

# **VSF PROJECTS LIMITED**

## **15<sup>th</sup> ANNUAL REPORT**

**2006-2007**



## BOARD OF DIRECTORS:

Sri C.R. Sen Gupta	-	Chairman
Sri B.Narayana Murthy	-	Managing Director
Sri G.S. Ramachandra Rao	-	Director
Sri G. Venkateswara Rao	-	Director
Smt. B. Vijaya Lakshmi	-	Director

### Registered Office:

Ankulpatur Village,  
Chillakur Mandal,  
Nellore District,  
Andhra Pradesh

### Corporate Office:

Plot No.1107, Ayyappa society,  
Cyberabad (P.O.),  
Madhapur,  
Hyderabad – 500 081, (A.P.)

### Bankers

Vijaya Bank,  
Jubilee Hills  
Hyderabad

### Registrars & Share Transfer Agents:

Aarthi Consultants (P) Ltd.,  
1-2-285, Near Gaganmahal Hospital,  
Domalaguda,  
Hyderabad - 29. (A.P.)

### Auditors:

M/s. A.M. REDDY & CO.,  
Chartered Accountants,  
Masab Tank,  
Hyderabad.



## **NOTICE**

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the Members of the company will be held at the Registered Office of the company situated at Ankulpatur Village, Chillakur Mandal, Nellore District of Andhra Pradesh on 29<sup>th</sup> September, 2007 at 11.00 A.M. to transact the following business.

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2007, and Profit & Loss A/c for the year ended 31st March 2007 along with Auditor's Report and Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri CR Sengupta, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s AM Reddy & Co., Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to authorise the Board to fix their remuneration.

## **SPECIAL BUSINESS**

To consider and if though fit to pass with our without modification(s) the following resolution as an ordinary resolution.

"RESOLVED THAT Smt. B. Vijaya Lakshmi,

who was appointed as an Director of the company by the Board of Directors and who vacates her office under section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the company.

By order of the Board

(B.N. MURTHY)  
Managing Director

Place: Hyderabad

Date : 31.08.2007

## **NOTES:**

1. Proxy: A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such Proxy need not be a member of the company. In order to be effective, must be received at the Registered Office of the company not less than forty-eight hours before the meeting.
2. Book Closure: The Register of Members and Share Transfer Register will remain closed from 24<sup>th</sup> September, 2007 to 29<sup>th</sup> September, 2007.
3. Member Identification:  
  
Members are requested to bring the attendance slips duly filled in a lot with their copies of Annual Reports to the meeting.



**EXPLANATORY STATEMENT  
PURSUANT TO SEC.173(2) OF THE  
COMPANIES ACT, 1956:**

**ITEM NO.5:**

Smt. B. Vijaya Lakshmi was inducted into the Board as an Additional Director of with effect from 30.04.2007 in pursuance of Articles 33 of the Articles of Association of the company read with Sec.260 of the Companies Act, 1956 and they hold office upto the date of the ensuing Annual General Meeting. The company has received individual notices in writing certain members signifying their intention to propose the appointment of Smt. B. Vijaya Lakshmi. Accordingly the Board recommended the passing the resolutions proposed at Item No.5 of the notice. None of the Directors other than the above named directors are concerned or interested in the passing of the resolution. The Board considers it desirable that the company should continue to avail itself of her services

**DIRECTOR'S REPORT**

To  
The Members of  
M/s VSF Projects Limited,

Your Directors are pleased to present the 15<sup>th</sup> Annual Report of your company with Audited Balance sheet and Statement of accounts for the year ended 31<sup>st</sup> March, 2007.

**1. FINANCIAL RESULTS**

	2006-07	Rs. In Lacs 2005-06
Gross Income	604.17	440.96
Total Expenditure before Interest & Depreciation	515.40	360.54
Interest Debited	1.89	1.26
Depreciation provided		
Preliminary & Pre-operative Expenses written off	3.57	3.26
Loss Carried Balance Sheet	410.09	537.86

**2. OPERATIONS:**

The overall implementation of progress of all road projects during the period under review was satisfactory. In this the company trying to take some more work contracts also. The company has given farm lease to M/s CP AquaCulture Pvt. Ltd., Chennai for the period of 5 years. The company appointed a legal advisor to argue the MPEA arbitration case.

**3. DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956, Smt. B. Vijaya Lakshmi appointed as an Additional Director of the company, Mr. CR Sen Gupta, who retires by rotation and being eligible, offer themself for reappointment.

Mr. M. Ravindra, registered as Director from the board with effect from 31.08.07. The Board placed on record, its appreciation for the services rendered by him during his tenure.



#### 4. AUDITORS:

M/s AM Reddy & Co. Chartered Accountants, Auditors of the company who retires at the Annual General Meeting and company has received certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under section 224(B) of the Companies Act, 1956. Members are requested to reappoint them and to authorise the board to fix their remuneration.

