of Companies, Hyderabad.

All the directors are disqualified, except Mr. Gopalan Manoharan, who has resigned from the Board w.e.f 22.01.2018.

Sri. Rahul Patibandla (DIN 007344724) and Sri. Ajaya Patibandla (DIN 007972941) were appointed as Additional Directors of the Company w.e.f 26th October, 2017. The new appointee Directors have given their eligibility and consent letters for getting appointed as director in the ensuing AGM. Excepting for the said changes, there were no other change in the office of directorship of the Company.

#### ***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.

#### ***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, 2018, 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.

## ***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.vsfprojects.com](http://www.vsfprojects.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.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "**Annexure - IV**" to this report.

**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 V**' 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 2018-2019 is yet 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 and 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 IV**' 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 2016-17:



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

**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**

**Place: Hyderabad  
PATIBANDLA**

**RAHUL PATIBANDLA**

**AJAYA**

**Date: 01.06.2018**

**DIRECTOR**

**DIRECTOR**

**(DIN: 07344724)**

**(DIN: 07972941)**

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, 2018**

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, 2018 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, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 2009;

(b) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(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, 2009;  
and

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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**

Subject to the qualifications noted below, 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 not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

**The following are the observations:**

**1. Company has not appointed Company Secretary and CFO for the position of Key Managerial Person as required under section 203 of Companies Act, 2013 and Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.**

**2. Non Appointment of Internal Auditor as required under section 138 of Companies Act, 2013**

**3. The Company is irregular in filing various forms required to be filed under provisions of Companies Act, 2013**

**4. The Company did not appoint Independent Directors as required under the provisions of section 149 of Companies Act, 2013**

**5. Constitution of Audit Committee and Nomination and Remuneration Committee is not in compliance with section 178 under section 177 of Companies Act, 2013 respectively.**

**6. Company does not have minimum number of Directors post resignation of Mr. Gopalan Manoharan w.e.f. 22.01.2018**

**7. The following Directors of the Company have been disqualified under provisions of Companies Act, 2013**

<b>S.No</b>	<b>Name of the Director along with DIN</b>	<b>Designation</b>
1	BOBBA MURTHY NARAYANA (DIN: 00073068)	Managing Director
2	SUBBIAH KAMBAN (DIN: 01023097)	Independent Director
3	VIJAYA LAKSHMI BOBBA (DIN:01496696)	Director
4	LAKSHMI NARASIMHA CHOWDARY BOBBA (DIN:02381545)	Director
5	RAJARAO LINGAMPALLI (DIN:03307037)	Director

**8. Ministry of Corporate Affairs has struck off the name of subsidiary Company M/s VSF Energy Projects Private Limited from Register of Companies maintained by the Registrar of Companies, Hyderabad**

**Sd/-**

**R V N Padmaja**

**Company Secretary**

**C.P No:5176**

**M.No: 16596**

**Place: Hyderabad**

**Date: 01.06.2018**

**'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.

**Sd/-**

**R V N Padmaja**

**Company Secretary**

**C.P No:5176**

**M.No: 16596**

**Place: Hyderabad**

**Date: 01.06.2018**

**II**

**Annexure –**

## **COMMITTEES OF THE BOARD**

### **1. AUDIT COMMITTEE**

The Audit Committee 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.

The Composition of the Committee is as follows:

<b>Name of the Director</b>	<b>Category</b>
Sri.AjayaPatibandla	Chairman
Sri.Rahul Patibandla	Member

Meetings during the year:

During the Financial year ended 31st March, 2018, the Audit Committee met Four (4) times as follows:

**29-05-2017                  11-08-2017                  14-11-2017                  12-02-2018**

All the recommendations made by Audit Committee were accepted by the Board

Terms of Reference:

The terms of reference of the Audit Committee are as 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.

(i) Powers of Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Role of the Audit Committee includes:



1. Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. 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
  - b. changes, if any, in accounting policies and practices and reasons for the same
  - c. major accounting entries involving estimates based on the exercise of judgment by management
  - d. significant adjustments made in the financial statements arising out of audit findings
  - e. compliance with listing and other legal requirements relating to financial statements
  - f. disclosure of any related party transactions
  - g. review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements
    - i. Management Discussion and Analysis of financial conditions and results of operations
5. Review of Statement of significant related party transactions submitted by the management.
6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
7. Review of internal audit reports relating to internal control weaknesses.
8. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
10. Review of the financial statements of subsidiary Companies
11. Review and monitor the auditor's independence and performance and effectiveness of audit process
12. Approval or any subsequent modification of transactions of the Company with related parties
13. Scrutiny of inter-corporate loans and investments
14. Valuation of undertakings or assets of the Company, wherever it is necessary
15. Evaluation of internal financial controls and risk management systems
16. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors
17. 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.

18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
19. 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
20. Discussion with internal auditors of any significant findings and follow up there on
21. 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
22. 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.
23. To review the functioning of the Whistle Blower Mechanism
24. Approval of appointment / reappointment / remuneration of CFO (or any other person heading
25. the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
26. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee
27. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

## **2.NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been formed pursuant to Section 178 of the Companies Act, 2013.

The committee comprises of the following members:

<b>Name of the Director</b>	<b>Category</b>
Sri. AjayaPatibandla	Chairman
Sri.Rahul Patibandla	Member

Terms of Reference:

- Attraction and Retention strategies for employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and Performance targets of the Chairman, Managing Director, COO, CFO, CEO & other senior management personnel
- Review employee development strategies.
- Formulate a criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy for the remuneration of directors, key managerial personnel and other employees;
- Identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Recommend the appointment of any director to executive or other employment/place of profit in the Company;
- Recommend the sitting fees to be paid to Non Executive Directors;

## **3. SHAREHOLDERS/ INVESTORS GRIEVANCE REDRESSAL COMMITTEE:**

The Shareholder's /Investor Redressal committee has been formed pursuant to Section 178(5) of the Companies Act 2013. The Stakeholders Relationship Committee

. The Composition is as follows:

<b>Name of the Director</b>	<b>Category</b>
Sri. Rahul Patibandla	Chairman
Sri. AjayaPatibandla	Member

Terms of reference

1. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
2. monitors expeditious redressal of investor grievance matters received from the stock exchanges, SEBI, registrar of companies, monitoring redressal of queries / complaints received from members relating to transfers, non-receipt of annual report, non receipt of dividend, redressal of grievances of shareholders, debenture holders and other security holders To approve, register, refuse to register transfer / transmission of shares and other securities ;
3. To sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company;
4. To authorise affixation of common seal of the Company;
5. To issue duplicate share other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
6. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
7. To review of dematerialization or rematerialization of the issued shares and other related matters;
8. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
9. Carrying out any other function contained in the SEBI (LODR) 2015 as and when amended from time to time

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, 2018

**BY THE ORDER OF THE BOARD**

**For VSF PROJECTS LIMITED**

**Place: Hyderabad  
PATIBANDLA**

**RAHUL PATIBANDLA**

**AJAYA**

**Date: 01.06.2018**

**DIRECTOR**

**DIRECTOR**

**(DIN: 07344724)**

**(DIN: 07972941)**

## **POLICIES OF THE COMPANY**

### **Vigil Mechanism / Whistle Blower Policy**

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The Whistle Blower Policy of the Company is also posted on the website of the Company.

### **Related Party Transaction Policy.**

VSF Projects Ltd(the Company) recognizes that Related Party Transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stockholders' best interests.

Hence, keeping in view the frequency of transactions entered by the Company with the related parties,the Board has in accordance with the Companies Act, 2013 and Regulation 23 of SEBI (listingobligations and discloser requirement) regulations, 2015 adopted a policy on related party transactionsto ensure high level of transparency in all its business dealings, thereby promoting good corporategovernance.

The Company has been entering into the transactions in the ordinary course of business and on arms length basis.

The Company also has a Code of Conduct for all employees, officers and directors of the Company, which emphasizes that all possible conflicts of interest should be avoided.

