CIN No. L05005AP1992PLC014326

VSF PROJECTS LIMITED

CORPORATE OFFICE: 8-2-269/19/S/D, FLAT NO. NS1, LAVA KUSA RESIDENCY, ROAD NO. 2, BANJARA HILLS, HYDERABAD-500034 PHONE : 040-23548694
E-mail: vsfprojectsltd91@gmail.com Website: www.vsfproject.com

Date: 08.09.2021

To
Corporate Relations Department.
The B S E Limited
P.J Towers, Dalal Street
Mumbai – 400001

Dear Sir,

Sub: -Submission of Annual Report for the Financial Year - 2020-21

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

Scrip Code: 519331

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing here with, Annual Report of the Company along with Notice of Annual General Meeting of the Company for the Financial Year 2020-21

This is for your information and records.

Thanking You
For VSF Projects Limited

Bobba Narayana Murthy
Managing Director
(DIN: 00073068)

VSF PROJECTS LIMITED HYDERABAD

VSF PROJECTS LIMITED

29th

Annual Report

2020-21

INDEX

Contents	Page Nos
Corporate Information	1
Notice	3
Directors Report	10
Secretarial Audit Report	17
Independent Auditors Report	34
Balance Sheet	44
Statement of Profit and loss	45
Cash Flow Statement	46
Statement of Accounting Policies	47
Attendance	73
Proxy Form	74
Route Map to Venue of AGM	75

CORPORATE INFORMATION

Board of Directors

Sri NARAYANA MURTHY BOBBA	: Managing Director
Smt VIJAYA LAKSHMI BOBBA	: Director
Sri LAKSHM INARASIMHA BOBBA CHOWDARY	: Director
Sri Rahul Patibandla	: Independent Director
Sri AjayaPatibandla	: Independent Director
Sri Subbiah Kambhan (up to 23.11.2020)	: Independent Director

CIN NO	L05005AP1992PLC014326
REGISTERED OFFICE	Sy.No.782 to 1235 Ankulapatur Village ChillakurMandal, SPSR Nellore District, AP, 524 412
CORPORATE OFFICE	Plot No.8-2-269/19/S/D lavakusa residency Rd.No.2, Banjara Hills Hyderabad – 500 034, Telangana www.vsfproject.com Email: vsfprojectsltd91@gmail.com

AUDITORS

NVSR &ASSOCIATES, LLP

Chartered Accountants

Flat no 202, Nestcon Gayatri, Plot no 28,

Panchavati Cooperative society,

REGISTRAR AND SHARE TRASNFER AGENT:

Aarthi Consultants Private Limited

1-2-285, Near Gaganmahal Hospital

Domalaguda, Himayatnagar

Hyderabad – 500 029

BANKERS/FINANCIAL INSTITUTIONS

Indusind Bank

BSE Script Code	**: 519331**
Script	**: VSFPROJ**
ISIN No	**: INE923K01014**

NOTICE

Notice is hereby given that the **Twenty Nineth Annual General Meeting** of the members of the Company will be held on Thursday, 30th September, 2021 at 11am at the registered office of the Company at Sy.No.782 to 1235, Ankulapatur Village, Chillakur Mandal, SPSR Nellore District, AP, 524 412 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone Audited Balance Sheet of the Company as at 31st March, 2021 and the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended on that date along with the Report of Directors and the Auditors thereon.

2. To appoint a Director in the place Mrs. Vijaya Lakshmi Bobba, who retires by rotation and being eligible herself for reappointment.

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date :14.08.2021

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 24th September, 2021 to 30thSeptember, 2021 (both days inclusive).

3. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.

4. Members are requested to quote their Registered Folio No or Demat Account No and Depository Participant Identification Number (DPID No) on all correspondence with the Company.

5. Members are requested to send all communication relating to shares to the Company's RTA M/s Aarthi Consultants (P) Limited, 1-2-285, Near Gaganmahal Hospital, Domalaguda, Hyderabad – 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 - Aarthi 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.

8. The information pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015) with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed hereto.

9. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company's website at www.vsfproject.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 10:30 A.M to 12:30 P.M on all working days till 30th September, 2021. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's email id: vsfprojectsltd91@gmail.com.

10. Voting through Electronic means

    (a) The Company is pleased to provide members the facility to exercise their right to vote on the resolutions as set out in the Notice calling for the Annual General Meeting (AGM) by 'electronic means' and all the businesses may be transacted through e- Voting services provided by Central Depository Services (India) Limited (CDSL), in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014.

(b) Voting rights are reckoned on the basis of the shares registered in the names of the members / beneficial owners as on the record date fixed for this purpose viz. 23rd September, 2021.

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

Mrs R V N Padmaja, Practicing Company Secretary has been appointed as scrutinizer for conducting the e-Voting process in a fair and transparent manner.

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

1. The voting period begins on Monday 27th September 2021 (9:00 am) and ends on Wednesday 29th September 2021 (5:00pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date is Thursday 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

3. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

4. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

5. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

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

	to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022-23058738 and 22-23058542-43.

Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

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

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(ii) After entering these details appropriately, click on "SUBMIT" tab.

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

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

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

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

(vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;vsfprojectsltd91@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

The Results declared along with the Scrutinizer's Report will be placed on the Company's website www.vsfproject.com 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 up to and including the date of the AGM.

