



# VMS Industries Limited

Green Ship Recycling & Automobiles

808-C, Pinnacle Business Park, Corporate Road, Prahladnagar,  
Ahmedabad - 380015, Gujarat (INDIA) Tele/fax : 079 - 40320484 Tele : 8000 140 484  
Web.: www.vmsil.com • e-mail : info@vmsil.com, vmsind@gmail.com  
CIN : L74140GJ1991PLC016714

To,  
BSE Limited,  
P J Tower,  
Dalal Street,  
Mumbai – 400001

Dt.16.10.2018

Scrip Code: 533427

Dear Sir,

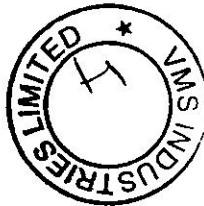
**Sub: Submission of 26<sup>th</sup> Annual Report of VMS INDUSTRIES LTD approved and adopted at 26<sup>th</sup> Annual General Meeting**  
BSE: Code: 533427

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we wish to submit our 26<sup>th</sup> Annual Report approved and adopted in our 26<sup>TH</sup> Annual General Meeting held on 29<sup>th</sup> September, 2018.

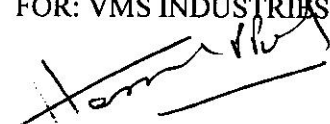
We request you to kindly take the same on your records.

Thanking You,

YOURS FAITHFULLY,



FOR: VMS INDUSTRIES LTD

  
HEMAL PATEL  
Company Secretary

An ISO 9001 : 2015, ISO 14001 : 2015, ISO 30000: 2009, BS OHSAS 18001 : 2007 Certified Company

BUREAU VERITAS  
Certification



RINA SERVICES

Ship Breaking Yard :

Plot No. 160 M - Alang - Sosiya Ship Breaking Yard,  
ALANG-364081 (Dist. Bhavnagar)



VMS INDUSTRIES LIMITED

Annual Report  
2017-2018

## BOARD OF DIRECTORS



**Manoj Kumar Jain**  
Managing Director



**Sangeeta Jain**  
Whole Time Director



**Ajit Kumar Jain**  
Director



**Bakul Mehta**  
Non Executive Independent Director



**Pranav Parikh**  
Non Executive Independent Director



**Hitesh Loonia**  
Non Executive Independent Director

### CHIEF FINANCIAL OFFICER

Mr. Himanshu Shah

### SECRETARIAL AUDITOR

Jalan Alkesh & Associates

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Hemal Patel

### REGISTERED OFFICE

808-C, Pinnacle Business Park, Corporate Road,  
Prahlanagar, Ahmedabad-380015 Gujarat (India)

Telefax No. (079) 40320484

Website : [www.vmsil.com](http://www.vmsil.com)

email : [info@vmsil.com](mailto:info@vmsil.com)

L74140GJ1991PLC016714

### WORK SHOP

Ship Recycling Yard

160-M, Alang- Sosiya Ship Breaking Yard,  
Alang-364081, Dist. Bhavnagar, Gujarat

### REGISTRARS & SHARE TRANSFER AGENTS FOR ELECTRONIC SHARES

Cameo Corporate Services Limited

'Subramanian Building',

No. 1 Club House Road, Chennai – 600 002

Tel: +91-44-28460390/28460425

### MAIN BANKERS

Bank of Baroda

### STATUTORY AUDITORS

S. N. Shah & Associates,  
Chartered Accountants.

Sapan House, 10/B, Government Servent Co. Op. Housing  
Society, Opposite Municipal Market, Navrangpura,,  
Ahmedabad-380009

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## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of M/s VMS Industries Limited will be held at 11.00 A.M. on Saturday, 29<sup>th</sup> day of September, 2018 at the Registered Office of the Company at 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2018 and the Statement of Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To Re-appoint Mr. Ajit Kumar Jain, Director of the Company (DIN: 00114766), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible, himself for Re-appointment.
3. To appoint the Auditor and to fix their remuneration and in this regards pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the appointment of M/s SN SHAH & ASSOCIATES.(Firm Reg. No.109782W), Chartered Accountant as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company to be held in year 2019 to examine and audit the accounts of the Company for the Financial Year 2018-19 at such remuneration plus GST, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

**By Order of Board of Directors  
For: VMS INDUSTRIES LIMITED**

Place : Ahmedabad  
Date : 14<sup>th</sup> August, 2018

**Hemal Patel**  
Company Secretary

### NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETINGS) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy from duly completed and signed, should be lodged with the company, at its registered office at least 48 hours before the time of the meeting
- B. Pursuant to the provision of Section 91 of the Companies Act, 2013 (corresponding to 154 of the companies act, 1956), the registered of members and share transfer books of the company will remain closed from Friday 21<sup>st</sup> September, 2018 to Saturday 29<sup>th</sup> September, 2018 (both day inclusive).
- C. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the meeting and other statutory register shall be available for inspection by the Members at the registered office of the company during office hours on all working days between 11.00 a.m to 1.00 p.m. on all days except Saturdays, Sundays and public holiday, from the date hereof up to the date of the annual general meeting.
- D. The Notice of the 26<sup>th</sup> Annual General Meeting with instruction for e-voting, along with attendance slip and proxy form is being dispatched to the Members by Post (and electronically by e-mail to those Members who have registered their e-mail IDs with the Company/Depositories) whose names appear in the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 31<sup>st</sup> August, 2018. Members may also note that the notice of the 26<sup>th</sup> AGM and the Annual Report 2017-18 will be available on the company's website [www.vmsil.com](http://www.vmsil.com)
- E. Members are entitled to make nomination in respect of shares held in physical form. Members desirous of making nominations are requested to send their requests in Form 2B (specimen available on request) to the Registered office of the Company.
- F. **Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 26<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting. The Company has signed an agreement with CDSL for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.

### The instructions for e-voting are as under:

- (A) In case a Member receives an email from NSDL/ CDSL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
  - (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on "shareholders" tab to cast your votes.



- (iv) Now select the Electronic Voting Sequence Number – “EVSN” along with “COMPANY NAME” (VMS Industries Limited ) from the drop down menu and click on “SUBMIT”.
- (v) Now, fill up the following details in the appropriate boxes :

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL – 8 characters of DP ID followed by 8 Digits Client ID For CDSL – 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digits alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use - the First 2 alphabets from First Holder Name filed + 8 characters from right of BOID/ Folio Number (If the BOID / Folio Number is shorter than 8 characters then the system will insert “0” (zero) to fulfill the 10 character requirements.) in the PAN field. No special characters will be taken from the name.

# Please enter any one of the details in order to login. If the Date of Birth & Bank Account Details both are left blank then the system will record BOID / FOLIO NO. in the Bank Account Details

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). 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 NSDL / CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through NSDL / CDSL platform.
- (viii) Click on the relevant EVSN on which you choose to vote.
- (ix) 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.
- (x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xi) 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.
- (xii) Once you “CONFIRM” you vote on the resolution, you will not be allowed to modify your vote.
- (B) In case of members receiving the physical copy of Notice of AGM (for members whose e-mail IDs are not registered with the Company/ depository participant(s) or requesting physical copy) Please follow all steps from Sl.No. (ii) to (ivi).
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- (D) The voting period begins on 27<sup>th</sup> September, 2018 (9.00 a.m.) and ends on 29<sup>th</sup> September, 2018 (6.00 p.m.) During these period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 31<sup>st</sup> August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdsl.india.com](mailto:helpdesk.evoting@cdsl.india.com). You may also contact to Mr. Narshiman, M/s. Cameo Corporate Services Private Limited, Tel No. 044 - 28460390-395 , email : [narasimhan@cameoindia.com](mailto:narasimhan@cameoindia.com).
- (F) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> September, 2018.
- (G) Mr. K. Jatin & Co, Practicing Company Secretary, (Membership No. 26725) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don’t have access to the e-voting process) in a fair and transparent manner:



- (H) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) 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.
- (I) The Results shall be declared at the AGM of the Company. The result will be announced to the Stock Exchanges where the shares of the Company are listed and will also be displayed on the Company's website **www.vmsil.com**
- (J) Members are requested to notify the change in the address, if any. In case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of physical shares to the Registrar and Transfer Agent of the Company quoting their Folio Number.
- (K) This notice is being issued having regard to provisions of section 108 and 110 of the Companies Act 2013, General circular no. 20/2014 Government of India and Clause 35B of the listing agreement with stock exchanges.

**By Order of Board of Directors  
For: VMS INDUSTRIES LIMITED**

Place : Ahmedabad  
Date : 14<sup>th</sup> August, 2018

**Hemal Patel**  
Company Secretary





## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith their 26th (Twentieth Sixth) Annual Report of your Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2018.

### FINANCIAL RESULTS

The financial performance of the Company for the Year ended 31<sup>st</sup> March, 2018 is summarized as below:-

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended on 31.03.2018	Year Ended on 31.03.2017	Year Ended on 31.03.2018	Year Ended on 31.03.2017
Income / Receipts from Operations	11785.85	11411.67	13475.69	11473.84
Other Income	290.91	362.53	413.58	403.82
Total Income	12076.76	11774.20	13889.27	11877.66
Earning Before Financial Charges, Depreciation, and Taxation (EBITDA)	400.43	258.90	569.42	300.80
Financial Charges	143.35	42.85	262.62	82.32
Depreciation	46.97	43.27	60.01	43.26
Profit Before Tax (PBT)	210.11	172.28	246.79	175.22
Less: Provision for Taxation including Deferred	69.45	73.21	80.97	74.12
Less Extra Ordinary Item	-	-	-	-
Profit After Tax (PAT)	140.66	99.07	165.82	101.10
Profit Brought Forward from Previous Year	1079.14	980.07	1081.17	980.07
Profit Available for Appropriation	1219.80	1079.14	1246.99	1081.17
Balance Carried to Balance Sheet	1219.80	1079.14	1246.99	1081.17

### OPERATIONS REVIEW

During the year, under review, the revenue from operations amounted to ₹ 11785.85 Lakhs (Consolidated ₹. 13475.69 Lakh) as against the previous year figure of ₹ 11411.67 lacs (Consolidated ₹. 11473.84 Lakh), a growth of 4% approx (Consolidated a growth of 17.50% approx). In spite of overall slowdown in the economy, the Company was able to generate Net Profit After Tax amounted to ₹ 140.67 lakhs (Consolidated ₹. 165.82 Lakhs) as against the previous year figure of ₹ 99.07 lakhs (Consolidated ₹. 101.10 Lakhs) a growth of 42% approx (Consolidated a growth of 64.01%).