Therefore, it is found appropriate to adopt a policy regarding the review and approval of Related Party Transactions in order to set forth the procedures under which certain transactions must be reviewed, approved or ratified.

## **Nomination and Remuneration Policy**

### **1. Introduction**

VSF Projects Ltd(VSF), believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, VSF ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. VSF recognizes the importance of Independent Directors in achieving the effectiveness of the Board. VSF aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

VSF also recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pays reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **2. Scope**

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

### **3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a Director appointed to the Board of a Company.

3.2 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and regulation 19 of SEBI (listing obligations and disclosure requirement) regulations, 2015.

3.3 "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (listing obligations and disclosure requirement) regulations, 2015.

3.4 "Key Managerial Personnel" means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

#### **4. Selection of Directors and determining Directors' independence**

##### **4.1 Qualifications and criteria**

4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's global operations.

4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background Standing in the profession;

Personal and professional ethics, integrity and values;

Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.



4.1.3 The proposed appointee shall also fulfill the following requirements:

Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;

Shall give his written consent to act as a Director;

Shall Endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, all the Committee Meetings;

Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (LODR) 2015 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

## **4.2 Criteria of Independence**

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Regulation 25 of SEBI (listing obligations and disclosure requirements) regulations, 2015 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lessor or lessee of the company.

f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

### **4.3 Other directorships / committee memberships**

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

**5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees**

5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

Basic Pay

Perquisites and Allowances

Commission

(Applicable in case of Executive Directors)

Retirement benefits

Annual Performance Bonus

5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

**5.2 Remuneration to Non-Executive Directors**

5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

5.3 Remuneration to other employees

5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

### **Meeting of Independent Directors**

During the year under review, the Independent Directors shall meet at least once to evaluate the performance of non-independent directors.

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.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

### **6. Familiarization Programme**

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted and inform the Board members about the provisions and rules as applicable to the company from time to time.

**BY THE ORDER OF THE BOARD**

**For VSF PROJECTS LIMITED**

**Place: Hyderabad  
PATIBANDLA**

**RAHUL PATIBANDLA**

**AJAYA**

**Date: 01.06.2018**

**DIRECTOR**

**DIRECTOR**

(DIN: 07344724)

(DIN: 07972941)

*Annexure – III*

**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 aken 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>2017-18</b>	<b>2016-17</b>
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	-----	-----

**BY THE ORDER OF THE BOARD**

**For VSF PROJECTS LIMITED**

Place: Hyderabad  
PATIBANDLA

RAHUL PATIBANDLA

AJAYA

Date: 01.06.2018

DIRECTOR

DIRECTOR

(DIN: 07344724)

(DIN: 07972941)

Annexure-IV

**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 2016-17

Name of Director/KMP and Designation	Remuneration of Director KMP for the financial year 2017-18 (Rs .in Lakhs)	% increase in Remuneration in the Financial year 2017- 18	Ratio of remuneration of each Director/to median remuneration of employees
B Narayana Murthy	NIL	NA	
B Vijaya Lakshmi	NIL	NA	

- ii) The percentage increase in the median remuneration of employees in the financial year: **N.A**
- iii) The number of permanent employees on the rolls of Company as at March 31, 2018 : **N.A**
- iv) 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

**(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 otherw	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
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				ise)				e		manager
1	M. Rajasekhar	Manager - Site	2,40,00 0	Salarie d	B. Tech 7 Years	01.04.09	29	NA	Nil	Nil

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.

No employees are covered under rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**BY THE ORDER OF THE BOARD  
For VSF PROJECTS  
LIMITED**

**Place: Hyderabad  
PATIBANDLA**

**RAHUL PATIBANDLA**

**AJAYA**

**Date: 01.06.2018**

**DIRECTOR**

**DIRECTOR**

**(DIN: 07344724)**

**(DIN: 07972941)**

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **INDUSTRY OVERVIEW**

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.

### **FINANCIAL PERFORMANCE**

VSF Projects (VSFPROJ.) is one of India's leading companies with a history of 24 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-invent 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 2017 -18 has been a very tough year for the Company as the company had no as the Company could not bag any new order due to huge financial crunch which resulted into zero revenues as against the income of Rs. 125.82 Lacs in the previous year. With the recurring expenditure with relation to employees benefits, depreciation etc. the company incurred the Net loss of Rs. 93.02 Lacs as against PAT of Rs. 15.97 Lacs in the previous year.

## **OPPORTUNITIES & THREATS**

**Infrastructure Industry:** The continued thrust on infrastructure projects including highways / expressways 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 grow 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.

## **HR**

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**

<b>PARTICULARS</b>	<b>2017-18</b>	<b>2016-17</b>
Total Income	0	125.83
Total Expenses	100.03	112.63
Profit Before Tax	-100.03	-15.97
Profit After Tax	-93.02	-9.02
Earning per share	-1.58	-0.15

#### **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**

**Place: Hyderabad  
PATIBANDLA**

**RAHUL PATIBANDLA**

**AJAYA**

**Date: 01.06.2018**

**DIRECTOR**

**DIRECTOR**

(DIN: 07344724)

(DIN: 07972941)

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2018[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

CIN	L05005AP1992PLC014326
Registration Date	04/06/1992
Name of the company	VSF Projects Limited
Category/Sub-category of the company	Public Company / Limited by shares
Address of the Registered Office & Contact details	Sy.No.782 to 1235 Ankulapatur Village, ChillakurMandal, SPSR Nellore Dist. AP www.vsfprojects.com
Whether listed company	Yes
Name, Address and contact details of Registrar and Share Transfer Agent, if any	Aarathi Consultants Pvt. Ltd, 1-2-285, Near GaganMahalHospital,Somajiguda, Hyderabad – 500 029, Telangana State info@aarthiconsultants.com

**REGISTRATION AND OTHER DETAILS:**

**PRINCIPAL BUSINESS OF THE COMPANY:**

All the Business activities contributing 10% or more of the total turnover of the company shall be stated

Sl.No.	Name of the Description of Main Products & Services	NIC code of the Product/Service	% to total turnover of the company
1	Construction and Infrastructure, Power Generation	45 – Constructions &Engg. 4207	0

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**









<b>Grand Total</b>	<b>4854147</b>	<b>1014803</b>	<b>5868950</b>	<b>100</b>	<b>4856047</b>	<b>1012903</b>	<b>5868950</b>	<b>100</b>	<b>0</b>
<b>(A+B+C)</b>									

**( ii )Shareholding of Promoters**

SNO	Promoter Name(s)	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in Share holding during the year.
		No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	
1	B. N. MURTHY	890023	15.16	-	890023	15.16	-	-
2	BOBBA LAKSHMI NARASIMHA	552766	9.42	-	552766	9.42	-	-
3	BOBBA VIJAYA LAKSHMI	287500	4.9	-	287500	4.90	-	-
4	BOBBA LAKSHMI DIVYA	258700	4.41	-	258700	4.41	-	-
5	BOBBA PRABHAKAR RAO	115200	1.96	-	115200	1.96	-	-
6	BOBBA SWARAJYA LAKSHMI	83500	1.42	-	83500	1.42	-	-
7	KOGANTI VARALAKSHMI	71500	1.22	-	71500	1.22	-	-
8	BOBBA SUVARCHALA DEVI	40000	0.68	-	40000	0.68	-	-
9	SREE RAMA CHANDRA RAO GUTTIKONDA	35004	0.6	-	35004	0.60	-	-
10	PRASAD KANTAMANENI ROJA	35000	0.6	-	50400	0.86	-	0.26
11	BOBBA RANGA RAO	34000	0.58	-	34000	0.58	-	-
12	K V SRINIVAS	32000	0.55	-	47969	0.82	-	<b>0.26</b>
13	NAGENDRA PRASAD	20000	0.34	-	20000	0.34	-	-

	BOBBA							
14	PRASAD DANDAMUDI	19000	0.32	-	19901	0.34	-	0.02
15	MURALI KRISHNA MANDAVA	17250	0.29	-	23900	0.41	-	0.12
16	RAVI KIRAN GUTTA .	2500	0.04	-	4200	0.07	-	<b>0.03</b>
17	NAMRATHA GUTTA .	2500	0.04	-	2500	0.04	-	-
	<b>Total</b>	<b>2496443</b>	<b>42.54</b>	<b>-</b>	<b>2537063</b>	<b>43.23</b>	<b>-</b>	<b>0.69</b>