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date :14.08.2021

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

Name of the Director	B Vijaya Lakshmi
Din No	01496696
Date of Birth	01.07.1961
Date of Appointment on the Board	30.04.2007
Qualification, Experience & Expertise	Mrs. Bobba Vijaya Lakshmi is a Bachelor of Arts, and having rich experience in the field of cultivation of aqua culture. She looks after entire administrative and human resource developments. Over the years, she has acquired deep insight into the working of the industry.
Directorship in other public companies (Excluding foreign companies and section 25 Companies)	NIL
Shareholding	4.90%
Disclosures of relationships between Directors interest	Bobba Viaya Lakjhmi is wife of Bobba Narayan Murthy and mother of Bobba Lakshmi Narasimha Chowdary
Terms and Conditions of Appointment with details of Remuneration	Mrs Bobba Vijay Lakshmi is proposed to be reappointed as director retiring by rotation
Last drawn Remuneration, if any	Rs. 50,000 per month
No. of board meetings attended during the year	6 out of 6
Membership/Chairmanships of Committees in other Companies	NIL

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date :14.08.2021

Director's Report

Your Directors hereby present the **Twenty Ninth Annual Report** together with the Audited Accounts of the company for the financial year ended 31st March, 2021.

Financial summary or Highlights/Performance of the Company:

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

Rs. In Lakhs

Particulars	2020-21	2019-20
Revenue from Operations	173.82	124.10
Other Income		2.22
Total Revenue	173.82	**126.33**
Profit before Finance Charges, Tax Expenses, Exceptional items and Depreciation	29.75	34.68
Less : Depreciation	19.19	20.40
Profit before Finance Charges, Tax Expenses, Exceptional items	10.56	14.28
Less : Finance Charges	0.21	11.59
Profit before Tax Expenses and Exceptional items	10.35	2.69
Add : Exceptional Items	-	-
Profit before Tax	10.35	2.69
Provision for Tax	(4.99)	(2.07)
Profit after Tax	15.34	4.76
Total Comprehensive Income		
Less: Transfer to Reserves		-
Balance	(1036.59)	(1041.35)
Balance of profit of earlier years	15.34	4.76
Less : Dividend Paid on Equity Shares		-
Dividend Distribution Tax		-
Balance Carried Forward	(1021.24)	**(1036.59)**

COMPANY PERFORMANCE:

Though the Financial Year 2020-21 was tough due to covid pandemic and lockdown restrictions, Company could clock a revenue of revenue of Rs.173.82 Lakhs Compared to Rs. 124.10Lakhs in the previous year.

TRANSFER TO RESERVES:

Your Company did not transfer any amount to reserves.

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

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

DIVIDEND:

In view of accumulated losses, your Directors do not recommend any dividend for the financial year 2020-21.

STATUTORY AUDITORS:

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

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

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

AUDITORS REPORT

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

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has received Secretarial Audit report form M/s. R V N Padmaja, Practicing 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 Constitution of Nomination and Remuneration Committee is not in compliance with the provisions of Section 178 of the Companies Act, 2013

Company is in the process of finalizing profiles among the multiple profiles received for appointment as Independent Director and the right person will be appointed at the earliest on to the Board as Independent Director

MEETINGS OF BOARD OF DIRECTORS:

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

30.07.2020	**04.09.2020**	**15.09.2020**	**13.11.2020**	**27.11.2020**	**12.02.2021**

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WEREAPPOINTED OR HAVE RESIGNED DURING THE YEAR:

During the period under report, Shri. Bobba Lakshmi Narasimha Chowdary was appointed as whole time Director of the Company and Shri Bobba Narayana Murthy, Managing Director of the Company and Smt. Bobba Vjaya Lakshmi Whole time Director were reappointed by the Board and and the same was approved by the shareholders of the Company in the 28th Annual General Meeting of the Company held on 30th September, 2020.

Sri Subbiah Khamban, Independent Director of the Company has resigned from office of Directorship w.e.f 23rd November, 2020

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

However Smt. Vijaya Lakshmi Bobba was liable to retire by rotation as Director. These items of agenda are placed in the notice of 29th Annual General Meeting of the Company to be held on 30th September, 2021 for approval of members

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

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

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

MEETING OF INDEPENDENT DIRECTOR:

During the year under review, the Independent Directors met on 12.02.2021 inter alia, to discuss:

• Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
• Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
• Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

- All the Independent Directors were present at the Meeting.

FIXED DEPOSITS:

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

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

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

MATERIAL CHANGES AND COMMITMENTS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) that in the preparation of Annual Accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;

b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period:

c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities

d) That the directors have prepared the annual accounts on a going concern basis.

e) The Directors had laid down Internal Financial controls to be followed by the Company and that such internal financial Controls are adequate and were operating efficiently.

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

REMUNERATION POLICY:

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

RISK MANAGEMENT

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

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

MAINTENANCE OF COST RECORDS:

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

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at www.vsfprojects.in.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

Since the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs.25 Crores, the provisions of Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 andclauses (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 2021-2022 tobe paid.

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

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

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies

Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as 'Annexure V' to this report.

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2020-21:

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

INSIDER TRADING REGULATIONS

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

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

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

ACKNOWLEDGEMENTS

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

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date :14.08.2021

Annexure- I

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 31ST MARCH, 2021

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 31st March, 2021 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 31st March, 2021 according to the provisions of:

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

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

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

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (b) 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, 2018;

3. Other industry specific major law that is applicable to the company as per the information provided by the management specific to the industry are:

    i) Building and other construction workers (Regulation of Employment and conditions of service) Act, 1996

    ii) Inter-state Migrant workmen (Regulation of Employment and conditions of service) Act, 1979

4. We have also examined compliance with the applicable clauses of the following:

    a) Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation 2015

    b) Secretarial Standards SS -1 and SS-2 issued by the Institute of Company Secretaries of India

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

We further report that

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 Constitution of Nomination and Remuneration Committee is not in compliance with the provisions of Section 178 of the Companies Act, 2013

Sd/-
R V N Padmaja
Company Secretary
C.P No:5176
M.No: 16596

Place: Hyderabad
Date: 16.08.2021
UDIN: A016596C000792272

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. In view of the limitations imposed during the lockdown of the country due to the pandemic spread of the COVID-19 disease, the audit was conducted based on the information and documents provided by the management of the company.