### LIQUIDITY

We maintain sufficient cash to meet our strategic objectives. We understand that liquidity is necessary to cover Business and Financial risks. Excess funds are invested in deposits with Bank having special rates of interest or by providing short Terms Loan and Advances to parties which is receivable on demand so that funds are readily available at any time period to meet requirement of our business.

### DIVIDEND

Looking to future requirements of funds for business operations of the Company, the directors have not recommended any dividend for the Financial Year 2017-18.

### FUTURE PROSPECTUS

Our Company is also optimistic that with the stabilization in price for the old ship in the international markets and in the sale price of recycled products in the domestic market, the Company will be able to improve the turnover and the profitability ratios in the coming years.

### SUBSIDIARY

The Company has one subsidiaries company M/s VMS TMT PVT LTD but does not have any associate company and joint ventures within the meaning of Section 2(6) of the Companies Act, 2013.

A statement containing the salient features of the financial statement of the Company's subsidiary under the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 has been annexed as **Annexure-I** in prescribed form AOC-1.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction



with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Particulars of Contract with Related party is attached as AOC-2 in **Annexure-I**

#### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the financial year ended 31<sup>st</sup> March 2018 are given in **Annexure - II** attached hereto and forming part of this report.

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

As required under the provisions of Listing Obligation & Disclosure Requirements Regulations, 2015, a detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which form of this Report as **Annexure – III**

#### **PARTICULARS OF EMPLOYEES**

There are no employees in the Company whose particulars are required to be provided under Section 197(12) of the Companies Act, 2013 Details of which is attached as **Annexure-IV**.

#### **EXTRACT OF THE ANNUAL RETURN**

Pursuant to provision of Section 92 and 134 and other applicable provision of the Companies Act, 2013 and of Rule 12 (1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in form MGT 9 for the Financial Year ended on 31st March, 2018 is annexed as **Annexure-V** to this Report.

#### **SECRETARIAL AUDIT REPORT**

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2018 given by M/s. Jalan Alkesh & Associates, Practising Company Secretary is annexed as **Annexure VI** to this Report.

#### **CORPORATE GOVERNANCE REPORT**

We adhere to the principal of Corporate Governance mandated by the Securities and Exchange Board of India (SEBI) and have implemented all the prescribed stipulations. As required by LODR Regulations, 2015, a detailed report on Corporate Governance forms part of this Report as **Annexure - VII**. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached.

#### **AUDITORS STATUTORY AUDITOR**

The auditors M/s. S N SHAH & Associates., Chartered Accountants offers themselves for reappointment at the ensuing annual general meeting. The company has received a letter from the auditors stating that their appointment if made will be within the limits of Section 139, 141 of the Companies Act, 2013 and the rules made there under. The Directors recommend for their reappointment.

#### **DIRECTORS**

Mr. Ajit Kumar Jain (DIN:00114766) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Ajit Kumar Jain is not disqualified under section 164 of the Companies Act, 2013 from being appointed as a Director of any public Company. The Board recommends his reappointment for your approval.

In terms of the provision of Companies Act, 2013 the independent Directors are not liable to retire by rotation. Accordingly the Board has ascertained the Directors who are liable to retire by rotation keeping in view the provisions of the Companies Act, 2013. The Board recommends for their reappointment.

Brief resumes of the above Directors, nature of his expertise in specific functional areas and names of the Public Limited Companies in which she hold Directorships and Memberships / Chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under LODR, 2015 of the Listing Agreement are given in the Report on Corporate Governance forming part of the Annual Report.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standards AS-21 and AS-27 on Consolidated financial Statements read with the Accounting Standard AS-23 on Accounting for investments in Associates, the Audited consolidated financial statements are provided in the annual report.

#### **INSURANCE**

The properties of the Company stand adequately insured against risk of fire, strike, riots, earthquake, explosion and malicious damage.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(5) of the Companies, Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 profit and loss of the Company for that period;





- (c) the directors had 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) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (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.

#### **COST COMPLIANCE REPORT**

The Company has appointed a Practicing Cost Accountant for obtaining Cost Compliance Report under the Companies (Cost Accounting Records) Rules, 2011 as per the notification of Ministry of Corporate Affairs dated 3rd June 2011. The Compliance Report will be duly filed with Ministry of Corporate Affairs, within 180 days from the close of the Financial Year ending 31st March, 2018.

#### **RISK MANAGEMENT**

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging up to 180 days to 360 days. Though the Company is hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary. Though the Company is employing such measures, the Company is still exposed to the risk of any foreign exchange fluctuation.

Likewise, the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any ups and downs in the price of the iron and steel will affect the profitability of the Company. The Company keeps a watch on the movement of scrap prices and accordingly decides its policy regarding purchase of ships and sale of scrap.

#### **DISCLOSURES**

Except as disclosed elsewhere in this report, there are no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year and the date of this report:

#### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Listing Obligation & Disclosure Requirements Regulations, 2015, the Company has framed Risk Management Policy. The details of the policy are as updated on website of the Company [www.vmsil.com](http://www.vmsil.com). The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. At present the Company has not identified any element of risk which may threaten the existence of the Company.

#### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

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

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 12 (Twelve) Board meetings during the financial year under review. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **FORMAL ANNUAL BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Listing Obligation & Disclosure Requirements Regulations, 2015, the Board has carried out an evaluation of its own performance and the Directors individually. A process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

A familiarization programme was conducted for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters and the said was updated on website of the Company <http://www.vmsil.com>



#### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members:

- a) Shri. Bakulbhai Mehta - Chairman
- b) Shri. Ajitkumar Jain - Member
- c) Shri Pranav Parikh - Member

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

The provision of Corporate Social responsibility is not applicable to the Company.

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

The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on 31.03.2018 for redressal.

#### **LISTING:**

The Equity shares of the Company are listed on Bombay Stock Exchange. The Company is regular in payment of listing fees. The Company has paid the listing fees for the year 2018-19.

#### **DEMATERIALIZATION OF SHARES:**

The ISIN for the Equity shares is INE932K01015. As on 31<sup>st</sup> March, 2018 total 1,64,73,255 equity shares of the Company have been Dematerialized. Members of the Company are requested to dematerialize their shares.

#### **FIXED DEPOSITS**

During the year ended on 31st March 2018, the Company has not accepted any Fixed Deposits from public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

#### **CAUTIONARY STATEMENT:**

Statements in the Directors Report and the Management discussion & Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global & domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and its cost, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business operations of the Company.

#### **ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude, the commitment and dedication of the employees, their untiring personal efforts and collective contributions at all levels that has led to the growth and success of the Company. The Directors would also like to thank other stakeholders including banks and business associates who have continued to provide support and encouragement to the Company.

For and on Behalf of Board of Directors

Place : Ahmedabad  
Date : 30.05.2018

**MANOJ KUMAR JAIN**  
MANAGING DIRECTOR



**Annexure-I  
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement Containing Salient features of Financial Statement of Subsidiaries**

**Part – “A”: Subsidiaries**

Name of Subsidiary	VMS TMT PRIVATE LTD
Reporting period of the subsidiary concerned, if different from the holding Company’s reporting period	01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
Reporting Currency	INR
Share Capital	633.36
Reserves and Surplus	27.15
Total Assets	2185.73
Total Liabilities (Excluding Share Capital & Reserve and Surplus)	1525.47
Investment (Other than Subsidiary)	-
Turnover (Including other Income)	2621.04
Profit Before Taxation	36.67
Provision for Taxation	11.52
Profit After Taxation	25.15
Proposed Dividend	-
% of Shareholding	80.13%

**Notes:**

1. There is no subsidiary which has been liquidated or sold during the year.

The amount given in the tables above are from the annual accounts made for the respective financial year end for each of the Company.

**Part-“B”: Associates and Joint Venture- Not Applicable**

**FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm’s length basis**

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts/arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date of approval by the Board
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm’s length basis**

(a)	Name(s) of the related party and nature of relationship:	M/s. Aditya Ultra Steel Pvt Ltd (CIN: U27100GJ2011PTC066552) Managing Director Manoj Kumar Jain son and Whole Time Director Sangeeta JAIN Son Mr. VARUN JAIN is Director of the Company
(b)	Nature of contracts/arrangements/transactions	Sale of Ingot and Billets
(c)	Duration of the contracts/arrangements/transactions	As per Payment Terms
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Ingot and Billets
(e)	Date(s) of approval by the Board, if any:	12.08.2016
(f)	Amount paid as advances, if any	NIL

Form shall be signed by the persons who have signed the Board’s report.



**ANNEXURE – II  
TO DIRECTORS' REPORT**

Information as per Section 134 (3) (m) read with the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended on 31st March 2018.

**A. CONSERVATION OF ENERGY**

a)	Energy conservation measure taken	In the ship breaking carried out by the Company, the energy consumption is Negligible, and does not require any specific energy conservation measures
b)	Additional investment and proposal if any being implemented for reduction in consumption of energy.	No material consideration looking to the business of the Company
c)	Impact of the measures at (a) & (b) on energy consumption & consequent impact on the cost of production.	N.A.
d)	Total energy consumption and energy consumption per unit of production	Nil

**B. TECHNOLOGY ABSORPTION:-**

The Company is engaged in the business of breaking of old and used ships segment. No material Research & Development is carried out in any specific area and therefore no details are furnished on matters related to Technology Absorption.

**C. FOREIGN EXCHANGE EARNING & OUTGO**

1. Activities relating to export initiatives taken to increase exports, development of new markets for products and services and export plans : NIL
2. During the year, the Company earned / spent foreign exchange as under :  
Earnings : ₹ NIL  
Outgo : ₹ 572.76 Lakhs
3. ISO 9001, 14001, 18001, ISO 30000:2009



## Annexure-III of Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### DISCLAIMER STATEMENT:

Certain statements in this report on Management Discussion and Analysis may be forward looking statements and have been issued in terms of the applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed in the statements or implied due to the influence of external and internal factors, which are beyond the control of the Company. The Company assumes no responsibility in respect of forward looking statements, which may be amended or modified in future on the basis of subsequent developments, information's or events.