( iii ) Change in Promoters' Shareholding (please specify, if thereis no change) -

S.No	Name	Share Holding		Date	Increase Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the Beginning (01.04.2017)/ end of the year 31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	PRASAD KANTAMANENI ROJA	35000/	0.6/		15400		35000/	0.6/
		50400	0.86				50400	0.86
2.	K V SRINIVAS	32000/	0.55/		15969		32000/	0.55/
		47969	0.82				47969	0.82
3.	PRASAD DANDAMUDI	19000/	0.32/		901		19000/	0.32/
		19901	0.34				19901	0.34
4.	MURALI KRISHNA MANDAVA	17250/	0.29/		6650		17250/	0.29/
		23900	0.41				23900	0.41
5.	RAVI KIRAN GUTTA .	2500/	0.04/		1700		2500/	0.04/
		4200	0.07				4200	0.07

**( iv ) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No	Name	Share Holding as on 31.03.2018		Date	Increase Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the Beginning (01.04.2017)/ end of the year 31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	LaxmiMula	800000	13.63		0	Nil Movement	800000	13.63
		800000	13.63				800000	13.63
2	MagantiRajasekhar	140708	2.40		0	Nil Movement	140708	2.40
		140708	2.40				140708	2.40
3	MPEDA	125000	2.13		0	Nil Movement	125000	2.13
		125000	2.13				125000	2.13
4	MusunurSirisha	116000	1.98		0	Nil Movement	116000	1.98
		116000	1.98				116000	1.98
5	Musthaque Ahmed Vakilahmed Khan	103999	1.77		0	Nil Movement	103999	1.77
		103999	1.77		0		103999	1.77
6	C Madhavi	100000	1.70		0	Nil Movement	100000	1.70
		100000	1.70				100000	1.70
7	ManjulaAnagani	96000	1.64		0	Nil Movement	96000	1.64
		96000	1.64		0		96000	1.64
8	API DC Ltd	93991	1.60		0	Nil	93991	1.60

						Movement		
		93991	1.60				93991	1.60
9	PaladuguSarojBabu	80750	1.38		0	Nil Movement	80750	1.38
		80750	1.38				80750	1.38
10	MumtazMushtaque Ahmed Khan	70300	1.20		0	NIL Movement	70300	1.20
		70300	1.20		0		70300	1.20

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl.No.	Name	Share Holding		Date	Increase Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the Beginning (01.04.2017)/ end of the year 31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	B N Murthy*	8,90,023	15.16			Nil Movement		
		8,90,023	15.16					
2	BobbaVijaya Lakshmi*	2,87,500	4.90		0	Nil Movement		
		2,87,500	4.90					

3	BLN Chowdary*	552766	9.42		0	Nil Movement		
		552766	9.42		0			

\*These Directors are disqualified to act as Director and are their DIN is not active as on 31.03..2018

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22217891	133459273	NIL	155677164
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total ( i + ii + iii )	22217891	133459273		155677164
Change in Indebtedness during the financial year				
Addition	2540045	6880848	NIL	
Reduction	(1289788)	0		9420893 (1289788)
Net Change	1250257	6880848		8131105
Indebtedness at the end of the financial year				
i) Principal Amount			NIL	

ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total ( i + ii + iii )</b>	23468148	140340121		163808269

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i). Remuneration to Managing Director, Whole-time Directors and/or Manager:

SNO	Particulars of Remuneration	Names of Directors		Total
		Amount		
		B N Murthy, Managing Director	B Vijaya Lakshmi, WholeTimeDirector	
1.	Gross Salary  ( a ) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961  ( b ) Value of perquisites u/s 17(2) Income Tax Act, 1961  ( c ) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	Nil	NIL
3.	Sweat Equity	NIL	Nil	Nil
4.	Commission  As a % of profit  Others, specify	NIL	Nil	Nil
5.	Others please specify  (Performance Pay)	NIL	Nil	NIL
	Total A	NIL	Nil	NIL



Ceiling as per the Act (Section 197 of the Companies Act 2013 is not applicable.)	NIL	Nil	NIL
--	-----	-----	-----

**(ii). Remuneration to other directors: Nil**

SNO	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	3. Independent Directors Fee for attending Board Committee Meetings Commission Others please specify	NIL	NIL	NIL	NIL	NIL
	Total ( 1 )	NIL	NIL	NIL	NIL	NIL
2	4. others Non Executive Directors Fee for attending Board Committee Meetings Commission Others please specify	NIL	NIL	NIL	NIL	NIL
	Total ( 2 )	NIL	NIL	NIL	NIL	NIL
	Total B= (1) + (2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	One Lakh per meeting per director				

**(iii). REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SNO	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary ( a ) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 ( b ) Value of perquisites u/s 17(2) Income Tax Act, 1961 ( c ) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission As a % of profit Others, specify	NIL	NIL	NIL	NIL

5.	Others please specify	NIL	NIL	NIL	NIL
	Total A	NIL	NIL	NIL	NIL

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act.	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. others officers in default.</b>					
Penalty					
Punishment					
Compounding					

**BY THE ORDER OF THE BOARD**

**For VSF PROJECTS LIMITED**

**Place: Hyderabad**

**RAHUL PATIBANDLA**

**AJAYA PATIBANDLA**

**Date: 01.06.2018**

**DIRECTOR**

**DIRECTOR**

**(DIN: 07344724)**

**(DIN: 07972941)**

## **INDEPENDENT AUDITOR’S REPORT**

**To the members of VSF Projects Limited**

**Report on the Standalone Financial Statements**

### **Disclaimer of Opinion**

We were engaged to audit the accompanying standalone financial statements of VSF Projects Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including summary of the significant accounting policies and other explanatory information.

We do not express an opinion on the standalone financial statements as at March 31, 2018 of the Company because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for Disclaimer of Opinion**

We have not been able to obtain sufficient and appropriate audit evidence to form a basis for our audit opinion on those matters referred in Note No 2.27 in relation to Property, plant and equipment and Note No 2.28 in relation to Investments in subsidiaries, forming part of notes to standalone financial statements as described below.

#### ***(a) Property, Plant and Equipment:***

The Company has elected revaluation model as its accounting policy for accounting its property, plant and equipment. Accordingly, any differences arising between the Fair value and carrying amount shall be recognized as Fair value through Other Comprehensive Income. In the absence of revaluation of the item of property, plant and equipment(Land), on a date nearer to the reporting period i.e., 31<sup>st</sup> March 2018, the company has not accounted for any revaluation difference in the Statement of OCI and continue to record property plant and equipment at previous carrying amount. Consequent to this, we were unable to determine the impact of such revaluation on the total comprehensive income of the Company for the year ended 31<sup>st</sup> March 2018.

**(b) Investments :**

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.

However, as the status of the subsidiary company is "Strike Off" as per ROC records, the company has not carried out any fair value exercise in respect of its investment in the subsidiary company and continues to carry such investment at its previous carrying amount of Rs 537199990/-.Consequent to this, we are unable to determine the recoverability of investments disclosed in the balance sheet of the company for the year ended 31<sup>st</sup> March 2018 and impact of any adjustments that may be required to the Other comprehensive income of the Company and also to the investment balance disclosed in balance sheet as at 31<sup>st</sup> March 2018.

As a result of these aforesaid matters and owing to their materiality, we are unable to determine any adjustment that may be required in the standalone financial statements of the Company. Accordingly, we do not express an opinion on the financial statements and other financial information of the Company.