7. 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: 16.08.2021

Annexure –II

COMMITTEES OF THE COMPANY

1. AUDIT COMMITEE

The Audit Committee was reconstituted during the Financial Year post resignation of Shri Subbiah Kamban with two Independent Directors and one Executive Director. It provides assistance to the Board of Directors in fulfilling its oversight responsibilities. The audit committee has been entrusted with the responsibilities as laid down under Section 177of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, to the extent applicable and required.

The Composition of the Committee is as follows:

Name of the Director	Category
Sri. AjayaPatibandla	Chairman
Sri. Rahul Patibandla	Member
Sri Subbiah Kamban (up to 23.11.2020)	Member
Sri Bobba Lakshmi Narasimha Chowdary (From 27.11.2020)	Member

Meetings during the year:

During the Financial year ended 31st March, 2021, the Audit Committee met Four (4) times as follows:

30.07.2020	15.09.2020	13.11.2020	12.02.2021

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

Terms of Reference:

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

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

. Oversight of Company's financial reporting process and disclosure of its financial Information to ensure the financial statements are correct, sufficient and

credible.

- Recommending to the Board, the appointment, re-appointment and if required, the Replacement or removal of auditors and fixation of audit fee.

- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the CompaniesAct, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by Management.
- Significant adjustments made in the financial statements arising out of audit findings - compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions.
- Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements
- Management Discussion and Analysis of financial conditions and results of operations
- Review of Statement of significant related party transactions submitted by the management
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Review of the financial statements of subsidiary Companies.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related Parties
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems.
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on
- Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functioning of the Whistle Blower Mechanism
- Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
- Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

2. NOMINATION AND REMUNERATION COMMIITTEE:

The Nomination and Remuneration Committee has been reconstituted during the Financial Year post resignation of Mr. Subbiah Kamban with two Independent Directors and one Executive Director

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

Name of the Director	**Category**
Sri. AjayaPatibandla	Chairman
Sri. Rahul Patibandla	Member
Sri Subbiah Kamban (up to 23.11.2020)	Member
Sri Bobba Lakshmi Narasimha Chowdary (From 27.11.2020)	Member

Meetings during the year:

During the Financial year ended 31st March, 2021, the Committee met two (2) times as follows:

04.09.2020	12.02.2021

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board there appointment and removal.
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions / powers / duties as may be entrusted by the Board from time to time.

STAKEHOLDERS RELATIOSHIP COMMITTEE:

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

The Composition of the Committee is as follows:

Name of the Director	**Category**
Sri. AjayaPatibandla	Chairman
Sri. Rahul Patibandla	Member

Sri Subbiah Kamban (up to 23.11.2020)	Member
Sri Bobba Lakshmi Narasimha Chowdary (From 27.11.2020)	Member

Terms of reference

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

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

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

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

There are no outstanding complaints as on 31st March, 2021

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date :14.08.2021

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 taken place, and the reasons thereof : NA

(iv) The expenditure incurred on Research and Development: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

Particulars	**2020-21**	**2019-20**
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	------	-----

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date :14.08.2021

Annexure-IV

REPORT ON MANAGERIAL REMUNERATION As per Section 197 of the Companies Act2013 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 2020-2021

	Remuneration of Director KMP for the financial year 2020-21 (Rs .in Lakhs)	**% increase in Remuneration in the Financial year 2020-21**	**Ratio of remuneration of each Director/to median remuneration of employees**
B Narayana Murthy	**12.00**	**NIL**	1.33
B Vijaya Lakshmi	**6.00**	**NIL**	0.67
B Lakshmi Narasimha Chowdary	**12.00**	**NIL**	1.33

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

The number of permanent employees on the rolls of Company as at March 31, 2021: 4

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

(B)Statement of Particulars of Employees Pursuant to Provisions of Rule5 (2) of Section197 (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 anum	Nature of employment(wehther contractual or otherwise)	Qualification & experience	Date of commencement of employment	Age	Last employment of such employee	% of equity shares held of the employee	Wether the employee is a relative of any director/manager,if yes name of such director and manager
1	B Lakshmi Narasimha Chowdary	Head-Operations	12,00,000	Salaried	MBA 10 Years	12.02.2016	34	NA	9.42	Yes related to B Vijaya Lakshmi and B Narayana Murthy
2	B Narayana Murthy	Managing Director	12,00,000	Contractual	Diploma in Mechanical Engineering 28 Years	04.06.1992	65	NA	15.16	Yes related to B Vijaya Lakshmi and B Lakhsmi Narasimha Chowdary
3	B Vijaya Lakshmi	Whole time Director	6,00,000	Contractual	Bcom 12 years	30.04.2007	59	NA	4.90	Yes related to B Narayana Murthy and B Vijaya Lakshmi
4	M. Rajasekhar	Manager – Site	6,00,000	Salaried	B. Tech 7 Years	01.04.09	31	NA	2.40	

There were no employees drawing remuneration of Rs. 8.50 Lakhs p.m or above / Rs. 102 Lakhs p.a or above whether employed throughout or part of the financial year.

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date: 14.08.2021

Annexure- V

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 28 years. Over this span, the company built strong capabilities and established widespread credentials for success of project delivery across wide spectrum of sectors within the infrastructure industry. It is this pedigree that has helped the Company re-invents itself to meet the challenges of different times and deliver value to all stake-holders.

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

The Financial Year 2020-21 has been a very tough year for the Company as the company had no new order due to huge financial crunch and the biggest slowdown in construction business over all in the economy. Further the Management is scouting for various other business opportunities for reviving the company including venturing into earlier business of the Company that is aquaculture and other related business.