#### BACKGROUND:

VMS Industries Ltd was originally incorporated on December 2, 1991 as a Private Limited Company in the name and style of "Varun Management Services Pvt. Ltd" by its Promoters. The Company acquired a Ship Breaking Plot in the year 2007 and to reflect the business of the Company the name was changed to "VMS Industries Pvt. Ltd". The constitution of the Company was changed to Public limited Company with effect from January 29, 2010 and consequently the name was changed to "VMS Industries Limited".

#### BUSINESS OVERVIEW:

Our present business mainly Ship Recycling Activities:-

During the year 2004, Gujarat Maritime Board auctioned vacant plots and under open bid we have been allotted vacant Plot No. 160 at Alang-Sosiya Ship Breaking Yard admeasuring 1350 sq. meter on a lease basis. However, our Company could not start ship breaking activities due to change in policy for ship recycling plant, requiring higher size (2700 sq mtrs ) of plot and therefore we could not get permission for utilization of plot from GMB. Meanwhile, in the year 2007, the plot size was enlarged to 2700 sq. meter as per the instructions given by the Inter Ministerial Committee constituted by Hon. Supreme Court, by merging the adjoining Plot No. 159 and our Company was permitted to use the merged Plot No. 160M for a period of 5 years and subject to renewal thereafter.

We started the ship recycling activity during the financial year 2009-10 and purchased total 32 (Thirty Two) ships for our ship recycling activities till date, whose details are as under:-

SR.NO.	NAME OF THE SHIP	WEIGHT (MT)
1	LORETTA D	6150
2	COLOMOBO STAR II	5850
3	MADRE	8150
4	VENUS GAS	3912
5	WINCO	2987
6	MT MAR	9653
7	LIBRA GAS II	3126
8	ANNOULA	9749
9	KAPADOKIA	11432
10	M V GREEN NEPTUNIC	2420
11	JAMAIMA	6522
12	KINGSWAY	16691
13	THERESA LEPOARD	10730
14	MV OCEAN	9890
15	BLU	7426
16	SHAN	14850
17	INTERBOARD	9040
18	HACI ALI SARI	5203
19	MV ABM PIONEER	6862
20	M.V NOA	16809
21	ARMIA KRAJOWA	13575
22	M.V.HANJI	18650
23	M.V. MASUREN	11282
24	M.V. COMMODORE	12658
25	M.V. BALEEN	9497
26	M.V. ESPINA	11610
27	M.V. OPUS	17059
28	M.V. LISSY SCHULTE-I	7710
29	MV HILLA	2,770
30	MT BRITANIA	16,567
31	MV VARDHAN	5,922.26
32	MV DWAJ	7,117.10



1. Apart from the above business segment, the Company is also Partner in following Partnership Firm:-

- M/s Eternal Automobiles (dealer of Honda Two Wheeler) in Bhavnagar.

#### **INDUSTRY OVERVIEW: SHIP BREAKING INDUSTRY: Overview**

Scrap from ship breaking fetches a very good price in the market. If prices express consumer preference, then there is a strong preference for the ship-recycling scrap. This is because of the high quality of steel that comes in the form of re-rollable scrap from ships. Ships are manufactured with acute specifications. The manufacture of ships is done usually in the developed countries and the specifications are monitored closely in order to avoid accidents. The general features of steels that are used to manufacture ships are ability to withstand pressure, high impact and strain on account of severe cold. These features if translated into manufacture of bars and rods may give us similar qualities of steel with equal strength.

The material processed from ship breaking scrap is better in terms of yield strength, notch impact strength and through thickness ductility. In terms of chemical composition it is consistent and has low sulphur and phosphorus content. In terms of metallurgical properties, steel from ships are normalized, fully killed and has finer and more compact grain structure, free from inclusions, pores and cracks and austenitic properties. Hence for all kinds of applications those require impact resistance, corrosion resistance, machinability, bendability, and formability, steel from ship breaking scrap has been found to be more suitable than steel from ingots and billets. Incidentally, everywhere else in the world the scrap from the demolished ships are usually sent into melting furnaces, India is probably only country that has the technique of re-rolling scrap into producing construction steel without having to first cast scrap as billets and ingots.

In order to produce a tonne of steel through the integrated steel plants one tends to consume more power and fuel and non-replenish able resources like coal, iron ore and limestone and other minerals. The sunk costs in terms of capital employed are higher in the integrated steel plants and the integrated plants create far less employment. Indeed, we can obtain our required input material from the ship recycling industry at (Reference taken from <http://www.sriaindia.com/alang-info/role-in-steel-economy/>)

#### **RISK MANAGEMENT**

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging upto 180 days to 360 days. Though the Company is not hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary. Though the Company is employing such measures, the Company is still exposed to the risk of any foreign exchange fluctuation.

Likewise, the Company's finished products are mainly re-rollable scrap generated from Ship Recycling and the price of the same is linked to the market rate for iron and steel. Any ups and downs in the price of the iron and steel will affect the profitability of the Company. The Company keeps a watch on the movement of scrap prices and accordingly decides its policy regarding purchase of ships and sale of scrap

#### **FUTURE PROSPECTUS**

The business activity of Ship-Recycling industry at Alang Ship Breaking Yard is likely to increase substantially in view of favorable availability of second hand ships and demand of ship-recycled material. Your Company is also optimistic that with the stabilization in price for the old ship in the international markets and in the sale price of recycled products in the domestic market, the Company will be able to improve the turnover and the profitability ratios in the coming years.

#### **CERTIFICATIONS**

The Company had received the certification under the ISO 9001,14001,18001, ISO 30000:2009 for Ship-Recycling activities.

#### **HUMAN RESOURCE DEVELOPMENT**

The Company recognizes human resources as its biggest strength which has resulted in getting acknowledgement that the Company is the right destination where with the growth of the organization, value addition of individual employees is assured. The total number of employees as on 31<sup>st</sup> March, 2018 is 40.

#### **INTERNAL CONTROL**

The Company has an adequate internal control system for safeguarding the assets financial transactions of the Company. The strong internal control system has been designed in such a way that, not only it prevents fraud and misuse of the Company's resources but also protect shareholders interest.

#### **CAUTIONARY STATEMENT**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied therein.

For & On Behalf of Board of Directors

Date :- 30<sup>th</sup> May, 2018

Place :- Ahmedabad

**Manoj Kumar Jain**  
Managing Director





#### Annexure-IV

Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2018.

Sr. No.	Name of the Director	Remuneration per annum (In ₹)	Median Remuneration per annum (In ₹)	Ratio
1	MANOJ KUMAR JAIN	24,00,000	1,27,308	18.85
2	SANGEETA JAIN	24,00,000	1,27,308	18.85

2. There was increase in the remuneration of the Directors.
3. Percentage increase in median remuneration of employees in the financial year 5%
4. The number of permanent employees on the rolls of the company as on 31 March, 2018 is 40.
5. The explanation on the relationship between average increase in remuneration and company performance

Particulars	2017 - 2018	2016 - 2017
Total revenue	12076.75	11774.20
EBIDTA	400.43	258.40
EBIDTA as a % of total Income	3.15	2.19
Profit before tax	210.12	172.28
PBT as a % of total Income	1.74	1.46

6. Affirmation that the remuneration is as per the remuneration policy of the Company:  
It is affirmed that the remuneration is as per the remuneration policy of the Company.
7. None of employee received highest remuneration than that of Director



**ANNEXURE- V**  
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L74140GJ1991PLC016714
ii.	Registration Date	02/12/1991
iii.	Name of the Company	VMS INDUSTRIES LTD
iv.	Category/Sub-Category of the Company	Public Limited / limited By Shares
v.	Address of the Registered office and contact details	808/c Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015
vi.	Whether listed company	Listed
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Mr. Narshiman, M/s. Cameo Corporate Services Private Limited, Tel No. 044 - 28460390-395 , email : narasimhan@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Ship Recycling Activities	998941- 9989410- 99894100	100%

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

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	VMS TMT PVT LTD	U27204GJ2013PTC074403	Subsidiary	80.13%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016 The year				No. of Shares held at the end of the year at 31.03.2017				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	9325164	0	9325164	56.61	9325164	0	9325164	56.61	0.00
b) Central Govt	-	-	--	-	-	-	--	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	<b>9325164</b>	<b>0</b>	<b>9325164</b>	<b>56.61</b>	<b>9325164</b>	<b>0</b>	<b>9325164</b>	<b>56.61</b>	<b>0.00</b>
2) Foreign	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
i. Mutual Funds	-	-	-	-	-	-	-	-	-
ii. Banks / FI	-	-	-	-	-	-	-	-	-
iii. Central Govt	-	-	-	-	-	-	-	-	-
iv. State Govt(s)	-	-	-	-	-	-	-	-	-
v. Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi. Insurance Companies	-	-	-	-	-	-	-	-	-
vii. FIs	-	-	-	-	-	-	-	-	-
viii. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
ix. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.	4328937	0	4328937	26.28	3825136	-	3825136	26.07	-0.21
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	349949	136	350085	2.13	383138	136	383274	2.33	0.20
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2427842	0	2427842	14.74	2898702	-	2898702	17.60	3.07
c) Others (Clearing Members)	500	0	500	0	-	-	-	-	0.00
d) HUF	37723	0	37723	0.23	37920	-	37920	0.23	0.01
e) None Resident Indian	3140	0	3140	0.02	3195	-	3195	0.02	0.01
<b>Sub-total(B)(2)</b>	<b>7147591</b>	<b>136</b>	<b>7148091</b>	<b>43.39</b>	<b>7148091</b>	<b>136</b>	<b>7148227</b>	<b>43.39</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7147591</b>	<b>136</b>	<b>7148091</b>	<b>43.39</b>	<b>7148091</b>	<b>136</b>	<b>7148227</b>		<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>16472755</b>	<b>136</b>	<b>16473391</b>	<b>100%</b>	<b>16472755</b>	<b>136</b>	<b>16473391</b>	<b>100%</b>	<b>-</b>