## **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 standalone 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 standalone 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility**

Our responsibility is to conduct an audit of the entity's financial statements in accordance with standards on auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the entity in accordance with the ethical requirements and in accordance with the requirements of code of ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

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

- 1) As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that:
  - a) Except for the effect of the matters described in the Basis for Disclaimer Opinion paragraph above, 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, except for the effect of the matters described in the Basis for Disclaimer Opinion paragraph above, 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) Except for the matter described in the Basis for Disclaimer Opinion paragraph above, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

In our opinion, except for the effect of the matters described in the Basis for Disclaimer Opinion paragraph above, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

- d) In our opinion, out of the total directors on the board, 4 directors were disqualified by virtue of section 164(2)(a) of Companies Act ,2013. Attention is drawn to note no 2.24, forming part of notes to standalone financial statements for the aforesaid details.
- e) In our opinion, on the basis of written representations received from the other directors (excluding the directors disqualified by virtue of section 164(2)(a) of the Act) none of these directors is disqualified as on March 31, 2018 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 A". 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 no pending litigations on its financial position in its standalone financial statements;
  - ii. Except for the effect of the matters described in the Basis for Disclaimer Opinion paragraph above, 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; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Reg No. 008801S/S200060

Place: Hyderabad  
Date: 1<sup>st</sup> June, 2018

**V.GangadharaRao N**  
Partner  
M.No.219486

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

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, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s management 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, including adherence to company’s policies, 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 Act.

### **Auditor’s Responsibility**



Our responsibility is to express an opinion on the Company's 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 Act, 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2018, based on the criteria for internal financial control over financial reporting 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.

## **Other Matters**

With reference to matters mentioned in Basis for Disclaimer of Opinion section, the Company's internal control system and Company's accounting policies needs to be strengthened further.

For **NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Reg No. 008801S/S200060

Place: Hyderabad  
Date: 1<sup>st</sup> June, 2018

**V.GangadharaRao N**  
Partner  
M.No.219486

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted deposits in terms of directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except in case of TDS amounting to Rs.8, 49,048/-.
- (c) There were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax on account of any dispute as on March 31, 2018

- viii. During the Year, the company has defaulted in repayment of loan to SHRIRAM CITY UNION FINANCE LIMITED amounting to Rs 4498631/- including interest of Rs 2298336/- which is subject to confirmation from the said financial institutions.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid / not provided any managerial remuneration for the year
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Reg No. 008801S/S200060

Place: Hyderabad  
Date: 1<sup>st</sup> June, 2018

**V.GangadharaRao N**  
Partner  
M.No.219486

**VSF PROJECTS LIMITED****Anakalapur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101****BALANCE SHEET AS AT 31st MARCH, 2018**

<b>Particulars</b>	<b>Note No.</b>	<b>2018</b>	<b>2017</b>	<b>As at April 1, 2016</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Property plant and Equipment</b>	2.1	263587797.00	266947392.00	270714425.00
<b>Financial assets</b>				
Investments	2.2	537199990.00	537199990.00	537199990.00
		<b>800787787.00</b>	<b>804147382.00</b>	<b>807914415.00</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables	2.3	71828865.36	72179985.36	67337478.32
Cash and cash equivalent	2.4	411775.00	906086.00	1558223.00
Other financial assets	2.5	8644802.00	8644802.00	8144802.00
<b>Other current assets</b>	2.6	11647009.00	11693003.00	13552743.00

<b>92532451.36</b>	<b>93423876.36</b>	<b>90593246.32</b>
<b>893320238.36</b>	<b>897571258.36</b>	<b>898507661.32</b>

## EQUITY AND LIABILITIES

### Equity

<b>Equity Share Capital</b>	2.7	58689500.00	58689500.00	58689500.00
<b>Other Equity</b>	2.8	173637574.22	182939117.36	187644284.00
		<b>232327074.22</b>	<b>241628617.36</b>	<b>246333784.00</b>

### Liabilities

#### Non-current liabilities

##### Financial Liabilities

Borrowings	2.9	10189476.80	4719417.00	3759078.00
<b>Other Financial Liabilities</b>	2.10	133580273.00	133459273.00	133459273.00
<b>Deferred tax liabilities (net)</b>	2.11	140505.00	842505.00	842505.00
<b>Other non-current liabilities</b>	2.12	255000000.00	255000000.00	255000000.00
		<b>398910254.80</b>	<b>394021195.00</b>	<b>393060856.00</b>

#### Current liabilities

##### Financial Liabilities

Borrowings	2.9	20038519.00	17498474.00	18135907.00
Trade payables	2.13	23055796.26	23012073.00	22354527.00
Other financial liabilities	2.10	208319720.00	207812261.00	202384782.00

**Liabilities for current tax (net)**

<b>Provisions</b>	2.14	-	-	2308768.00
<b>Other current liabilities</b>	2.12	10668874.00	13598638.00	13929037.00
		<b>262082909.26</b>	<b>261921446.00</b>	<b>259113021.00</b>
<b>TOTAL</b>		<b>893320238.28</b>	<b>897571258.36</b>	<b>898507661.00</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 and on behalf of Board**

**For NSVR ASSOCIATES& LLP**

Chartered Accountants

**N.V. Gangadhara Rao**

**Rahul Patibandla**

**Patibandla Ajaya**

**(Director)**

**(Director)**

Partner

**M.No. 219486**

Place: Hyderabad

Date: 01.06.2018



**VSF PROJECTS LIMITED**

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

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2018**

	<b>Note No.</b>	<b>2018</b>	<b>2017</b>
<b>Income</b>			
Revenue from operations	2.15	-	12582350.00
Other income	2.16	-	0.00
<b>Total Revenue</b>		<b>0.00</b>	<b>12582350.00</b>
<b>Expenses</b>			
Cost of materials consumed	2.17	-	807950.00
Employee benefits expense	2.18	427400.00	4062106.00
Finance costs	2.19	5080067.88	4658741.00
Depreciation and amortization expense	2.1	2255287.00	2389456.00
Other expenses	2.20	2240702.26	6066363.64
<b>Total Expenses</b>		<b>10003457.14</b>	<b>17984616.64</b>
<b>Profit before tax</b>		<b>(10003457.14)</b>	<b>(5402266.64)</b>

## Exceptional Items

### Other comprehensive income (OCI)

Items that will not be reclassified to profit or loss	0.00	0.00
---	------	------

Tax on items that will not be reclassified to profit or loss	0.00	0.00
--	------	------

	<b>0.00</b>	<b>0.00</b>
--	-------------	-------------

### Items that will be reclassified to profit or loss:

Tax on items that may be reclassified to profit or loss	0.00	0.00
---	------	------

Items that may be reclassified subsequently to profit or loss	0.00	0.00
---	------	------

<b>Total other comprehensive income/(loss) for the year, net of tax</b>	<b>0.00</b>	<b>0.00</b>
---	-------------	-------------

<b>Total comprehensive income for the year</b>	<b>(10003457.14)</b>	<b>(5402266.64)</b>
--	----------------------	---------------------

### Tax expense

Current tax	0.00	(697100.00)
-------------	------	-------------

Deferred tax	(701914.00)	0.00
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<b>Profit for the year(after tax)</b>	<b>(9301543.14)</b>	<b>(4705166.64)</b>
---------------------------------------	---------------------	---------------------

### Earnings per share:

Basic earnings per share of 10/-each	(1.58)	(0.80)
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Diluted earnings per share of 10/- each	(1.58)	(0.80)
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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**

N.V. Gangadhara Rao

**Rahul Patibandla**

**Patibandla  
Ajaya**

Partner

**(Director)**

**(Director)**

M.No. 219486

Place: Hyderabad

Date: 01.06.2018

**VSF PROJECTS LIMITED**

**Anakalapur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018**

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities</b>		
Net profit before tax	(10003457.14)	(5402266.64)
Adjustments for :		
Depreciation and amortization expense	2255287.00	2389456.00
Operating profit before working capital changes	<b>(7748170.14)</b>	<b>(3012810.64)</b>
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	351120.00	(4842507.04)
(Increase)/Decrease in Other financial assets	0.00	(500000.00)
(Increase)/Decrease in Other Current Assets	45994.00	1859740.00
Increase/(Decrease) in Trade Payables	43723.26	657546.00
Increase/(Decrease) in Other financial liabilities	507459.00	5427479.00
Increase/(Decrease) in Other Current liabilities	(2929764.00)	(330399.00)
Changes in Working Capital	<b>(1981467.73)</b>	<b>2271858.96</b>
<b>Cash generated from operations</b>	<b>(9729637.87)</b>	<b>(740951.68)</b>
Interest received on Deposits		
Direct Taxes Paid	0.00	(1611668.00)
<b>Net Cash from operating activities (A)</b>	<b>(9729637.87)</b>	<b>(2352619.68)</b>
<b>Cash flows from Investing Activities</b>		