OPPORTUNITIES & THREATS

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

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

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

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

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

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

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

RISKS & CONCERNS

1. Infrastructure sector is dependent on political stability.

2. Contract Payment Risk

3. un organized Sector

4. Shortage of Labor and Employees.

5. Coal Shortages

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

HUMAN RESOURCES

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

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

HEALTH AND SAFETY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

PARTICULARS	2020-21	2019-20
Total Income (Including other income)	173.82	126.33
Total Expenses	163.46	123.63
Profit Before Tax	10.35	2.69
Profit After Tax	15.34	4.76
Earnings per share	0.26	0.08

KEY RATIOS:

S.No	PARTICULARS	2020-21	2019-20
1	Debtors turnover Ratio	31.21020251	0
2	Inventory Turnover ratio	NA	0
3	Debt Equity Ratio	116.683596	329.56
4	Interest Coverage Ratio	NA	1.23
5	Current Ratio	7.64%	7.73%
6	Operating Profit Margin	NA	11.30%
7	Net Profit Margin	8.62	3.77%
8	Return on Networth	0.42538448	0.2388

FORWARD LOOKING / CAUTIONARY STATEMENT:

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

BY THE ORDER OF THE BOARD
For VSF Projects Limited

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

Place: Nellore
Date :14.08.2021

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

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

I hereby certify that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2020-21.

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

Place: Nellore
Date :14.08.2021

INDEPENDENT AUDITOR'S REPORT

To The Members of
VSF PROJECTS LIMITED

Report onAudit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **VSF PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our
audit of the financial statements of the current period. These matters were addressed in the context ofour audit of the financial statements as a whole, and in forming our opinion thereon, and we do notprovide a separate opinion on these matters.We have determined that there are no key audit matters to be communicated in our report.

Other Information

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

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

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

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management and Board of Directors are responsible for assessingthe Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and
using the going concern basis of accounting unless management either intends to liquidate the Company or to cease
operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilityfor the Financial Statements

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

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

We also:

• Identify and assess the risks of material misstatement of the financial statements, whether dueto fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidencethat is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a materialmisstatement resulting from fraud
is higher than for one resulting from error, as fraud may involve collusion,forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing
our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and
related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based
on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may
cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material
uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the
financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusionsare based on the audit evidence obtained up to the date of our auditors' report. However, future events orconditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including thedisclosures, and whether the financial statements represent the underlying transactions and eventsin a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and
timing of the audit and significant audit findings, including any significant deficiencies in internal control that we
identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the **"Annexure A"** a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standardsprescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements and for that Refer Note 2.29 in notes to financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv) The management has represented, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

v) The management has represented, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the

company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

vi) Based on the audit procedures performed by us , which has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and (v) contain any material mis-statement.

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

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

h) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the company to its directors during the year is in accordance with the provisions of the section197 of the Act.

For **NSVR ASSOCIATES& LLP**
Chartered Accountants
(Firms' Registration No. 008801S/S200060

Place: Hyderabad
Date: 29/06/2021

VENKATA RATNAM P
Partner
(Membership No. 230675)
UDIN:
21230675AAAAJO7739

Annexure A to the Auditors' Report

Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, we report that:

(i) In respect of Property, Plant andEquipment

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The fixed assets have been physically verified by the management at reasonable intervals; we are informed that no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventory:

a) As per information given to us, there is no inventory held by the company during the year and hence, no physical verification done by the management.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act. Thus, Clause 3(iii) (a),(b) and (c) of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the act. The company has complied with the provisions of section 186 of the act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186 of the act.

(v) According to the information and explanations given to us the company had not accepted any Public deposits, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, . Therefore, provisions of clause (v) of paragraph 3 of the report is not applicable to the company

(vi) In respect of business activities of the company, maintenance of cost records has not been specified by the central government under section 148(1) of the companies Act 2013.

(vii) (a) According to the information and explanations given to us the company hasbeen regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities .

(b) According to the information and explanations given to us no undisputed amounts payable in respect
of provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services
Tax, duty of customs, duty of excise, value added tax, cess and other material statutory were in arrears
as at 31st March 2021 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no material dues of income tax orsales tax or service tax or Goods and Services Tax or duty of customs or duty of excise or value added
tax which have not been deposited by the company on account of disputeexcept for income tax appeal in the financial year 2016-17(Refer 2.29 in notes to financial statements) for a period of more than six months from the date they became payable.

(viii) Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks or Debenture holders

(ix) In our opinion and according to the information and explanations given to us, monies raised by way of the term loans during the year have been applied by the Company for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the provisions of Section 197 of Companies Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is 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
(Firms' Registration No.
008801S/S200060)

VENKATA RATNAM P
Partner
(Membership No. 230675)
UDIN:
21230675AAAAJO7739

Place: Hyderabad

Date: 29/06/2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **VSF PROJECTS LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

.

For **NSVR ASSOCIATES& LLP**
Chartered Accountants
(Firms' Registration No. 008801S/S200060)

VENKATA RATNAM P
Partner
(Membership No. 230675)
UDIN: 21230675AAAAJO7739

Place: Hyderabad
Date: 29/06/2021

VSF PROJECTS LIMITED
Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101
BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	Note No.	Standalone	
		Audited As at 31.03.2021	Audited As at 31.03.2020
ASSETS			
Non-current assets			
Property plant and Equipment	2.1	636,478,336	638,397,511
Financial assets			
Investments	2.2	-	-
Deferred tax Asset (Net)	2.3	811,459	312,473
Current assets			
Financial assets			
Trade receivables	2.4	55,751	55,751
Cash and cash equivalent	2.5	252,117	487,398
Other financial assets	2.6	6,849,707	6,705,420
Other current assets	2.7	11,237,166	12,527,393
TOTAL		**655,684,536**	**658,485,947**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.8	58,689,500	58,689,500
Other Equity	2.9	(55,163,278)	(56,697,448)
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.10	156,452,121	145,741,273
Other Financial Liabilities	2.11	-	-
Deferred tax liabilities (net)	2.12	-	-
Other non-current liabilities	2.13	255,000,000	255,000,000
Current liabilities			
Financial Liabilities			
Borrowings	2.10	-	10,710,848
Trade payables	2.14	204,246,473	211,055,636
Other financial liabilities	2.11	15,044,678	13,323,050
Other current liabilities		21,415,042	20,663,087
TOTAL		**655,684,536**	**658,485,947**