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	MANOJ KUMAR JAIN	61,68,100	37.44	18.21	61,68,100	37.44	18.21	-
2.	SANGEETA JAIN	22,92,264	13.91	12.14	22,92,264	13.91	12.14	-
3.	VARUN JAIN	6,24,800	3.79	0	6,24,800	3.79	0	-
4.	VAIBHAV JAIN	2,40,000	0.30	0	2,40,000	0.30	0	-
		<b>93,25,164</b>	<b>56.61</b>	<b>30.35</b>	<b>93,25,164</b>	<b>56.61</b>	<b>30.35</b>	<b>0</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	93,25,164	56.61	93,25,164	56.61
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the End of the year	93,25,164	56.61	93,25,164	56.61

**(iv) Shareholding pattern of top ten shareholders (other Directors, Promoters and Key Managerial Personnel)**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Monotype India Ltd	2751690	16.68	2747200	16.68
2	SUVARNA NANDKUMAR GOPALE	298000	1.81	298000	1.81
3	NANDKUMAR MARUTI GOPALE	350000	2.12	350000	2.12
4	SIDHARTH RATANLAL BAFNA	212063	1.28	212063	1.29
5	ASHIKA STOCK BROKING LTD CLINENT MARGIN A/C	499990	3.04	499990	3.04
6	ABHINANDAN JAIN	200500	1.22	200500	1.22
7	HARIDARSHAN SALES PVT. LTD.	281000	1.71	-	-
8	IVORY CONSULTANTS PVT. LTD	200000	1.21	200000	1.21
9	TORRENT FINVEST CONSULTANTS PVT. LTD	155000	0.94	155000	0.94
10	MARK CORPORATION PRIVATE LIMITED	151626	0.92	151626	0.92
11	TARADEVI RATANLAL BAFNA	-	-	133911	0.81

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

Sl. no	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MANOJ KUMAR JAIN	61,68,100	37.44	61,68,100	37.44
2.	SANGEETA JAIN	22,92,264	13.91	22,92,264	13.91
3.	HITESH LOONIA	2,505	0.01	2,505	0.01

**V. INDEBTEDNESS**

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

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	97.27	-	-	97.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	97.27	-	-	97.27
Change in Indebtedness during the financial year				
- Addition	1380.39	-	-	1380.39
- Reduction	4.29	-	-	4.29
Net Change	1376.10	-	-	1376.10
Indebtedness at the end of the financial year				
i. Principal Amount	1473.37	-	-	1473.37
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1473.37	-	-	1473.37

**VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(₹ Lacs)

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director		Total Amount
		Mano Kumar Jain Managing Director	Sangeeta Jain, Whole Time Director	
1	Gross salary	24.00	24.00	48.00
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Independent Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	NIL	
	Total(1)		
	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify		
	Total(2)		
	Total(B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

(₹ In Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	0	4.55	2.99	7.54
2.	Total	0	4.55	2.99	7.54

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

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	NIL	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-





Annexure- VI  
**FORM NO. MR-3**

**For the Financial Year ended on 31st March, 2018**

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

To,  
The Members,  
**VMS Industries Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VMS Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the VMS Industries Limited 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2018 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2018 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, 1992;
  - (c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements ) Regulations 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

And in general, the Company has systems, process and procedure for the compliance of Other Laws Applicable to the Company.

The Excise Act, 1944 ( Upto 30.6.2017 ), Central Sales Tax Act 1958 ( Upto 30.6.2017 ), Factories Act, Water (Prevention and Control of Pollution ) Act, 1974, The Air (Prevention and Control of Pollution) Act, 1981, Employees State Insurance Act, Employees Provident Fund Act, Gratuity Act, Service Tax Act, 1944( Upto 30.6.2017 ), Income Tax Act, 1961, Explosives Act, 1884, Goods and Service Tax Act ( w.e.f. 1.7.2017 )

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

I further report that:

The Board of Directors of the Company is duly 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 the 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.

I 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.

I further report that during the audit period, there were no instances of :

- (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity of the Company.
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/ reconstruction etc.
- (v) Foreign technical collaborations.

For, **JALAN ALKESH & ASSOCIATES**  
COMPANY SECRETARIES

Sd/-  
**ALKESH JALAN**  
(Proprietor)

Membership No. - 15677  
Firm Registration No. - 4580

Date : 30.05.2018  
Place : Ahmedabad

*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.*

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**Annexure A'**

To,  
The Members of  
**VMS Industries Limited**

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

1. Maintenance of Secretarial Records 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 appropriated 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. 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.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For, **JALAN ALKESH & ASSOCIATES**  
COMPANY SECRETARIES

Sd/-  
**ALKESH JALAN**  
(Proprietor)

Membership No. - 15677  
Firm Registration No. - 4580

Date : 30.05.2018  
Place : Ahmedabad



**Annexure –VII to the Directors’ Report**  
**CORPORATE GOVERNANCE REPORT**

**COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES**  
 Listing Obligation & Disclosure Requirements Regulations, 2015 [SEBI]

**1. Company’s Philosophy:**

VMS Industries Limited is committed to achieve the best standards of Corporate Governance through complete transparency in its dealings with the management, associate companies/ firms or other third parties. The Company’s policy on Corporate Governance is to make it a way of life by, inter alia, adopting superior standard of Corporate Governance practices through continual improvement of internal systems and satisfaction of employees, customers, stakeholders and society.

Corporate Governance aims at fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realizing and enhancing shareholders’ values. The Company had adopted Corporate Governance and disclosure practices even before these were mandated legislations.

**2. Board of Directors**

The Board of the Company has an optimum combination of Executive Directors and Non-Executive Directors – Independent Directors, which is in conformity with the requirements of (Listing Obligation & Disclosure Requirements) Regulations, 2015 [SEBI] LODR, Regulation 2015.

**a) Composition of Board**

The present strength of the Board is six (6) Directors, comprising of Chairman / Managing Director, one Whole Time Director, one Non Executive / Promoter Director and three Independent & Non Executive Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

The Board comprises of the following:

Sr. No.	Name of the Director	Designation	Executive/Non Executive/ Promoter	Independent/ Non independent
1	Mr. Manoj Kumar Jain	Chairman & Managing Director	Executive Director & Promoter	Non- Independent
2	Mr. Ajit Kumar Jain	Director	Non-Executive Director & Promoter	Non- Independent
3	Ms. Sangeeta Jain	Whole Time Director	Executive Director & Promoter	Non- Independent
4	Mr. Hitesh Loonia	Director	Non-Executive Director	Independent
5	Mr.Pranav Parikh	Director	Non-Executive Director	Independent
6	Mr.Bakul Mehta	Director	Non-Executive Director	Independent

**b) Board Meetings and Attendance of Directors**

During the year under review, 12 (Twelve) Board meetings were held, one each on the following dates:

Sl. No.	Date	Board Strength	No. of Directors present
1	15.04.2017	6	4
2	29.05.2017	6	4
3	28.07.2017	6	4
4	14.08.2017	6	4
5	16.08.2017	6	5
6	31.08.2017	6	4
7	12.09.2017	6	4
8	21.10.2017	6	4
9	11.11.2017	6	4
10	02.12.2017	6	4
11	14.02.2018	6	4
12	26.03.2018	6	5

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant

information as part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The details of the Directors with regard to the outside directorships and committee positions as well as attendance at Board Meetings/Annual General Meeting (AGM) are as follows:

Sr. No	Name of the Director	Category of Directorship	No. of Board Meetings Attended	Attendance At the last AGM	No. of Directorships in other Public Companies
1	Mr. Manoj Kumar Jain	Chairman & Managing Director	10	Yes	Nil
2	Mr. Ajit Kumar Jain	Non- Executive Director	10	Yes	Nil
3	Ms. Sangeeta Jain	Whole Time Director	9	Yes	Nil
4	Mr. Hitesh Loonia	Independent & Non-Executive Director	11	No	Nil
5	Mr. Pranav Parikh	Independent & Non-Executive Director	3	No	Nil
6	Mr. Bakul Mehta	Independent & Non-Executive Director	5	Yes	Nil

There is one independent Director Meeting held on 29<sup>th</sup> March, 2018

The necessary disclosure regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees across all companies in which they are Directors.

**c) Information of Directors' Re-appointment:-**

The profiles of Directors who are seeking re-appointment at the Annual General Meeting are furnished below:-

<b>Name of Director</b>	<b>AJIT KUMAR JAIN</b>
Date of Birth	19-12-1936
Nationality	Indian
Date of Appointment on the Board	05.09.2005
Qualification	B.A
Experience of functional area	Business
Shareholding in the Company	-
List of Directorship held in other Companies	1
Committee Membership	2

**Committee of Board of Directors of the Company**

**3. Audit Committee**

**a) Composition & Attendance:-**

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a Non-executive and Independent Director. The composition and attendance of Audit Committee as on 31st March, 2018 is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Bakul Mehta	Chairman	Independent & Non-Executive Director	4
Mr. Ajit Kumar Jain	Member	Chairman & Managing Director	4
Mr. Pranav Parikh	Member	Independent & Non-Executive Director	4

The Company Secretary acts as a Secretary to the Committee.

The Audit Committee is constituted in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part-C of Schedule 2 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. All the members of Audit Committee possess knowledge of corporate finance, accounts and company law.

**b) Powers & Terms of Reference:**

The Power and terms of reference of the Audit Committee are as mentioned in SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The CFO and the Statutory Auditors are invited to the meeting.

#### 4. Remuneration Committee:

##### a) Composition & Attendance:-

The Remuneration Committee as on 31st March 2018 comprises of three members who are Independent & Non Executive Directors. The composition of Remuneration Committee as on 31st March, 2018 is as follows:

Name of the Members	Position	Category
Mr. Pranav Parikh	Chairman	Independent & Non-Executive Director
Mr. Bakul Mehta	Member	Independent & Non-Executive Director
Mr. Ajit Kumar Jain	Member	Non-Executive Director

During the year under review, (1) meeting of Remuneration Committee was held.

The Company Secretary acts as the Secretary to the Committee.

##### b) Terms of Reference:-

The broad terms of reference of the committee are to appraise the performance of Chairman & Managing Director and Whole Time Directors to determine and recommend to the Board compensation payable to Chairman & Managing Director, Whole Time Directors. The Remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

##### c) Remuneration Policy:-

Subject to approval of the Board of Directors and subsequent approval by the members at the Annual General Meeting and such authorities as the case may be, remuneration of Chairman cum Managing Director and Whole Time Directors is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.

The remuneration structure may comprises of basic salary, perquisites, allowances (fixed component), and contribution to provident fund, in accordance with the provisions of the Companies Act, 2013 and as fixed by Remuneration Committee.