Purchase of Fixed Assets (Including CWIP)	-	-
Sale of Fixed Assets	1,104,222.00	1,377,577.00
Changes In Other Financial Liabilities Non Current	121000.00	0.00
<b>Net Cash used in Investing Activities</b>	<b>1225222.00</b>	<b>1377577.00</b>
<b>Cash flows from/(used in) Financing Activities</b>		
Proceeds from Long term borrowings	5,470,059.80	960,339.00
Repayment/(Proceeds) of/from Short-term borrowings		
Dividend paid	0.00	0.00
Corporate Dividend tax	0.00	0.00
<b>Net Cash used in Financing Activities</b>	<b>5470059.80</b>	<b>960339.00</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(3034356.07)</b>	<b>(14703.68)</b>
Cash and Cash equivalents at the beginning of the year	(16592387.68)	(16577684.00)
<b>Cash and Cash equivalents at the ending of the year (Refer Note 2.8)</b>	<b>(19626744)</b>	<b>(16592388)</b>

Notes :-

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

As per our report of even date

**For NSVR ASSOCIATES& LLP**

Chartered Accountants

**For and on  
behalf of  
Board**

**N.V. Gangadhara Rao**

**Rahul Patibandla**

**Patibandla  
Ajaya**

Partner

**(Director)**

**(Director)**

M.No. 219486

Place: Hyderabad

Date: 01.06.2018

## **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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. These are the company’s first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – ‘First Time Adoption of Indian Accounting Standards’. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note numbers 2.21 to 2.31 First Time Adoption.

#### ***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:

<b>Type of Asset</b>	<b>Estimated useful life in years</b>
Buildings	30
Plant & Machinery	15
Vehicles	
i) Motor cycles, scooters and other mopeds	10
ii) Motor buses, Motor lorries, Motor taxis and Motor cars	8
Computers	3
Office Equipment	5
Furniture & Fixtures	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.

### **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.

### 2.1: Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	For the year	Impairment for the year	Disposals	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Land	254,400,000.00	-	0	254,400,000.00	-	-	-	-	-	254,400,000.00	254,400,000.00
Buildings	2,247,643.00	-	0	2,247,643.00	243,956.00	243,956.00	-	-	487,912.00	1,759,731.00	2,003,687.00
Plant and equipment	4,538,039.00	-	1,958,288	2,579,751.00	519,746.00	397,931.00	-	832,829.00	63,697.00	2,516,054.00	4,018,293.00
Vehicles	7,757,090.00	-	0	7,757,090.00	1,528,822.00	1,528,822.00	-	-	3,057,644.00	4,699,446.00	6,228,268.00
Computers	934.00	-	0	934.00	-	-	-	-	-	934.00	934.00
Office Equipment	15,647.00	-	0	15,647.00	9,028.00	-	-	-	9,028.00	6,619.00	6,619.00
Furniture & Fixtures	377,495.00	-	0	377,495.00	87,904.00	84,578.00	-	-	172,482.00	205,013.00	289,591.00
<b>Total</b>	<b>269,336,848.00</b>	<b>-</b>	<b>1,958,288</b>	<b>267,378,560.00</b>	<b>2,389,456.00</b>	<b>2,255,287.00</b>	<b>-</b>	<b>832,829.00</b>	<b>3,790,763.00</b>	<b>263,587,797.00</b>	<b>266,947,392.00</b>

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	Deemed cost As at 1 April 2016	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	For the year	Impairment for the year	Disposals	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Land	254,400,000	-	-	254,400,000.00	-	-	-	-	-	254,400,000.00	254,400,000.00
Buildings	2,247,643	-	-	2,247,643.00	-	243,956	-	-	243,956.00	2,003,687.00	2,247,643.00
Plant and equipment	5,915,616	-	1,377,577	4,538,039.00	-	519,746	-	-	519,746.00	4,018,293.00	5,915,616.00
Vehicles	7,757,090	-	-	7,757,090.00	-	1,528,822	-	-	1,528,822.00	6,228,268.00	7,757,090.00
Computers	934	-	-	934.00	-	0	-	-	-	934.00	934.00
Office Equipment	15,647	-	-	15,647.00	-	9,028	-	-	9,028.00	6,619.00	15,647.00
Furniture & Fixtures	377,495	-	-	377,495.00	-	87,904	-	-	87,904.00	289,591.00	377,495.00
<b>Total</b>	<b>270,714,425.00</b>	<b>-</b>	<b>1,377,577.00</b>	<b>269,336,848.00</b>	<b>-</b>	<b>2,389,456.00</b>	<b>-</b>	<b>-</b>	<b>2,389,456.00</b>	<b>266,947,392.00</b>	<b>270,714,425.00</b>

### 2.2 Investments

Particulars	2018	2017	1st April 2016
	Non Current	Non Current	Non Current
<b>Investments carried at cost (Unquoted investments)</b>			
<i>In subsidiary companies</i>			
VSF Energy Projects Pvt. Ltd	537199990.00	537199990.00	537199990.00
<b>Aggregate amount of unquoted Investments</b>	<b>537199990.00</b>	<b>537199990.00</b>	<b>537199990.00</b>

<b>Total investments carried at cost</b>	<b>537199990.00</b>	<b>537199990.00</b>	<b>537199990.00</b>
<b>Total Investments</b>	<b>537199990.00</b>	<b>537199990.00</b>	<b>537199990.00</b>

### 2.3 Trade receivables

<b>Particulars</b>	<b>2018</b>	<b>2017</b>	<b>1st April 2016</b>
	<b>Current</b>	<b>Current</b>	<b>Current</b>
<b>Trade Receivables</b>			
Unsecured, considered good	12,82,65,831	12,88,92,831	12,02,45,497
Less: Allowances for credit losses	5,64,36,966	5,67,12,846	5,29,08,019
<b>TOTAL</b>	<b>71828865.36</b>	<b>72179985.36</b>	<b>67337478.32</b>

Trade Receivables hypothecated as security for availing working capital facilities

### Movement of Impairment in Trade Receivables

<b>Particulars</b>	<b>Amount</b>
<b>As at 1st April, 2016</b>	<b>5,29,08,018.68</b>
Add: additional allowance of expected credit loss	38,04,827.00
<b>As at 1st April, 2017</b>	<b>5,67,12,845.68</b>
Reversal of Impairment	-2,75,880.00
<b>As at March 31, 2018</b>	<b>5,64,36,965.68</b>

### 2.4 Cash and Cash Equivalents

<b>Particulars</b>	<b>2018</b>	<b>2017</b>	<b>1st April 2016</b>
<b>a) Cash and Cash equivalents</b>			
i) Cash on hand	377950.00	863253.00	301019.00
ii) Balances with banks			
- Current Accounts	33825.00	42833.00	1257204.00
<b>Total</b>	<b>411775.00</b>	<b>906086.00</b>	<b>1558223.00</b>

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

<b>Particulars</b>	<b>2018</b>	<b>2017</b>	<b>1st April 2016</b>
Cash and Cash Equivalents/ Bank Balances	4,11,775.00	9,06,086.00	15,58,223.00
Less: Unclaim dividend	0.00	0.00	0.00

Less: Cash credit to be classified as Cash and Cash Equivalents for cash flow purpose	-	-	-
	2,00,38,519.00	-1,74,98,474.00	1,81,35,907.00
<b>Cash and Cash Equivalents/ Bank Balances</b>	<b>1,96,26,744.00</b>	<b>-1,65,92,388.00</b>	<b>1,65,77,684.00</b>