The accompanying Significant accouting 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

Venakata Ratnam P
Partner
M.No. 230675
UDIN: 21230675AAAAJO7739
Place: Hyderabad
Date: 29-06-2021

B N MURTHY
Managing Director
DIN. 00073068

B VIJAYA LAKSHMI
Director
DIN. 01496696

VSF PROJECTS LIMITED
Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Note No.	Year ended March 31,2021	Year ended March 31,2020
		Audited	Audited
Income			
Revenue from operations	2.15	17,382,129	12,410,459
Total Revenue from operations		**17,382,129**	**12,410,459**
Other income	2.16	-	222,049
Total Income		**17,382,129**	**12,632,508**
Expenses			
Cost of materials consumed	2.17	7,067,620	3,036,778
Employee benefits expense	2.18	4,690,900	3,755,000
Finance costs	2.19	20,580	1,158,606
Depreciation and amortization expense	2.10	1,919,175	2,040,485
Other expenses	2.20	2,648,670	2,372,579
Total Expenses		**16,346,945**	**12,363,448**
Profit before tax		**1,035,184**	**269,060**
Tax expense			
(1) Current tax		-	-
(2) Deferred tax		(498,986)	(206,680)
Net Profit for the Period		**1,534,170**	**475,740**
Other comprehensive income (OCI)			
(a) (i) Items that will not be reclassified to profit or loss		-	
(ii) Tax on items that will not be reclassified to profit or loss		-	-
(b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive income		-	-
Total Comprehensive income		**1,534,170**	**475,740**
Paid-up Equity Share Capital		58,689,500	58,689,500
(Rs.,10/- per Equity Share)			
Other Equity		(55,163,278)	(56,697,448)
Earnings per equity share			
(Face value of Rs.10/- each)			
(1) Basic		0.26	0.08
(2) Diluted		0.26	0.08

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

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

For and on behalf of Board
VSF Projects Limited

Venkata Ratnam P
Partner
M.No. 230675
UDIN: 21230675AAAAJO7739
Place: Hyderabad
Date: 29-06-2021

B N MURTHY
Managing Director
DIN. 00073068

B VIJAYA LAKSHMI
Director
DIN. 01496696

VSF PROJECTS LIMITED
Anakalapatur Village, Chillakur, Nellore, Nellore, Andhra Pradesh 524101
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Cash Flows from Operating Activities		
Net profit before tax	1,035,184	269,060
Adjustments for :		
Depreciation and amortization expense	1,919,175	2,040,485
Provision for doubtful debts/advances/ impairment	-	-
Finance cost	20,580	1,158,606
Profit on Sale of Fixed Asset		(222,078)
Operating profit before working capital changes	**2,974,939**	**3,246,073**
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/Decrease in Other financial assets	(144,287)	(39,511)
(Increase)/Decrease in Other Current Assets	1,290,227	(804,390)
Increase/(Decrease) in Trade Payables	(6,809,164)	(3,549,571)
Increase/(Decrease) in Other financial liabilities	1,721,628	(3,555,686)
Increase/(Decrease) in Other Current liabilities	751,956	2,282,542
Changes in Working Capital	**(3,189,640)**	**(5,666,616)**
Cash generated from operations	(214,701)	(2,420,542)
Direct Taxes Paid	-	-
Net Cash from operating activities (A)	**(214,701)**	**(2,420,542)**
Cash flows from Investing Activities		
Sale of Fixed Assets	-	350,000
(Purchase) /Sale of Investment	-	-
Net Cash used in Investing Activities (B)	**-**	**350,000**
Cash flows from Financing Activities		
Proceeds from Long term borrowings	10,710,848	13,341,997
Repayment/(Proceeds) of/from Short-term borrowings	(10,710,848)	(9,653,541)
Finance cost	(20,580)	(1,158,606)
Net Cash used in Financing Activities (C)	**(20,580)**	**2,529,850**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(235,281)	459,308
Cash and Cash equivalents at the beginning of the year	487,398	28,090
Cash and Cash equivalents at the ending of the year (Refer Note 2.8)	**252,117**	**487,398**

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

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

For and on behalf of Board
VSF Projects Limited

Venkata Ratnam P
Partner
M.No. 230675
UDIN: 21230675AAAAJO7739
Place: Hyderabad
Date: 29-06-2021

B N MURTHY
Managing Director
DIN. 00073068

B VIJAYA LAKSHMI
Director
DIN. 01496696

NOTES TO FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

A. General Information

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

Basis of preparation and presentation of Financial Statements

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

Basis of Measurement

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

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

B. Use of estimates and judgments

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

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

i) Depreciation and amortization

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

ii) Provision and contingencies

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

iii) Fair valuation

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

C. Functional and presentation currency

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

D. Current and noncurrent classification

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

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

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

Significant Accounting Policies

1) Property Plant & Equipment

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

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

Depreciation

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

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

The estimated useful lives are as follows:

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

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

9) Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

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

Deferred Tax

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

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

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

10) Earnings Per Share

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

11) Trade receivables

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

12) Trade and other payables

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

13) Recent Accounting Prounncements:

There is no such notification which would have been applicable from 1st April 2021 and the company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April 2020:

- IND AS-116, Leases
- Amendment to IND AS 12, Income taxes
- Uncertainity over Income tax Treatments-Appendix C to IND AS 12, Income taxes
- Amendment to IND AS 19, Employee Benefits