##### d) Remuneration of Directors

Details of remuneration paid to the Directors during the year are given below: -

Name of the Director	Designation	Salary / Remuneration
Mr. Manoj Kumar Jain	Managing Director	₹24,00,000
Ms. Sangeeta Jain	Whole Time Director	₹24,00,000

No payments are made to Non-Executive Directors towards remuneration.

##### e) Number of Shares held by Independent & Non- Executive directors

Details of Shareholding of Independent & Non-Executive Directors are as follows:

Name of the Director	No. of Equity Shares held on 31st March, 2018
Mr. Hitesh Loonia	2,505

#### 5. Shareholders' / Investors' Grievances Committee:

##### a) Composition and attendance:-

The Board has delegated the powers to approve transfer of shares etc. to this Committee of Three (3) Directors. The quorum for functioning of the committee is any one (2) Directors present. The composition of Shareholders' / Investors' Grievance Committee as on 31st March, 2018 is as follows:-

Name of the Members	Position	Category
Ms. Sangeeta Jain	Chairman	Whole Time Director
Mr. Hitesh Loonia	Member	Independent & Non- Executive Director
Mr. Bakul Mehta	Member	Independent & Non- Executive Director

##### b) Terms of Reference:-

The Company has a Shareholders' / Investors' Grievance Committee, to look into redressed of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.

The committee deals with various matters relating to –

- Transfer / transmission of shares.
- Issue of share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.

- Consolidation / splitting of folios.
- Review of shares dematerialized and all other related matters.
- Investors' grievance and redressed mechanism and recommend measures to improve the level of investors' services.

The share department of the Company and Registrar and transfer agents, M/s Cameo Corporate Services Limited attends expeditiously to all grievances / correspondences of the shareholders and investors, received directly or through SEBI, Stock Exchanges, Department of Corporate Affairs, and Registrar of Companies etc. The complaints are generally resolved within 30 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.

**c) Details of Complaints received and redress during Years from 01st April 2017 to 31st March 2018:-**

Opening: 0, Received: 0, Resolved: 0, Pending Complaints: 0.

**d) Compliance Officer:-**

Mr. Hemal Patel is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

**6. Code of Conduct and Ethics for Directors and Senior Management**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management Personnel of the Company.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below:-

**"I hereby confirm that –**

**The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the "Code of Conduct and Ethics for Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2018."**

**MANOJ KUMAR JAIN  
MANAGING DIRECTOR**

**7. General Body Meetings:-**

**a) The details of last three Annual General Meetings are given as follows:**

AGM	Financial year	Date	Time	Venue	No. Special Resolution Passed *
23 <sup>rd</sup>	2014-15	30 <sup>th</sup> September, 2015	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	1
24 <sup>th</sup>	2015-16	29 <sup>th</sup> September, 2016	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	0
25 <sup>th</sup>	2016-17	29 <sup>th</sup> September, 2017	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	0

\*Details of Special Resolutions Passed in the respective Financial Year are as under:-

Financial Year	Special Resolution Passed
2014-15	Adoption of New Article of Association of the Company as per Companies, Act, 2013.

All the resolutions including special resolutions set out in the respective notices were passed unanimously by the shareholders.

**b) Details of Extra Ordinary General Meetings held during the year:-**

There is no Extra – Ordinary General Meeting was during the year;

**c) Resolutions passed through Postal Ballot during the year under review.**

There is no Resolution passed through Postal Ballot during F. Y 2017-18.

**8. Subsidiary Company(ies):-**

The Company have One subsidiary Company M/s VMS TMT Private Limited in term of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

**9. Compliance with other mandatory requirements:-**

**l) Disclosures:-**

**a) Material significant related party transactions:-**

There were no materially significant related party transaction i.e. transactions of the Company of material nature with its promoters, directors or the management or relatives etc during the year that may have potential conflict with interest of the Company at large.

The related party transactions have been disclosed under Note 30(b) for Standalone and 30(b) for Consolidated forming part of the Annual Accounts.



**b) Disclosure of accounting treatment:-**

In the preparation of financial statements, the Company has followed the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India to the extent applicable.

**c) Risk Management:-**

The Company has a comprehensive and integrated risk management framework to effectively deal with uncertainty and associated risks and enhances the organization's capacity to build value. The Risk Management framework of the Company has been designed with an objective to develop a risk culture that encourages identifying risks and responding to them with appropriate actions.

**d) Statutory Compliances, Penalties and Strictures:-**

During F.Y 2015-16 the Company had paid penalty of ₹4,560/- to BSE Ltd for Late submission of Annual Report other than this no other penalty was imposed on the Company by the Stock Exchange of or SEBI During last 3 years.

**10. Means of Communication:-**

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance.

- Audited Annual Result for the year ended and Unaudited Quarterly results will be published in English & Gujarati newspaper. The Company is not making any official releases and not sending half- yearly or quarterly results to the shareholders, as it is not a mandatory requirement.
- Annual Result / Quarter ended results are also posted on our website -www.vmsil.com
- The company's website www.vmsil.com contains a separate dedicated Section Investor Relation' where shareholder information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirement of Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

The Management Discussion and Analysis report is attached with the Directors' Report in this Annual Report.

**11. General Shareholding Information:**

**a) 26<sup>th</sup> Annual General Meeting:-**

Date	<b>29<sup>th</sup> September, 2018</b>
Day & Time	Saturday, 11:00 A.M
Venue	808/C Pinnacle Business Park, Corporate Road, Prahladnagar Ahmedabad-380015, Gujarat

**b) Financial Calendar :-**

The Company follows the period of 1<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year

For the Financial Year 2017-18, Financial Results will be announced as per the following tentative schedule:-

1st Quarter ending June, 2018	By 15th August, 2018
2nd Quarter & Half Year ending September, 2018	By 14th November, 2018
3rd Quarter ending December, 2018	By 14th February, 2019
4th Quarter / year ending March, 2019	Within 60 days from 31st March, 2019
Annual General Meeting	By September 2019

**c) Book Closure & Dividend:-**

Date of Book Closure	Friday 21 <sup>st</sup> September, 2018 to Saturday 29 <sup>th</sup> September, 2018 ( both day inclusive).
Dividend	No Dividend has been declared

**d) Listing:-**

The Shares of the Company are listed on Bombay Stock Exchange Limited (BSE).

**e) Listing Fees to Stock Exchange:-**

The Company has paid the Listing Fees for the year 2018-19 to BSE.

**f) Stock Code / Symbol:-**

Bombay Stock Exchange Ltd (BSE)	533427
International Securities Identification Number(ISIN)	INE932K01015

**g) Stock Market Price Data for the year 2017-18**

Market Price Data: High, Low (based on the closing prices) and volume during each month in form April, 2016 to March, 2017 at BSE LTD.

Month	Open	High	Low	Close	No. of Shares	No. of Trades
Apr-17	16.30	16.30	15.40	15.70	1875	11
May-17	15.70	15.70	14.00	14.00	4090	27
Jun-17	13.75	14.82	13.75	14.55	7472	18
Jul-17	14.55	15.05	14.55	15.05	4357	17
Aug-17	15.35	17.75	15.35	17.75	7350	34
Sep-17	18.00	18.20	18.00	18.20	1400	13
Oct-17	18.20	18.20	17.50	17.50	1684	10
Nov-17	17.85	18.00	17.85	18.00	666	12
Dec-17	18.35	19.40	17.70	18.05	9693	57
Jan-18	18.40	18.85	17.75	17.75	14160	32
Feb-18	17.40	17.40	16.20	16.20	6350	8
Mar-18	15.90	15.90	15.60	15.60	150	2

**h) Registrar and Share Transfer Agents:-**

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. M/s Cameo Corporate Services Limited.

Cameo Corporate Services Limited  
 'Subramanian Building', No. 1 Club House Road, Chennai- 600 002  
 Phone: (O) 91-44-28460390/2846 0425, Fax: 91-44-28460129  
 Email: vmsipo@cameoindia.com

**i) Share Transfer System:-**

Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 30 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the registrar & transfer agent subject to approval by Grievance Committee. Shareholders' Grievances and other miscellaneous correspondence on change of address, mandates, etc. received from Members are generally processed by R & TA of the Company within 30 days.

**j) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity:- Nil**

**k) Dematerialization of Shares and Liquidity:-**

Presently all the equity shares have been dematerialized as on 31<sup>st</sup> March, 2018. Trading in VMS Industries Limited shares is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India. The equity shares of VMS Industries Limited are actively traded shares on BSE LTD.

For any assistance regarding dematerialization of shares, shares transfers, transmissions, change of address, non-receipt of dividend and any other query relating to the shares of the Company, please write to the Share Transfer Agent of the Company

**l) Distribution of Shareholding as on March 31, 2018:-**

SLNO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 1000	433	51.18	185490	0.11
2	between 1001 and 5000	216	25.53	599370	0.36
3	between 5001 and 10000	68	8.04	535040	0.32
4	between 10001 and 20000	38	4.49	573470	0.35
5	between 20001 and 30000	17	2.01	433770	0.26
6	between 30001 and 40000	9	1.06	306340	0.19
7	between 40001 and 50000	11	1.3	519520	0.32
8	between 50001 and 100000	10	1.18	864810	0.52
9	> 100000	44	5.2	160716100	97.56
	<b>Total</b>	<b>846</b>	<b>100</b>	<b>164733910</b>	<b>100</b>



m) **Categories of Shareholders as on March 31, 2018 :-**

Category	No. of Shares held	% of Shares held	No. of Shares Holder	% of Share Holders
Promoters and Promoter Group	93,25,164	56.61	4	0.46
Public Shareholding:	28,19,290	17.11	809	93.96
Bodies Corporate	43,28,937	26.28	48	5.57
<b>TOTAL</b>	<b>1,64,73,391</b>	<b>100.00</b>	<b>861</b>	<b>100.00</b>

n) **Workshop:-**

Ship Recycling Yard  
160-M, Alang- Sosiya Ship Breaking Yard, Alang-364081, Dist. Bhavnagar, Gujarat (India)

o) **Address for Correspondence:-**

Registered Office:  
The Compliance Officer  
808/C, Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 Gujarat (India)  
Email:- Investor@vmsil.com, info@vmsil.com

Shareholders are requested to quote their Folio No's/ DP Id/ Client Id No. of shares held and address for prompt reply.



## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of  
**VMS INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by VMS INDUSTRIES LIMITED, for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### **Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### **Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

### **Opinion**

According to the information and explanations given to us and the representations provided by the Management of the company and in our opinion and to the best of our information, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2018.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR AND ON BEHALF OF**  
**S. N. SHAH & ASSOCIATES,**  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO. 109782W

**FIROJ G. BODLA**  
PARTNER  
M. No. 126770

PLACE : AHMEDABAD  
DATED : 30<sup>TH</sup> MAY, 2018



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**VMS INDUSTRIES LIMITED**

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS:

We have audited the accompanying standalone financial statements of **VMS INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

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

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

### AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act..

We conducted our audit of the standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### OPINION:

In our opinion and to the best of our information and according to the explanations given to us **except for non provision for gratuity and other long term employee benefits as per Ind-As-19 "Employee Benefits"**, the aforesaid standalone 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:

- i. In the case of the Balance Sheet of the state of the affairs of the company as at 31st March 2018;
- ii. In the case of Statement of Profit & Loss of PROFIT (including Other Comprehensive Income) for the year ended on that date
- iii. In the case of Statement of Changes in Equity, of the changes in Equity for the year ended on that date AND
- iv. In the case of the Statement of Cash Flows, of the cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. 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 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 & the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity & the Statement of Cash Flow comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) On the basis of written representations received from the directors of the Company as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of sub-section (2) of section 164 of Act;
  - f) With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-A;
  - g) With respect to the other matters 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 had the disclosed pending litigations as at the end of the financial year in Note No. 29 to the Financial Statements which may impact its financial position on final disposal of the respective matters.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. As at 31st March, 2018 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by The Companies (Auditor's Report) Order, 2016 issued by The Central Government Of India in term of section 143 (11) of The Companies Act, 2013, we enclose in the Annexure-B hereto a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable to the company.

**FOR AND ON BEHALF OF**  
**S. N. SHAH & ASSOCIATES,**  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO. 109782W

PLACE : AHMEDABAD  
DATED : 30<sup>TH</sup> MAY, 2018

**FIROJ G. BODLA**  
PARTNER  
M. No. 126770





## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

[REFERRED TO IN PARAGRAPH 1(f) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS SECTION OF OUR REPORT OF EVEN DATE] FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018

### Report on the Internal Financial Controls 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 **VMS INDUSTRIES LIMITED ("the Company")** as of March 31, 2018 in conjunction with our audit of the Ind AS standalone financial statements of the company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The management 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, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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") 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls over Financial Reporting

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



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion and to the best of our information and according to the information and 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 commensurate with the nature of the business of the company and operating effectively as at March 31, 2018, 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 AND ON BEHALF OF**  
**S. N. SHAH & ASSOCIATES,**  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO. 109782W

PLACE : AHMEDABAD  
DATED : 30<sup>TH</sup> MAY, 2018

**FIROJ G. BODLA**  
PARTNER  
M. No. 126770

**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT**

**[Referred to in paragraph 2 under "Report On Other Legal And Regulatory Requirements" section of our report of even date to the members of VMS INDUSTRIES LIMITED on the standalone financial statements of the company for the year ended 31st March, 2018:**

On the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us during the course of audit, we further report that:

**i. In respect of its fixed assets:**

- a) According to the information and explanations given to us, the company has maintained proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the management in accordance with a phased programme of verification adopted by the company has physically verified the fixed asset. To the best of our knowledge, no material discrepancies have been noticed on such verification or have been reported to us.
- c) According to the information and explanations given to us and on the basis of the examination of the records of the company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.

**ii. In respect of its Inventories:**

- a) As explained to us, the inventories have been physical verified during the year by the management of the company.
- b) As explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the books of account.

**iii. Loans/Advances Granted:**

As informed to us, during the year the company has not granted any secured/unsecured loans to any Company, Firms, Limited Liability Partnerships or Other Parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence other matters related thereto referred to in clause III of The Companies (Auditor's Report) Order, 2016 are not applicable.

**iv.** According to the information and explanations given to us, the company has complied with the requirements of sections 185 & 186 of the Companies Act, 2013 for investments, loans/advances and guarantees given by it.

**v.** According to the information and explanations given to us, the company has not accepted/invited any deposits from the public within the meaning of section 73,74,75 & 76 of the Act and Rules framed thereunder during the year and therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.

**vi.** We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and made. We have however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

**vii. In respect of Statutory Dues:**

- a) As per the information & explanations furnished to us, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues of Custom Duty, Excise Duty T.D.S., VAT/CST/GST, Service Tax, Employee Provident Fund, Cess and other material statutory dues applicable to it. There has been no outstanding as at 31<sup>st</sup> March, 2018 of undisputed liabilities outstanding for more than six months.
- b) According to information and explanations given to us and so far as appears from our examination of records of the Company, the following dues of Income Tax and VAT Tax have not been deposited by the Company as at 31<sup>st</sup> March, 2018 on account of dispute.

Name of the Statute	Nature of Tax Dues	Period to Which Dues Relates	Forum Where Dispute is Pending For Adjudication	Amount Disputed (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	A.Y. 2009-10	Commissioner of Income Tax-Appeal, Ahmedabad	8.99
Income Tax Act, 1961	Income Tax	A.Y. 2010-11	Commissioner of Income Tax-Appeal, Ahmedabad	2.64
Income Tax Act, 1961	Income Tax	A.Y. 2014-15	Commissioner of Income Tax-Appeal-8, Ahmedabad	8.28
Income Tax Act, 1961	Income Tax	A.Y. 2015-16	Commissioner of Income Tax-Appeal-8, Ahmedabad	14.23
Value Added Tax Laws	VAT	F.Y.2009-10	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar	19.27
Value Added Tax Laws	VAT	F.Y. 2010-11	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar	34.72

**viii.** According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings and payment of interest to the Banks and Financial Institutions.



- ix. As the company has not raised moneys by way of initial public offer or further public offer (including debt instruments), clause (ix) of paragraph 3 of The Companies (Auditor's Report) Order, 2016 relating to use of moneys raised out of public offer or further public offer (including debt instruments) is not applicable.  
In our opinion and according to the information and explanations given to us, the company has applied the term loans obtained during the year for the purpose for which they had been obtained.
- 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 to us by the management during the year.
- xi. In our opinion and according to the information and explanations given to us, the company had paid/provided managerial remuneration in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.
- xii. As the company is not the Nidhi Company, clause (xii) of paragraph 3 of The Companies (Auditor's Report) Order, 2016 is not applicable to it.
- xiii. According to the information and explanations given to us, the company is in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013, where applicable, for related party transactions and the details of related party transactions have been disclosed in the Notes to the Financial Statements in accordance with the applicable Accounting Standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, clause (xiv) of paragraph 3 of The Companies (Auditor's Report) Order, 2016 is not applicable to it during the year.
- xv. According to the information and explanations given to us, the company has not entered into any non cash transaction with directors or persons connected with them and hence clause (xv) of paragraph 3 of The Companies (Auditor's Report) Order, 2016 is not applicable to it during the year.
- xvi. As the company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934, clause (xvi) of paragraph 3 of The Companies (Auditor's Report) Order, 2016 is not applicable to it.

**FOR AND ON BEHALF OF**  
**S. N. SHAH & ASSOCIATES,**  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO. 109782W

**FIROJ G. BODLA**  
PARTNER  
M. No. 126770

PLACE : AHMEDABAD  
DATED : 30<sup>TH</sup> MAY, 2018



## BALANCE SHEET AS AT MARCH 31, 2018

(Amount ₹ in Lacs)

NO.	PARTICULARS	NO.	31-Mar-18		31-Mar-17	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>A.</b>	<b>ASSETS:</b>					
	<b>I. NON-CURRENT ASSETS</b>					
	1 Property, Plant and Equipment	2	635.35		647.40	
	2 Capital Work-in-Progress	3	9.03		9.03	
				<b>644.38</b>		<b>656.43</b>
	3 FINANCIAL ASSETS					
	(i) Investments	4	1,533.43		1,039.83	
	(ii) Loans & Advances	5	509.10		509.36	
				2,042.53		1,549.19
	4 OTHER NON-CURRENT ASSETS	6		47.70		63.24
	<b>TOTAL .... [I]</b>			<b>2,734.61</b>		<b>2,268.86</b>
	<b>II. CURRENT ASSETS</b>					
	1 INVENTORIES	7	2,693.80		2,725.77	
	2 FINANCIAL ASSETS					
	(i) Trade Receivables	8	2,650.77		2,021.29	
	(ii) Cash & Cash Equivalents	9	2,156.97		3,154.42	
	(iii) Loans & Advances	10	1,127.03		2,754.03	
			<b>5,934.77</b>		<b>7,929.74</b>	
	3 OTHER CURRENT ASSETS	11	62.45		71.87	
	<b>TOTAL .... [II]</b>			<b>8,691.02</b>		<b>10,727.38</b>
	<b>TOTAL ASSETS ....</b>			<b>11,425.63</b>		<b>12,996.24</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES:</b>					
	<b>I. EQUITY</b>					
	1 Equity Share Capital	12	1,647.34		1,647.34	
	2 Other Equity		3,704.41		3,579.29	
	<b>TOTAL .... [I]</b>			<b>5,351.75</b>		<b>5,226.63</b>
	<b>II. NON-CURRENT LIABILITIES</b>					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	13	49.95		40.49	
			<b>49.95</b>		<b>40.49</b>	
	2 DEFERRED TAX LIABILITIES [NET]	14	71.26		71.42	
	<b>TOTAL .... [II]</b>			<b>121.21</b>		<b>111.91</b>
	<b>III. CURRENT LIABILITIES</b>					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	15	1,423.43		43.03	
	(ii) Current Maturities of Long Term Borrowings	16	-		13.75	
	(iii) Trade Payables	17	4,490.28		7,524.35	
			<b>5,913.71</b>		<b>7,581.13</b>	
	2 OTHER CURRENT LIABILITIES	18	7.86		35.71	
	3 PROVISIONS	19	-		4.75	
	4 CURRENT TAX LIABILITIES [NET]	20	31.11		36.11	
	<b>TOTAL .... [III]</b>			<b>5,952.67</b>		<b>7,657.70</b>
	<b>TOTAL EQUITY AND LIABILITIES ....</b>			<b>11,425.63</b>		<b>12,996.74</b>
<b>C.</b>	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1				
<b>D.</b>	<b>CONTINGENT LIABILITIES</b>	29				
<b>E.</b>	<b>NOTES TO THE FINANCIAL STATEMENTS</b>	30				