## 2.5 Other Financial Assets

Particulars	2018	2017	1st April 2016
	Current	Current	Current
<b>Security and Other Deposits</b>	-	-	-
Deposits	86,44,802.00	86,44,802.00	81,44,802.00
<b>TOTAL</b>	<b>8644802.00</b>	<b>8644802.00</b>	<b>8144802.00</b>

## 2.6 Other Non Current Assets and Current Assets

Particulars	2018	2017	1st April 2016
	Current	Current	Current
Prepaid Expenses	65,875	65,875	94,644
Input tax and other taxes receivables	45,07,068	45,07,068	69,84,039
Advance to Creditors	70,74,066	71,20,060	64,74,060
<b>TOTAL</b>	<b>11647009.00</b>	<b>11693003.00</b>	<b>13552743.00</b>

## 2.7 Share Capital

(Rs.in Lakhs)

Particulars	2018	2017	April 1 2016
<b>Authorized Share Capital</b>			
80,00,000 Equity Shares of Rs.10 each (Previous year :80,00,000 Equity Shares of Rs.10 each)	80000000.00	80000000.00	80000000.00
<b>Issued Subscribed and Paid up Share Capital</b>			
58,68,950 Equity Shares of Rs.10 each, fully paid up (Previous year :58,68,950 Equity Shares of Rs.10 each, fully paid up)	58689500.00	58689500.00	58689500.00
	<b>58689500.00</b>	<b>58689500.00</b>	<b>58689500.00</b>

### 2.7.1 Reconciliation of Number of Shares :

Particulars	2018	2017	April 1 2016
Number of Shares at the beginning of the year	58,68,950	58,68,950	58,68,950

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>	<b>58,68,950</b>

### 2.7.2 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

	<b>2018</b>	<b>2017</b>	<b>April 1 2016</b>
<b>Capital Reserve</b>			
Opening Balance	2933000.00	2933000.00	2933000.00
Add: Additions during the year	0.00	0.00	0.00
	<b>2933000.00</b>	<b>2933000.00</b>	<b>2933000.00</b>
<b>Securities Premium</b>			
Opening Balance	9288500.00	9288500.00	9288500.00
Add: Additions during the year			
	<b>9288500.00</b>	<b>9288500.00</b>	<b>9288500.00</b>
<b>Revaluation reserve</b>			
Opening Balance	192839950.00	192839950.00	192839950.00
Add: Additions during the year			
	<b>192839950.00</b>	<b>192839950.00</b>	<b>192839950.00</b>
<b>Revaluation reserve</b>			
Opening Balance	(22122332.64)	(17417166.00)	33088487.00
Add: Net profit transferred from the Statement of Profit and Loss	(9301543.14)	(4705166.64)	2402365.00
	<b>(31423875.78)</b>	<b>(22122332.64)</b>	<b>35490852.00</b>
<b>Appropriations</b>			

Net change in fair value of Financial Assets			-5,29,08,018.00
	<b>0.00</b>	<b>0.00</b>	<b>(52908018.00)</b>
<b>Closing Balance</b>	<b>(31423875.78)</b>	<b>(22122332.64)</b>	<b>(17417166.00)</b>
<b>Total</b>	<b>17,36,37,574</b>	<b>18,29,39,117</b>	<b>18,76,44,284</b>

## 2.9 Borrowings

Particulars	2018		2017		April 1, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
<b>Secured Borrowings:</b>						
<i>From Banks</i>		7,23,638.80	0.00	18,22,705.00		0.00
<i>From Financial Institutions</i>		27,05,990.00	0.00	28,96,712.00		3759078.00
Cash Credit	2,00,38,519.00	0.00	17498474.00	0.00	18135907.00	0.00
<b>Unsecured Borrowings</b>						
From Others		6759848.00	0.00	0.00		0.00
<b>Total</b>	<b>20038519.00</b>	<b>10189476.80</b>	<b>17498474.00</b>	<b>4719417.00</b>	<b>18135907.00</b>	<b>3759078.00</b>

## 2.10 Other financial liabilities

Particulars	2018		2017		April 1, 2016	
	Non Current	Current	Non Current	Current	Non Current	Current
Inter Corporate Deposit	11,11,52,349	0	11,11,52,349	0	11,11,52,349	0
Loans from Directors	2,24,27,924	0	2,23,06,924	0	2,23,06,924	0
Payable for Expenses	0	1,67,94,548	0	0	0	0
Payable to Packing Materials	0	19,15,25,172	0	20,78,12,261	0	20,23,84,782
<b>Total</b>	<b>13,35,80,273.00</b>	<b>208319720.00</b>	<b>13,34,59,273.00</b>	<b>207812261.00</b>	<b>13,34,59,273.00</b>	<b>202384782.00</b>

## 2.11 Deferred Tax Liabilities

Particulars	2018	2017	April 1, 2016
Opening Balance	842505.00	842505.00	842505.00
Add : On account of IND AS Adjustment		0.00	0.00
Add : On account of difference in Net Block	-7,02,000.00	0.00	0.00

Add : On account of deferment of Processing Charges	0.00		
Closing Balance	<b>140505.00</b>	<b>842505.00</b>	<b>842505.00</b>

## 2.12 Other Non Current Liabilities & Current liabilities

Particulars	2018		2017		April 1, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Advance for sale of land	3470000.00	-	6399848.00	-	73,99,848	-
advace against equipment sale	4473137.00	-	4473053.00	-	45,14,998	-
Others	2725737.00	-	27,25,737	-	20,14,191	-
Deferred Lease Rental Depoist	-	255000000	0.00	255000000.00	0.00	255000000
<b>Total</b>	<b>10668874.00</b>	<b>255000000.00</b>	<b>13598638.00</b>	<b>255000000.00</b>	<b>13929037.00</b>	<b>255000000.00</b>

## 2.13 Trade Payables

Particulars	2018	2017	April 1, 2016
	Current	Current	Current
Due to Micro & Small Enterprises			
<b>Dues to others</b>			
For Raw material	2,30,55,796	2,30,12,073	2,23,54,527
For Services	0.00	0.00	0.00
<b>Total</b>	<b>23055796.26</b>	<b>23012073.00</b>	<b>22354527.00</b>

## 2.14 Provisions

Particulars	2018	2017	April 1, 2016
Provision for tax	0.00	0.00	2308768.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>2308768.00</b>



### 2.15 Revenue from operations

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
<b>Revenue from :</b>		
Work Bills (VSF Energy)	0.00	12582350.00
<b>Total</b>	<b>0.00</b>	<b>12582350.00</b>

### 2.16 Other income

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Interest on Deposits	0.00	0.00
Dividend Income on long-term investments	0.00	0.00
Profit on sale of assets	0.00	0.00
Scrap sales	0.00	0.00
Fair Value measurement on Financial Instruments through profit or loss	0.00	0.00
Miscellaneous Income	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### 2.17 Cost of materials consumed

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Raw Material		
Purchases	0	807950.00
Add: Opening Stock	0	0.00
	0.00	807950.00
Less: Closing Stock	0	0.00
<b>Total</b>	<b>0.00</b>	<b>807950.00</b>

### 2.18 Employee benefits expense

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Salaries, Wages and Bonus	420200.00	4060800.00
Staff welfare	7200.00	1306.00

<b>Total</b>	<b>427400.00</b>	<b>4062106.00</b>
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## 2.19 Finance costs

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Interest Expense	5080067.88	4639416.00
Other borrowing costs	0.00	19325.00
<b>Total</b>	<b>5080067.88</b>	<b>4658741.00</b>