2.1: Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 01 April 2019	Additions/Revaluation	Disposals	As at 31 March 2020	As at 1 April 2019	For the year	Impairment for the year	Disposals	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land	63,35,00,000	-	-	63,35,00,000	-	-	-	-	-	63,35,00,000	63,35,00,000
Buildings	22,47,643	-	-	22,47,643	9,75,824	2,43,956	-	-	12,19,780	10,27,863	12,71,819
Plant and equipment	25,79,751	-	-	25,79,751	8,17,257	3,73,400	-	-	11,90,657	13,89,094	17,62,494
Vehicles	71,04,258	-	-	71,04,258	52,84,470	12,62,176	-	-	65,46,646	5,57,612	18,19,788
Computers	934	-	-	934	-	934	-	-	934	-	934
Office Equipment	15,647	-	-	15,647	9,028	6,619	-	-	15,647	-	6,619
Furniture & Fixtures	3,77,495	-	-	3,77,495	3,41,638	32,090	-	-	3,73,728	3,767	35,857
Total	**64,58,25,728**	**-**	**-**	**64,58,25,728**	**74,28,217**	**19,19,175**	**-**	**-**	**93,47,392**	**63,64,78,336**	**63,83,97,511**

2.2 Investments

Particulars	2021	2020
	Non Current	Non Current
Investments carried at cost (Unquoted investments)		
In subsidiary companies		
VSF Energy Projects Pvt. Ltd	-	-
Less : Provision For impairment	-	-
Aggregate amount of unquoted Investments	-	-
Total investments carried at cost	-	-
Total Invetsments	-	-

2.3 Deferred tax Asset (Net)

Particulars	2021	2020
Opening Balance	3,12,473	1,05,794
Add : On account of IND AS Adjustment		
Add : On account of difference in Net Block	4,98,986	2,06,680
Add : On account of deferment of Processing Charges		
Closing Balance	**8,11,459**	**3,12,473**

2.4 Trade receivables

Particulars	2021	2020
	Non Current	Non Current
Trade Receivables		
Unsecured,considered good	55,751	55,751
Less: Allowances for credit losses		-
TOTAL	**55,751**	**55,751**

Trade Receivables hypothecated as security for availing working capital facilities

2.5 Cash and Cash Equivalents

Particulars	2021	2020
a) Cash and Cash equivalents		
i) Cash on hand	2,42,401	477251
ii) Balances with banks		
- Current Accounts		10147

	9,716	
Total	**2,52,117**	**4,87,398**

Cash and Cash Equivalents include the following for Cash flow purpose

Particualars	**2021**	**2020**
Cash and Cash Equivalents/ Bank Balances	2,52,117	4,87,398
Less: Unclaim dividend	-	-
Less: Cash credit to be classified as Cash and Cash Equivalents for cash flow purpose	-	-
Cash and Cash Equivalents/ Bank Balances	**2,52,117**	**4,87,398**

2.6 Other Financial Assets

Particulars	**2021**		**2020**	
	Non- Current	**Current**	**Non- Current**	**Current**
Security and Other Deposits				
Deposits	-	68,49,707	-	67,05,420.00
TOTAL	-	**68,49,707**	-	**6705420.00**

2.7 Other Non Current Assets and Current Assets

Particulars	**2021**		**2020**	
	Non- Current	**Current**	**Non- Current**	**Current**
Prepaid Expenses	-	65,875	-	65,875
Balances with Revenue Authorities	-	45,56,025	-	45,11,458
Advance to Creditors	-	66,15,266	-	79,50,060
TOTAL		**1,12,37,166**		**12527392.91**

2.8 Share Capital

Particulars	2021		2020	
Authorized Share Capital				
80,00,000 Equity Shares of Rs.10 each		8,00,00,000		8,00,00,000
(Previous year :80,00,000 Equity Shares of Rs.10 each)				
Issued Subscribed and Paid up Share Capital				
58,68,950 Equity Shares of Rs.10 each, fully paid up		5,86,89,500		5,86,89,500
(Previous year :58,68,950 Equity Shares of Rs.10 each, fully paid up)				
		5,86,89,500		**5,86,89,500**
Details of shareholders holding more than 5% shares :	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
1. M Lakshmi	8,00,000	13.63%	8,00,000	13.63%
2. B N Murthy	8,90,023	15.16%	8,90,023	15.16%
3. B L N Chowdary	5,52,766	9.42%	5,52,766	9.42%
	22,42,789	**38.21%**	**22,42,789**	**38.21%**

2.7.1 Reconciliation of Number of Shares :

Particulars	2021	2020
Number of Shares at the beginning of the year	58,68,950	58,68,950
Add : Shares issued during the year		
Number of Shares at the end of the year	**58,68,950**	**58,68,950**

2.8.2 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.

2.9 Other Equity

Particulars	2021	2020
Capital Reserve		

Opening Balance	29,33,000	29,33,000
Add: Additions during the year	-	-
	29,33,000	**29,33,000**
Securities Premium		
Opening Balance	92,88,500	92,88,500
Add: Additions during the year	-	-
	92,88,500	**92,88,500**
Revaluation reserve		
Opening Balance	19,28,39,950	19,28,39,950
Add: Additions during the year	-	-
	19,28,39,950	**19,28,39,950**
Retained Earnings		
Opening Balance	(10,36,58,904)	(10,41,34,644)
Add: Net profit transferred from the Statement of Profit and Loss	15,34,170	4,75,740
	(10,21,24,734)	**(10,36,58,904)**
Appropriations		
Net change in fair value of Financial Assets	-	-
	-	**-**
Closing Balance	**(10,21,24,734)**	**(10,36,58,904)**
Other Comprehensive Income		
a. Revaluation Reserve on Fixed Assets	37,91,00,000	**37,91,00,000**
b. Impairment on Investment in Subsidiary	(53,71,99,993)	**(53,71,99,993)**
	(15,80,99,993)	**(15,80,99,993)**
Total	**(5,51,63,278)**	**(5,66,97,448)**

2.10 Borrowings

Particulars	2021		2020	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
From Banks	-	-	-	-
From Financial Institutions	-	-	-	-
Cash Credit	-	-	-	-
Unsecured Borrowings				
From Others	-	1,07,10,848	1,07,10,848	
Inter Corporate Deposit	-	11,11,52,349		11,11,52,349
Loans from Directors	-	3,45,88,924		3,45,88,924
Total	**-**	**15,64,52,121**	**1,07,10,848**	**14,57,41,273**