The accompanying notes 1 to 30 are an integral part of the Financial Statements.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**  
Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**  
Partner  
M. NO. : 126770

**For and on behalf of the Board**  
**VMS Industries Limited**

**Manoj Kumar Jain**  
Director  
DIN: 02190018

**Himanshu Shah**  
Chief Financial Officer

**Sangeeta Jain**  
Director  
DIN: 00125273

**Hemal Patel**  
Company Secretary

Place : Ahmedabad  
Date : 30th May, 2018

Place : Ahmedabad  
Date : 30th May, 2018



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2018

(Amount ₹ in Lacs)

NO.	PARTICULARS	NO.	FOR THE YEAR ENDED 31-Mar-18		FOR THE YEAR ENDED 31-Mar-17	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>I.</b>	<b>INCOME:</b>					
	Revenue From Operations	21	11,785.85		11,411.67	
	Other Income	22	290.91		362.53	
	<b>TOTAL INCOME ... ..</b>			<b>12,076.76</b>		<b>11,774.20</b>
<b>II.</b>	<b>EXPENSES</b>					
	Cost of Raw Materials Consumed	23	6,176.74		8,501.67	
	Purchase of Stock-in-Trade	24	4,640.57		2,027.79	
	Employee Benefit Expense	25	140.39		176.57	
	Finance Costs	26	143.35		42.85	
	Depreciation and Amortisation Expense	27	46.97		43.27	
	Other Expenses	28	718.63		809.77	
	<b>TOTAL EXPENSES ... ..</b>			<b>11,866.65</b>		<b>11,601.92</b>
<b>III.</b>	<b>PROFIT BEFORE TAX [I-II]</b>			<b>210.11</b>		<b>172.28</b>
<b>IV.</b>	<b>TAX EXPENSES</b>					
	Current Tax		69.61		66.34	
	Tax Of Earlier Years		-		0.20	
	Deferred Tax		-0.16		6.66	
				69.45		73.20
<b>V.</b>	<b>PROFIT (LOSS) AFTER TAX FOR THE YEAR [III-IV]</b>			<b>140.66</b>		<b>99.07</b>
<b>VI.</b>	<b>OTHER COMPREHENSIVE INCOME (OCI)</b>					
	(A) (i) Items that will not be reclassified to Profit or Loss:					
	- Remeasurements of the defined benefit plans		-		-	
	- Effective portion of Gains/(Losses) on designated portion of hedging instruments in a cash flow hedge		-		-	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-		-	
			-		-	
	(B) (i) Items that will be reclassified to Profit or Loss:					
	- Effective portion of Gains/(Losses) on designated portion of hedging instruments in a cash flow hedge		-		-	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-		-	
			-		-	
<b>VII.</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX) [A+B]</b>			<b>-</b>		<b>-</b>
<b>VIII.</b>	<b>TOTAL COMPREHENSIVE INCOME (NET OF TAX) [V+VII]</b>			<b>140.66</b>		<b>99.07</b>
<b>IX.</b>	<b>EARNING PER EQUITY SHARE: (FACE VALUE OF RS. 10 EACH)</b>					
	Basic			0.85		0.60
	Diluted			0.85		0.60

The accompanying notes 1 to 30 are an integral part of the Financial Statements.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**  
Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**  
Partner  
M. NO. : 126770

Place : Ahmedabad  
Date : 30th May, 2018

**For and on behalf of the Board**  
**VMS Industries Limited**

**Manoj Kumar Jain**  
Director  
DIN: 02190018

**Himanshu Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : 30th May, 2018

**Sangeeta Jain**  
Director  
DIN: 00125273

**Hemal Patel**  
Company Secretary



## EQUITY SHARE CAPITAL AND OTHER EQUITY

### FOR THE YEAR ENDED 31ST MARCH, 2018

SR. NO.	PARTICULARS	RESERVES & SURPLUS				OCI	TOTAL OTHER EQUITY
		EQUITY SHARE CAPITAL	SECURITIES PREMIUM RESERVE	GENERAL RESERVE	RETAINED EARNINGS	RESERVE FOR EQUITY INSTRUMENTS THROUGH OCI	
I.	Balance As At 1st April, 2017	1,647.34	2,537.05	46.29	995.95	-	3,579.29
II.	<b>ADDITIONS</b>						
	Profit For The Year				140.66		140.66
	Other Comprehensive Income For The Year					-	-
III.	<b>Total Comprehensive Income For The Year [I+II]</b>	<b>1,647.34</b>	<b>2,537.05</b>	<b>46.29</b>	<b>1,136.61</b>	<b>-</b>	<b>3,719.95</b>
IV.	<b>DEDUCTIONS</b>						
	Loss Transferred From Other Unit						
	1/10th of Public Issue Expenses Written Off		(15.54)				(15.54)
	Deduction/Adjustments to Total Comprehensive Income For the Year	-	(15.54)	-	-	-	(15.54)
V.	<b>Balance As At 31st March, 2018 [III-IV]</b>	<b>1,647.34</b>	<b>2,521.51</b>	<b>46.29</b>	<b>1,136.61</b>	<b>-</b>	<b>3,704.41</b>

### FOR THE YEAR ENDED 31ST MARCH, 2017

SR. NO.	PARTICULARS	RESERVES & SURPLUS				OCI	TOTAL OTHER EQUITY
		EQUITY SHARE CAPITAL	SECURITIES PREMIUM RESERVE	GENERAL RESERVE	RETAINED EARNINGS	RESERVE FOR EQUITY INSTRUMENTS THROUGH OCI	
I.	Balance As At 1st April, 2017	1,647.34	2,552.59	46.29	980.08		3,578.96
II.	<b>ADDITIONS</b>						
	Profit For The Year				99.07		99.07
	Other Comprehensive Income For The Year					-	-
III.	<b>Total Comprehensive Income For The Year [I+II]</b>	<b>1,647.34</b>	<b>2,552.59</b>	<b>46.29</b>	<b>1,079.15</b>	<b>-</b>	<b>3,678.03</b>
IV.	<b>DEDUCTIONS</b>						
	1/10th of Public Issue Expenses Written Off		(15.54)				(15.54)
	Other Appropriations				(83.20)		(83.20)
	Deduction/Adjustments to Total Comprehensive Income For the Year	-	(15.54)	-	(83.20)	-	(98.74)
V.	<b>Balance As At 31st March, 2018 [III-IV]</b>	<b>1,647.34</b>	<b>2,537.05</b>	<b>46.29</b>	<b>995.95</b>	<b>-</b>	<b>3,579.29</b>

The accompanying notes 1 to 30 are an integral part of the Financial Statements.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**  
Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**  
Partner  
M. NO. : 126770

Place : Ahmedabad  
Date : 30th May, 2018

**For and on behalf of the Board**  
**VMS Industries Limited**

**Manoj Kumar Jain**  
Director  
DIN: 02190018  
**Himanshu Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : 30th May, 2018

**Sangeeta Jain**  
Director  
DIN: 00125273  
**Hemal Patel**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	FOR THE YEAR ENDED 31-Mar-18		FOR THE YEAR ENDED 31-Mar-17	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>I. PROFIT BEFORE TAX</b>		<b>210.11</b>		<b>172.27</b>
ADJUSTMENTS FOR:				
Depreciation and Amortization Expense	46.97		43.27	
Finance Cost	143.35		42.86	
Interest Income	(287.32)		(359.89)	
Rent Income	(0.59)		(0.60)	
Share of Profit From Partnership Firm	0.00		(0.73)	
		<b>(97.59)</b>		<b>(275.09)</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>112.52</b>		<b>(102.82)</b>
<b>ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:</b>				
Inventories	31.97		(1,055.64)	
Trade Receivables	(629.49)		(299.46)	
Non-Current Loans & Advances	0.26		1,050.72	
Other Current Assets, Current Loans & Advances	1,636.44		(1,212.60)	
Trade Payables	(3,034.07)		4,860.48	
Other Non Current Liabilities	0.00		(6.11)	
Other Current Liabilities	(41.60)		(5.18)	
Current Provisions	(40.86)		0.74	
		<b>(2,077.35)</b>		<b>3,332.95</b>
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(1,964.83)</b>		<b>3,230.13</b>
Income Tax Paid		(38.50)		(30.23)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(2,003.33)</b>		<b>3,199.90</b>
<b>II. CASHFLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment	(34.92)		(53.48)	
Sale of Property, Plant and Equipment	0.00		29.13	
Purchase of Non-Current/Current Investments	(493.60)		(122.39)	
Rent Received	0.60		0.60	
Interest Received	287.32		359.89	
Share Of Profit From Partnership Firm	0.00		0.72	
<b>NET CASH FROM/(USED) IN INVESTING ACTIVITIES</b>		<b>(240.60)</b>		<b>214.47</b>
<b>III. CASHFLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayment) Of Non-Current Borrowings [Net]	9.45		17.10	
Proceeds/(Repayment) Of Current Borrowings	1,380.38		(1,016.47)	
Finance Cost	(143.35)		(42.86)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1,246.48</b>		<b>(1,042.23)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [I+II+III]</b>		<b>(997.45)</b>		<b>2,372.14</b>
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		3,154.42		782.28
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		2,156.97		3,154.42
[REFER TO NOTE NO. 1(q)]				

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".
- 2 Direct Taxes Paid are treated as arising from Operating Activities without their bifurcation into Investing and Financing Activities.
- 3 Figures of the previous year have been regrouped wherever necessary to make them comparable with the figures of the current period.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**

Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**

Partner  
M. NO. : 126770

Place : Ahmedabad  
Date : 30th May, 2018

**For and on behalf of the Board**

**VMS Industries Limited**

**Manoj Kumar Jain**

Director  
DIN: 02190018

**Himanshu Shah**

Chief Financial Officer

Place : Ahmedabad  
Date : 30th May, 2018

**Sangeeta Jain**

Director  
DIN: 00125273

**Hemal Patel**

Company Secretary





## CORPORATE INFORMATION:

VMS Industries Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the company are listed in the Bombay Stock Exchange Limited ('BSE').