#### 5. PUBLIC DEPOSITS:

Your company has not accepted public deposits and hence the provisions of Sec.58A of the Companies Act, 1956 are not applicable to the company.

#### 6. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed U/s 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in report of the Board of Directors) Rules, 1988 are provided in the forming part of this report.

#### 7. DIRECTORS RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

Pursuant to the requirement U/S 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed.

(i) That in the preparation of the accounts for the financial year 31<sup>st</sup> March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures:

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 Profit or Loss of the company for the year under review.

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2007 on a going concern basis.

#### 8. CORPORATE GOVERNANCE:

The company has been in full compliance of the norms of Corporate Governance as outlined in Clause No.49 of the Listing Agreement with the BSE, Mumbai. A separate report on Corporate Governance is produced as part of the annual report along with the Auditors certificate compliance.



## 9. EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the workmen and staff at all levels in the improved performance of the Company. Particulars of employees in terms of Sec.217(2A) of the Companies Act, 1956 are not furnished as there are no employees drawing the stipulated remunerations.

## 10. ACKNOWLEDGEMENTS:

The Board of Directors also place on record their appreciation for whole hearted and sincere support and co-operation extended to the company by different agencies in particular the Government of India, Government of Andhra Pradesh, Government of Karnataka, Andhra Pradesh Industrial Development Corporation Limited, The Marine Products Export Development Authority for their co-operation and continued support to the Company.

Your Directors place on record their sincere appreciation of the contributions made by the employees of the Company at all levels through their hard work, dedication, solidarity and support.

For and on behalf of the Board

(B. VIJAYA LAKSHMI) (B.N. MURTHY)  
Director Managing Director.

Place: Hyderabad  
Date : 31.08.2007

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Governance:

The company's philosophy of Corporate Governance aims at assisting the management of the company in the efficient conduct of its business and in meeting its responsibilities to all the stakeholders and to provide customer satisfaction through best quality.

### 1. Board of Directors:

**Composition:** The present strength of the Board is 5 Directors. The Board comprises of Executive and Non-executive Directors. The Non-executive Directors bring independent judgement in the Board deliberations and decisions. The Managing Director is whole time Director. The remaining four are Non-Executive Directors.

Name of the Director	Category of the Directorship	No. of Board meetings attended	% of total meetings	Attendance at the last AGM
C.R.Sen Gupta	Chairman	4	80%	Yes
B.N.Murthy	Managing Director	5	100%	Yes
G.S.Ramachandra Rao	Director	4	80%	Yes
G.Venkateswara Rao	Director	3	60%	Yes
M.Ravindra	Director	0	0%	No

### **Number of Board Meetings held and dates of the Board Meetings:**

Five Board Meetings were held during the year 2006-07 on the dates mentioned below:



- ❖ 30.04.2006
- ❖ 31.07.2006
- ❖ 31.08.2006
- ❖ 31.10.2006
- ❖ 31.01.2007

## 2. Committees of the Board:

The Board of Directors has constituted 2 committees of the Board

- ❖ Audit Committee
- ❖ Investors Grievance Committee

## 3. Audit Committee:

Terms of reference and composition, Chairman and the Name of the Members.

The Audit Committee comprise of Mr. B.N. Murthy, Managing Director of the Committee. Mr. G.S. Ramachandra Rao, Director. The Managing Director along with the statutory auditors the invites to the meeting. The terms of reference of this Committee are wide enough covering matters specified for Audit Committee under the Listing Agreements.

## 4. Investor's Grievance Committee:

The company has formed an Investors/ Shareholders Grievances Committee under the Managing Director of Mr. B.N. Murthy. The other two members of the Committee are G.Venkateswara Rao and B. Vijaya Lakshmi. All the three members of the Committee are Non-Executive and Independent Directors. The Committee shall look into the shareholder's and investor's complaints. Most of the

complaints received from the shareholders have been resolved. The number of shares pending for 31<sup>st</sup> March, 2007 is Nil.

## 5. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the company were held at the Regd. Office of the Company at Ankulpatur Village, Chillakur Mandal, Nellore District, Andhra Pradesh.

Date	Venue	Time
30.09.2004	Ankulpatur Village	11.00 A.M.
14.08.2005	Ankulpatur Village	11:00 A.M.
30.09.2006	Ankulpatur Village	11.00 A.M.

## 6. Disclosures:

Disclosures on materially significant related transactions i.e., transactions of the company of a material nature, with its promoters, the Directors of the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

None during the last year.

Details of non-compliance of the by Company, penalties structure imposed on the Company by Stock Exchanges or SEBI or any statutory or any matter related to capital markets during the last three years.

None in last three years.