2.11 Other financial liabilities

Particulars	2021		2020	
	Current	Non Current	Current	Non Current
Payable for Expenses		1,47,96,177	1,32,48,049	-
Others financial liabilties		0.89	0.89	
Audit Fees		2,48,500	75,000	
Total	**-**	**1,50,44,678**	**1,33,23,050**	**-**

2.12 Deffered Tax Liabilities

Particulars	2021	2020
Opening Balance	(3,12,473)	(1,05,794)
Add : On account of IND AS Adjustment		
Add : On account of difference in Net Block	(4,98,986)	(2,06,680)
Add : On account of deferment of Processing Charges		
Closing Balance	**(8,11,459)**	**(3,12,473)**

2.13 Other Non Current Liabilities &

Current liabilities

Particulars	2021		2020	
	Current	Non Current	Current	Non Current
Advance for sale of land	34,70,000	-	34,70,000	-
Advace against equipment sale	44,73,137	-	44,73,137	-
Salaries & Remuneration Payable	1,34,71,905		1,27,19,950	
Deferred Lease Rental Depoist	-	25,50,00,000	-	25,50,00,000
Total	**2,14,15,042**	**25,50,00,000**	**2,06,63,087**	**25,50,00,000**

2.14 Trade Payables

Particulars	2021	2020
	Current	Current
Due to Micro & Small Enterprises		
Dues to others		
For Raw material	2,04,50,501	2,30,29,664
Creditors for Earthwork Expenses	18,37,95,972	18,80,25,972
Total	**20,42,46,473**	**21,10,55,636**

2.15 Revenue from operations

Particulars	2021	2020
Revenue from :		
Work Bills	-	-
Other Operating Income	1,73,82,129	1,24,10,459
Total	**1,73,82,129**	**1,24,10,459**

2.16 Other income

Particulars	2021	2020
Income from Aqua Culture		

Sale of Vehicle	-	2,22,049
Miscellaneous Income		
Total	**-**	**2,22,049**

2.17 Cost of materials consumed

Particulars	**2021**	**2020**
Raw Material		
Purchases	70,67,620	30,36,778
Add: Opening Stock	-	-
	70,67,620	30,36,778
Less: Closing Stock	-	-
Total	**70,67,620**	**30,36,778**

2.18 Employee benefits expense

Particulars	**2021**	**2020**
Salaries, Wages and Bonus	34,90,900	25,55,000
Staff welfare	-	-
Directors Remuneration	12,00,000	12,00,000
Total	**46,90,900**	**37,55,000**

2.19 Finance costs

Particulars	**2021**	**2020**
Interest Expense	17,648	11,50,181
Other borrowing costs	2,932	8,426
Total	**20,580**	**11,58,606**

2.20 Other expenses

Particulars	**2021**	**2020**
Power and fuel	8,72,178	6,27,484

Repairs and Maintenance to Other assets	1,78,733	1,33,615
Insurance	-	66,492
Rent	1,31,000	1,80,000
Rates and Taxes	99,200	47,512
Travelling Expenses	89,473	55,216
Office Maintenance	1,39,500	1,29,500
Professional Fees & Expenses	4,12,375	5,00,000
Auditor's Remuneration	75,000	75,000
Telephone charges	27,002	46,551
Valuation Charges	-	-
AGM Expenses	1,52,050	82,000
Penalty Charges	15,100	32,599
Listing fee	3,54,000	3,54,000
Advertisement	57,960	37,300
Misc Expenses	-	5,310
Other Expenses	45,098	-
Provision for Impairment of Receivables	-	-
Provision for Retention amount	-	-
Total	**26,48,670**	**23,72,579**

2.21Auditors Remuneration

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Audit fees	75,000	75,000
b) Other charges		
Taxation matters	0	0
Certification fee	0	0
c) Reimbursement of out of pocket expenses	0	0
TOTAL	**75,000**	**75,000**

2.22Earnings per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Earnings		
Profit attributable to equity holders	**15,34,170**	**4,75,740**
Shares		
Number of shares at the beginning of the year	58,68,950	58,68,950
*Add:*Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	58,68,950	58,68,950
Weighted average number of equity shares outstanding during the year – Basic	**58,68,950**	**58,68,950**
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	**58,68,950**	**58,68,950**
Earnings per share of par value Rs.10/- – Basic (`)	0.26	0.08
Earnings per share of par value Rs.10/- – Diluted (`)	0.26	0.08

2.23 Related Parties

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

- Sri B N Murthy – Managing Director
- Smt. B. Vijaya Lakshmi – Whole time Director
- Sri. Lakshmi Narasimha Chowdary Bobba – Independent Director
- Sri. Rahul patibandla – Independent Director
- Smt. Patibandla Ajaya – Independent Director

Relative of KMP :

- B L N Chowdary

The following is a summary of significant related party transactions:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
a) Key managerial personnel		
Remuneration & Commission		
B N Murthy	12,00,000	12,00,000
B. Vijaya Lakshmi	6,00,000	6,00,000
Lakshmi Narasimha Chowdary Bobba	Nil	Nil
Rahul Patibandla	Nil	Nil
Patibandla Ajaya	Nil	Nil
b) Relatives of Key Managerial Personnel		
B.L.N.Chowdary	12,00,000	12,00,000
c) Loan from Directors		
B N Murthy	1,64,89,000	1,64,89,000
B. Vijaya Lakshmi	1,33,56,000	1,33,56,000
TOTAL	**2,98,45,000**	**2,98,45,000**