## 2.20 Other expenses

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Power and fuel	45037.00	1950.00
Repairs and Maintenance to Other assets	30879.00	6750.00
Insurance	124449.00	284547.00
Rent	675000.00	429000.00
Rates and Taxes	87020.00	120.00
Travelling and Conveyance	87279.00	201000.00
Office Maintenance	105280.00	30470.00
Professional Fees & Expenses	0.00	62981.00
Auditor's Remuneration	177000.00	150000.00
Registration Charges	45760.00	0.00
Postage & Telegrams	0.00	1370.00
Telephone charges	49467.00	60500.00
Valuation Charges	7000.00	0.00
AGM Expenses	83500.00	85400.00
Board Meeting Expenses	25099.00	9000.00
Listing fee	279581.00	229500.00
Advertisement	18414.00	88945.00
Books & Periodicals	5040.00	380.00
Conveyance	22500.00	4000.00
Bank charges	25077.00	14853.00
Depository charges	72928.00	72926.00
ROC Filing Fee	24902.00	0.00
Other Operating Expenses	101061.26	249.00
Provision for Impairment of Receivables	(275880.00)	3804845.64
Loss on Sale of Assets	4,24,309.00	527577.00
<b>Total</b>	<b>22,40,702.26</b>	<b>60,66,363.64</b>

## 2.21 First-time adoption of Ind AS

These financial statements, for the year ended 31<sup>st</sup> March 2018, are the first set of financial statements the Company has prepared in accordance with Indian Accounting Standards (Ind ASs). For periods up to and including the year ended 31<sup>st</sup> March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31<sup>st</sup> March 2018, together with the comparative period data as at and for the year ended 31<sup>st</sup> March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April 2016, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1<sup>st</sup> April 2016 and the financial statements as at and for the year ended 31<sup>st</sup> March 2017.

### Estimates

The estimates at 1<sup>st</sup> April 2016 and at 31<sup>st</sup> March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTPL – Quoted equity shares
- Impairment of financial assets based on expected credit loss model (“ECL model”)
- FVTOCI – Investment in Equity Shares of Subsidiary Company

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1<sup>st</sup> April 2016, the date of transition to Ind AS and as of 31<sup>st</sup> March 2017.

### Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS

	Equity as at 31 <sup>st</sup> March 2017	Equity as at 1 <sup>st</sup> April 2016
Particulars	(Audited)	(Audited)
Equity as per Previous GAAP	29,83,41,481	29,92,41,802
Impairment of trade receivables due to ECL model	(5,67,12,864.64)	(5,29,08,018)
Equity as per IND AS	24,16,28,617.36	24,63,33,784

**Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the year ended 31 March 2017**

	Year ended 31 <sup>st</sup> March 2017
<b>Particulars</b>	<b>(Audited)</b>
<b>Net profit as per Previous GAAP</b>	<b>(900321)</b>
a) Impact on account of measuring investments at fair value through profit and loss	
b) Impairment of trade receivables due to ECL model	(38,04,845.64)
<b>Net profit as per IND AS</b>	<b>(47,05,166.64)</b>
Other comprehensive Income (Net of Tax)	-
<b>Total Comprehensive Income under IND AS</b>	<b>(47,05,166.64)</b>

***Property, Plant and Equipment:***

The Company has adopted to measure any item of property, plant and equipment through revaluation model at the Transition Date. Accordingly, for Ind AS purposes any differences arising between the Fair value and carrying amount is recognized as Fair value through Other Comprehensive Income.

The company has not carried out any revaluation of its items of property, plant and equipment and hence, the carrying amount as per previous is continued to be considered as balance of property, plant and equipment.

***FVTOCI Financial assets***

Under Indian GAAP, the Company accounted for long term investments in subsidiary as investment measured at cost less provision for diminution other than temporary diminution in the value of investments, if any. Under IndAS, following the principles of 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*.

***Deferred tax***

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which

focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

### **Trade receivables**

Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its trade receivable by Rs.5,29,08,018/- on 1<sup>st</sup> April 2016 which has been eliminated against retained earnings. The company impaired its trade receivable by Rs.38,04,845.64/- as on 31<sup>st</sup> March 2017, such increase in impairment has been recognised in the profit the loss account for the year ended 31<sup>st</sup> March 17.

### **2.22 Auditors Remuneration**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Audit fees	177000	150000
b) Other charges		
Taxation matters	0	0
Certification fee	0	0
c) Reimbursement of out of pocket expenses	0	0
<b>TOTAL</b>	<b>177000</b>	<b>150000</b>

### **2.23 Earnings per Share**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Earnings</b>		
Profit attributable to equity holders	<b>(9301543.14)</b>	<b>(4705166.64)</b>
<b>Shares</b>		
Number of shares at the beginning of the year	5868950	5868950
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	5868950	5868950
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	<b>5868950</b>	<b>5868950</b>

<i>Add:</i> 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>5868950</b>	<b>5868950</b>
<b>Earnings per share of par value Rs. 10/- – Basic ( ` )</b>	(1.58)	(0.80)
<b>Earnings per share of par value Rs. 10/- – Diluted ( ` )</b>	(1.58)	(0.80)

## 2.24 Related Parties

### *List of Subsidiaries:*

*Subsidiaries including step down*

- *M/s VSF Energy Projects Private Limited*

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
- Sri L. Raja Rao – Whole time Director
- Smt. B. Vijaya Lakshmi – Whole time Director
- Sri. Gopalan Manoharan( resigned on 22/01/2018)
- Sri.Sreerama Chandra Rao Guttikonda – Independent Director
- Sri. Subbiah Kamban – Independent Director
- Sri. Lakshmi Narasimha Chowdary Bobba – Independent Director
- Sri. Rahul patibandla – Independent Director
- Smt. Patibandla Ajaya – Independent Director

Relative of KMP :

- B L N Chowdary

Note: In the above list of board of directors, the following directors in the board were also directors of M/s VSF Energy Projects Private Limited (Subsidiary company of M/s VSF Projects Limited ).The said directors were disqualified under section 164(2)(a) of Companies Act, 2013 due to non filing of financial statements/annual reports for continuous period of three financial years by M/s VSF Energy Projects Private Limited(Subsidiary company of M/s VSF Projects Limited).

Name of the Director	DIN	Period of Disqualification
Subbiah Kamban	1023097	01.11.2016 to 31.10.2021
B N Murthy	73068	01.11.2016 to 31.10.2021
Vijaya Lakshmi Bobba	1496696	01.11.2016 to 31.10.2021
L.Raja Rao	3307037	01.11.2016 to 31.10.2021

Note: In the above list of board of directors, the following directors in the board were also directors of M/s Vijaya Sneha Infrastructure Limited. The said directors were disqualified under section 164(2)(a) of Companies Act, 2013 due to non filing of financial statements/annual reports for continuous period of three financial years by M/s Vijaya Sneha Infrastructure Limited.

Name of the Director	DIN	Period of Disqualification
B N Murthy	73068	01.11.2016 to 31.10.2021
Lakshmi Narasimha Chowdary Bobba	2381545	01.11.2016 to 31.10.2021

The following is a summary of significant related party transactions:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>a) Key managerial personnel</b>		
<b><i>Remuneration &amp; Commission</i></b>		
B N Murthy	Nil	2400000
L. Raja Rao	Nil	Nil
B. Vijaya Lakshmi	Nil	600000

Gopalan Manoharan	Nil	Nil
Sreerama Chandra rao Guttikonda	Nil	Nil
Subbiah Kamban	Nil	Nil
Lakshmi Narasimha Chowdary Bobba	Nil	Nil
Rahul Patibandla	Nil	Nil
Patibandla Ajaya	Nil	Nil
<b>b) Relatives of Key Managerial Personnel</b>	Nil	Nil
B.L.N.Chowdary		420000
<b>c) Loan from Directors</b>		
B N Murthy	16489000	16489000
B. Vijaya Lakshmi	1195000	1074000
<b>TOTAL</b>	<b>17684000</b>	<b>20983000</b>

#### Transactions with Subsidiaries:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<i>M/s VSF Energy Projects Private Limited</i>		
Investment In Subsidiary	537199990	537199990
Revenue from Work bills	Nil	12582350
Trade Receivables	114369921	114996621
<b>TOTAL</b>	<b>651569911</b>	<b>664778961</b>

#### 2.25 Segment Reporting:

The Company concluded that there is only one operating segment i.e, Construction and Infrastructure development and Execution .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. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