2.24 Segment Reporting:

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

2.25 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 31st March	
	2021	**2020**
Current taxes expense	-	-
Domestic	-	-
Deferred taxes expense/(benefit)		
Domestic	(4,98,986)	(2,06,680)
Total income tax expense/(benefit) recognized in the statement of profit and loss	**(4,98,986)**	**(2,06,680)**

a. ***Reconciliation of Effective tax rate:***		
Particulars	**For the Year Ended 31 March**	
	2021	**2020**
Profit before income taxes	10,35,184	2,69,060

Enacted tax rate in India	26%	26%
Computed expected tax benefit/(expense)	2,69,147.84	69,956
Effect of:		
Expenses not deductible for Tax purposes	6,20,269	5,39,002
Expenses deductible for Tax purposes	(2,66,106)	(2,66,106)
On account of carry forward losses	(1,77,33,733)	(1,87,44,747)
Others		0
Income tax benefit/(expense)	(1,71,10,422)	(1,84,01,895)
Effective tax rate	-	-

Note: The effective tax rate is NIL due to benefit of carry forward losses from the financial year 2019-20 amounting to Rs 68,206,669.

b. Deferred tax assets & Liabilities:

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

Particulars	For the Year Ended 31 March	
	2021	**2020**
Deferred tax assets/(liabilities):		
Property, plant and equipment	(4,98,986)	(2,06,680)
Others		-
Net deferred tax assets/(liabilities)	**(4,98,986)**	**(2,06,680)**

c. Movement in deferred tax assets and liabilities during the year ended 31st March 2021 & 2020:

Particulars	As at 1 April 2022	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2021
Deferred tax assets/(liabilities)				
Property, plant and equipment	8,11,459		-	8,11,459
Net deferred tax assets/(liabilities)	**8,11,459**		**-**	**8,11,459**

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

Particulars	As at 1 April 2020	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2021
Deferred tax assets/(liabilities)				

Property, plant and equipment	3,12,474	4,98,986	-	8,11,459
Others		-		
Net deferred tax assets/(liabilities)	**3,12,474**	**4,98,986**	**-**	**8,11,459**

2.26 Property, Plant and Equipment:

The company has elected revaluation model as its accounting policy for accounting it's 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 it's 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.

2.27 **Investments:**

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

2.28 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 2021.

Of the total trade and other receivables, Nil as at 31 March 2021 and Nil as at 31 March 2020 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	
Period (in days)	**2021**	**2020**
1 – 90	-	-
90 – 180	-	-
More than 180	55,751	55,751
Total	**55,751**	**55,751**

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 2021 and 31 March 2020 are as follows:

Particulars	For the Year Ended 31 March	
	2021	**2020**
Balance at the beginning of the year	12,82,10,080	12,82,10,080

Impairment of Trade receivables	Nil	Nil
Balance at the end of the year	**12,82,10,080**	**12,82,10,080**

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 2021, the Company had working capital (current assets less current liabilities) of Rs. (22,23,11,452/-) including cash and cash equivalents of Rs 2,52,117/-.As of 31 March 2020, the Company had working capital of Rs. (22,52,65,811/-), including cash and cash equivalents of Rs. 4,87,398/-.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021:

Particulars	2022	2023	2024	2025	Thereafter	Total
Trade payables						
Long term borrowings	-					-
Bank overdraft, short-term loans and borrowings	-					-
Other financial liabilities-Non current	-				15,64,52,121	15,64,52,121
Other financial liabilities- Current	21,92,91,151					21,92,91,151

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	2021	2020
Total Debt	65,21,58,314	65,64,93,894
Total Equity	35,26,222	19,92,050
Debt Equity Ratio	**184.94:1**	**329.56:1**

2.29 Contingent Liabilities and Commitments:

Contingent Liabilities:

The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

i) The company has an pending litigation with Consolidated Construction Consortium Limited in jurisdiction of Hyderabad for the agreement entered by both the parties on 24th August 2012 for execution of Boiler turbine Generator package and construction of remaining Plant at Ankulapathur village, Chillakur mandal, SPSR, Nellore district, Andhra Pradesh. The transaction contemplates payment of Non-interest bearing advance of ₹3000 Million against which an amount of ₹10 crore is disbursed and outstanding as on 31st March, 2020.

ii) As per the assessment order ITBA/AST/S/143(3)/2019-20/1021359029(1) dated 29/11/2019 pertaining to A.Y 2017-18, the assessing officer disallowed the amount of Rs.16,07,222 computed as per the sec 14A Rule 8D on the investments amount of Rs.53,71,99,990 stating that there is exempt income in one or the other year for which the corresponding expenses are not allowable. Based on those facts and circumstances of the case, the company made an appeal to the Commissioner of Income tax, Hyderabad-5 on 28th December,2019.

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)

29th Annual General Meeting on Wednesday, 30th September 2021 at 11:00 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

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

FORM NO. MGT – 11

PROXY FORM

Folio No. /Client ID :

DP ID :

Name of the Member: _____

RegisteredAddress : _____

E-Mail Id : _____

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

1. Name _____ Email ID _____
Address _____
_____ signature _____ of falling him

2 Name _____ Email ID _____
Address _____
_____ signature _____ of falling him

3. Name _____ Email ID _____
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 **29th Annual General Meeting of the Company, to be held on Thursday, 30th September 2021 at 11:00 AM at the Registered Office.**

Sl.No	Brief Description of Resolutions to keep the same for E-Voting Purpose
1.	To receive, consider and adopt the standalone Audited Balance Sheet of the Company as at 31st March, 2021 and the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended on that date along with the Report of Directors and the Auditors thereon
2.	To appoint Director in the place of Mrs. Bobba Vijaya Lakshmi who retires by rotation and being eligible offers herself for re-appointment

Signed this _____ day of September 2021

Signature of the Shareholder _____ Signature of Proxy Holder(s)

Affix Rs.1/- Revenue Stamp

Notes: 1. This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the v company, not less than 48 hours before the commencement of meeting.

2. Please complete all details, including details of member(s) in above box before submission.

ROUTE MAP TO THEVENUE OF AGM