#### 2.26 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	
	2018	2017



<i>Current taxes expense</i>		(6,97,100)
Domestic	-	-
<i>Deferred taxes expense/(benefit)</i>		
Domestic	(701914)	-
<b>Total income tax expense/(benefit) recognized in the statement of profit and loss</b>	<b>(701914)</b>	<b>(6,97,100)</b>

<b>a. Reconciliation of Effective tax rate:</b>		
<b>Particulars</b>	<b>For the Year Ended 31 March</b>	
	<b>2,018</b>	<b>2,017</b>
Profit before income taxes	-1,00,03,457	-54,02,267
Enacted tax rate in India	25.75%	30.90%
Computed expected tax benefit/(expense)	-25,75,890	-16,69,300
Effect of:		
Expenses not deductible for Tax purposes	8,00,525	10,31,835
Expenses deductible for Tax purposes	-3,80,039	-5,71,398
Taxable at Special Rates	0	
Others	-71,039	11,75,697
Income tax benefit/(expense)	-22,26,443	-33,166
<b>Effective tax rate</b>	<b>22.26%</b>	<b>0.61%</b>

**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:

<b>Particulars</b>	<b>For the Year Ended 31 March</b>	
	<b>2018</b>	<b>2017</b>
<b><u>Deferred tax assets/(liabilities):</u></b>		
<b>Property, plant and equipment</b>	(701914)	842505
Others	-	
<b>Net deferred tax assets/(liabilities)</b>	<b>(701914)</b>	<b>842505</b>

**c. Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March 2018 & 2017:**

<b>Particulars</b>	<b>As at 1 April 2016</b>	<b>Recognized in statement of profit</b>	<b>Recognized in equity</b>	<b>As at 31 March 2017</b>

and loss				
<b><u>Deferred tax assets/(liabilities)</u></b>				
<b>Property, plant and equipment</b>	842505	-	-	842505
<b>Net deferred tax assets/(liabilities)</b>	<b>842505</b>	<b>-</b>	<b>-</b>	<b>842505</b>

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

Particulars	As at 1 April 2017	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2018
<b><u>Deferred tax assets/(liabilities)</u></b>				
<b>Property, plant and equipment</b>	842505	(701914)	-	140505
Others		-		
<b>Net deferred tax assets/(liabilities)</b>	<b>842505</b>	<b>(701914)</b>	<b>-</b>	<b>140505</b>

### **2.27 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.

### **2.28 Investments:**

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 recognise 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.

However, as the status of the subsidiary company is “Strike Off” as per ROC records, the company has carried out any fair value exercise in respect of its investment in the subsidiary company and continue to carry such investment at its previous carrying amount.

The details of such Investments in VSF Energy Pvt. Ltd. Shares as of 31<sup>st</sup> March 2017 are as follows:

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
<i>Non-current Investments</i>				
Investment in Equity shares of VSF Energy Projects Pvt Ltd.	537199990	-	-	537199990
<b>Total</b>	<b>537199990</b>	<b>-</b>	<b>-</b>	<b>537199990</b>

The details of such investments in VSF Energy Pvt. Ltd. shares as of 31<sup>st</sup> March 2018 are as follows:

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
<i>Non-current Investments</i>				
Investment in Equity shares of of VSF Energy Projects Pvt Ltd.	537199990	-	-	537199990
<b>Total</b>	<b>537199990</b>	<b>-</b>	<b>-</b>	<b>537199990</b>

## 2.29 Financial Instruments:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

Particulars	Carrying value			Fair value		
	Mar-18	Mar-17	Apr-16	Mar-18	Mar-17	Apr-16
<b>Financial assets</b>						

Cash and cash equivalents	411775	906086	1558223	411775	906086	1558223
Investments	537199990	537199990	537199990	537199990	537199990	537199990
Trade receivables	128265831	128892831	120245497	71828865	72179985	67337478
Other financial assets	8644802	8644802	8144802	8644802	8644802	8144802
<b>Total</b>	<b>674522398</b>	<b>675643709</b>	<b>667148512</b>	<b>618085432</b>	<b>618930863</b>	<b>614240493</b>
<b>Financial liabilities</b>						
Borrowings	30227995	22217891	21894985	30227995	22217891	21894985
Trade payables	23055796	23012073	22354527	23055796	23012073	22354527
Other financial liabilities	341899993	341271534	335844055	341899993	341271534	335844055
<b>Total</b>	<b>395183784</b>	<b>386501498</b>	<b>380093567</b>	<b>395183784</b>	<b>386501498</b>	<b>380093567</b>

### 2.30 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 2018.

Of the total trade and other receivables, Rs.52908018/- as at 31 March 2018 and Rs.56712846 at 31<sup>st</sup> March 2017 has been impaired.

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

Particulars	As of 31 March	
	2018	2017
Period (in days)		
1 – 90		1,25,82,350
90 – 180		
More than 180	12,82,65,831	11,63,10,481
<b>Total</b>	<b>12,82,65,831</b>	<b>12,88,92,831</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 2018 and 31 March 2017 are as follows:

Particulars	For the Year Ended 31 March	
	2018	2017
<b>Balance at the beginning of the year</b>	5,67,12,845	5,29,08,018
Impairment of Trade receivables	(2,75,879)	38,04,845.64
<b>Balance at the end of the year</b>	<b>5,64,36,966</b>	<b>5,67,12,845</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 2018 and 2017, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31 March 2018, the Company had working capital (current assets less current liabilities) of Rs. (16, 95, 50,356/-) including cash and cash equivalents of Rs 411775/-.As of 31 March 2017, the Company had working capital of Rs. (16, 84, 97,552/-), including cash and cash equivalents of Rs.9, 06,086/-and investments in FVTOCI financial assets of Rs.53, 71, 99,990/-

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018:

Particulars	2019	2020	2021	2022	Thereafter	Total
Trade payables						
Long term borrowings	3429629					3429629
Bank overdraft, short-term loans and borrowings	20038519					20038519
Other financial liabilities-Non current					133580273	133580273
Other financial liabilities- Current	208319720					208319720

## ***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.

The company's Debt Equity ratio is as follows:

Particulars	2018	2017
Total Debt	66,09,93,164	65,59,42,641
Total Equity	23,23,27,074	24,16,28,617
<b>Debt Equity Ratio</b>	<b>2.85 : 1</b>	<b>2.71 : 1</b>

### **2.31Contingent Liabilities and Commitments: Nil**

**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)

**26<sup>th</sup> Annual General Meeting on Friday, 9<sup>th</sup> August 2018 at 11:30 AM.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.

**VSF PROJECTS LIMITED**

CIN No L05005AP1992PLC014326

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

**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)

Name of the Member: \_\_\_\_\_

RegisteredAddress : \_\_\_\_\_

E-Mail Id : \_\_\_\_\_

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

1. Name \_\_\_\_\_ Email ID \_\_\_\_\_

2. Address \_\_\_\_\_  
\_\_\_\_\_ signature \_\_\_\_\_ of falling him

1. Name \_\_\_\_\_ Email ID \_\_\_\_\_

2. Address \_\_\_\_\_  
\_\_\_\_\_ signature \_\_\_\_\_ of falling him

1. Name \_\_\_\_\_ Email ID \_\_\_\_\_

2. Address \_\_\_\_\_  
\_\_\_\_\_ signature \_\_\_\_\_ of falling him

As my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the **26<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 9<sup>th</sup> August 2018 at 11:30 AM at the Registered Office.**

SI.No	Brief Description of Resolutions to keep the same for E-Voting Purpose
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1.	To receive, consider and adopt the standalone Audited Balance Sheet of the Company as at 31 <sup>st</sup> March, 2018 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.	Appointment of Statutory Auditor
3.	APPOINTMENT OF SRI. RAHUL PATIBANDLA (DIN 07344724) AS NON EXECUTIVE DIRECTOR OF THE COMPANY
4.	APPOINTMENT OF SRI. AJAYA PATIBANDLA (DIN 07972941) AS NON EXECUTIVE DIRECTOR OF THE COMPANY

Signed this \_\_\_\_\_ day of August 2018

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 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 THEVENUE OF AGM**