The company is engaged in the business of ship breaking as well as trading in Ferrous and Non-Ferrous metals. Moreover, as and when any surplus funds were available, the same had been given on interest to various parties.

The company has one subsidiary M/s. VMS TMT Private Limited in which the company holds 80.13% shareholding. The subsidiary company carried out trading activities in Ferrous and Non-Ferrous Metals.

The company has also investment of 10.00% share in partnership firm M/s. Eternal Automobiles, which is engaged in the business of Automobiles dealership of sales, service and sale of spares of Honda two wheelers.

### NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES:

#### I BASIS OF PREPARATION OF FINANCIAL STATEMENTS

##### a) Accounting Conventions :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and comply in all material aspects with the relevant provisions of the Companies Act, 2013 to the extent applicable to it.

For the period upto 31<sup>st</sup> March, 2017, the Financial Statements of the Company were prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles in India.

The Financial Statements have been prepared on a historical cost basis except the following assets and liabilities which have been measured at fair values:

- Certain Financial Assets and Liabilities that are measured at Fair Value

##### b) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that are believed to be reasonable under the circumstances and such estimates and assumptions may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

##### c) 1. Property, Plant and Equipment (PPE):

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

The items of Property, Plant and Equipment are stated at cost of acquisition/construction (less Accumulated Depreciation and Impairment, if any). The cost of Property, Plant and Equipment comprises of their purchase price including freight, duties, taxes or levies, directly attributable cost of bringing the assets to their working conditions for their intended use and applicable borrowing cost for qualifying assets. The Company capitalises its Property, Plant and Equipment at a value net of CENVAT/GST/VAT received/receivable during the year in respect of eligible item of Property, Plant and Equipment. Subsequent expenditures on Property, Plant and Equipment have been capitalised only if such expenditures increase the future benefits from the existing items beyond their previously assessed standard of performance and cost of such items can be measured reliably.

The items of capital work- in-progress are carried at cost comprising of cost directly attributable to the acquisition net of CENVAT/GST/VAT received/receivable in respect of respective times and related incidental expenses.

For the purpose of measurement of cost as at 1<sup>st</sup> April, 2016, the cost represents the carrying value of Property, Plant and Equipment recognized as at 1<sup>st</sup> April, 2016 measured as per the previous GAAP.

The items of Property, Plant and Equipment that are under construction/erection or not fully acquired and therefore not available for productive use are shown as "Capital Work in Progress" under assets and will be transferred to respective item of Property, Plant and Equipment on completion of the construction/erection/acquisition activities.

##### 2. Depreciation & Amortization:

The Depreciation on tangible items of Property, Plant and Equipment is provided on straight line method for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on

the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013.

**d) Inventories**

The Inventories of Raw Materials-uncut ships and have been valued at cost. The Trading Goods have been valued at cost or net realisable value whichever is lower. The cost of Raw Materials and Trading Goods comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition.

Consumable Stores and Spares are considered too have been consumed at the time of purchases.

In ship recycling industry, the weight of ship purchased is accounted in terms of LDT/MT of the ship at the time of its construction. Ascertaining weight of ship at the time of purchase is not possible due to its nature and size. There is loss of weight of ship on account of corrosion and other factors during the usage of ship during its operating years and its voyage for long period. The inventory at the balance sheet date is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.

**e) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable from the customers/parties net of returns, rebates, value added taxes and discount to the customers and amounts collected on behalf of third parties. The Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

**Sale of Goods:**

The revenue from the sale of goods is recognized when the company had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched.

**Rent Income:**

Rental income is recognized in the period to which such income relates.

**Interest Income:**

Income from investments and deposits, where appropriate, is taken into revenue in full on declaration or accrual on time basis and tax deducted at source thereon is treated as advance tax. The interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the company and the amount interest income can be measured reliably.

**f) Foreign Currency Transactions**

The Company's financial statements have been prepared and presented in Indian Rupees (₹) which is also its functional currency.

The transactions in foreign currency initially have been recorded using the rate of exchange prevailing on the date of transactions. The differences arising on the settlement/restatement of the foreign currency denominated Financial Assets/Liabilities into Indian rupees have been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

The monetary items denominated in foreign currencies outstanding as at the end of the reporting period, are translated at the exchange rates prevailing as at the end of the reporting period.

**g) Employee Benefits:**

**1. Short Term Obligations:**

Short term employee benefits of like wages, salaries and other monetary and non-monetary benefits are recognized in the period during which services are rendered by the employees and are recognized at the value at amounts at which liabilities have been settled or are expected to be settled.

**2. Post-Employment and Other Long Term Employee Benefits:**

**2.1 Contribution to Provident Fund:**

The Company's contribution to the Provident Fund is remitted as per the provisions relating to the Employee Provident Fund Scheme and such contribution is charged to the Statement of Profit & Loss of the period to which contribution relates.

**2.2 Gratuity:**

The management of the company is of the view that none of the employees were eligible in respect of the of which the company was required to make contribution as per the provisions relating to the Payment of Gratuity and accordingly provision for gratuity was not required to be made. However, if the company is required to make payment of gratuity on happening any event/incident due to which the provisions relating to payment of gratuity becomes applicable to the company, the same will be accounted as and when incurred.

**h) Borrowing Costs**

The borrowing costs incurred during the year have been debited to the Statement of Profit and Loss of the current year.

**i) Operating Segment**

The Company identifies operating segments on the basis of dominant source, nature of risks and returns and the internal organization. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director/Chief Executive Officer who is Company's chief operating maker in deciding how to allocate resources and in assessing performance.

The dominant source of income of the company is from Ship Breaking Activities and Trading of Scrap of Iron and Steel which in the opinion of the management based on their regular internal evaluation do not materially differ in respect of risk perception and the return realized/to be realized. Even the geographical/regulatory environment in which the company operates does not materially differ considering the political and economic environment, the type of customers, assets employed and the risk and return associated in respect of each of the geographical area. So, the disclosure requirements pursuant to Ind AS-108-“Operating Segments” are not applicable.

**j) Taxes On Income:**

**1. Current Tax:**

The provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The current tax liabilities and assets are measured at the amounts expected to be paid or to be recovered from the taxation authorities as at the balance sheet date.

The current tax liabilities and assets are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The current income tax relating to items recognized outside profit or loss is recognized either in the Other Comprehensive Income or in Other Equity Directly.

**2. Deferred Tax:**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities as per the provisions of the Income Tax Act, 1961 and their carrying amounts for financial reporting purposes as at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary timing differences. Deferred tax assets are recognized for all deductible taxable temporary timing differences, the carry forward of unused tax losses and unused tax credits to the extent to which future taxable profits are expected to be available against which the deductible temporary differences and the carry forward of unused tax losses and unused tax credits can be utilized/set-off.

**k) Impairment of Non-Financial Assets:**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

**l) Provisions, Contingent Liabilities and Contingent Assets**

The Company recognises a provision when it has a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits at the time of settlement and a reliable estimate can be made of the amount of the obligation. The provisions are measured at the best estimate of the amounts required to settle the present obligation as at the balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more future uncertain events not wholly or substantially within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

When demand notices are issued by the Government Authorities and demand is disputed by the company and it is probable that the company will not be required to settle/pay such demands then these are classified as disputed obligations.

Contingent Assets, if any, are not recognised in the financial statements. If it becomes certain that inflow of economic benefit will arise then such asset and the relative income are recognised in financial statements.

**m) Share Issue Expenses:**

The share issue expenses are amortized on proportionate basis and are adjusted against the Securities Premium as per permissible as per the provision of Section 52 of the Companies Act, 2013 to the extent of balance in the Securities Premium.

**n) Current/Non-Current Classifications:**

The Company presents assets and liabilities in the balance sheet on the basis of their classifications into current and non-current.

**Assets:**

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**Liabilities:**

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period
- No unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**o) Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments**

The financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

**A. Financial Assets:**

**Initial Recognition:**

Financial Assets include Investments, Trade Receivables, Security Deposits, Cash and Cash Equivalents and eligible current and non-current assets. The financial assets are initially recognized at the transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being valued at fair value through the Statement Of Profit and Loss.

**Subsequent Measurement:**

The subsequent measurement of financial assets depends upon the initial classification of financial assets. For the purpose of subsequent measurement, financial assets are classified as under:

- i. Financial Assets At Amortized Cost where the financial assets are held solely for collection of cash flows and contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.
- ii. fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for realization of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- iii. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Security Deposits, Cash and Cash Equivalents, Investments in Equity where reliable data for fair value is not available and eligible current and non-current assets are classified for measurement at amortized cost.

**Impairment:**

If the recoverable amount of an asset (or cash-generating unit/Fixed Assets) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a re-valued amount if any, in which case the impairment loss is treated as a revaluation decrease.

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The company recognises impairment loss on trade receivables using expected credit loss model.

**B. Financial Liabilities:**

Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities. The borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective

contractual obligations. They are subsequently measured at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry of the terms.

**p) Fair Value Measurement:**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**q) Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:**

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short-term deposits, which are subject to an insignificant risk of changes in value.

**r) Operating Cycle:**

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

**s) First Time of Adoption of Ind-AS:**

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies applying the exemptions, classifications, recognition, de-recognition, measurement criterion as prescribed in Ind-AS.

The company has adopted the carrying value determined in accordance with GAAP as applicable on the date of transition for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with existing GAAP before transition to Ind-AS.

**NOTE NO. 2 PROPERTY, PLANT & EQUIPMENTS**

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	AS AT 1ST APRIL, 2017	ADDITIONS	ADJUSTMENTS/ SALE DURING THE YEAR	REVALUATIONS RECOGNIZED IN OCI	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL, 2017	ADDITIONS	ADJUSTMENTS/ SALE DURING THE YEAR	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017	
Building	2.08	22.20	-	-	24.28	0.55	0.61	-	1.16	23.12	1.53
Corporate Office	42.01	-	-	-	42.01	7.22	0.66	-	7.88	34.13	34.79
Plant & Machinery	0.71	-	-	-	0.71	0.35	0.07	-	0.42	0.29	0.36
Furniture & Fixtures	41.39	-	-	-	41.39	25.41	3.93	-	29.34	12.05	15.98
Air Conditioner	1.50	0.36	-	-	1.86	0.08	0.30	-	0.38	1.48	1.42
Weigh Bridge	6.21	-	-	-	6.21	2.98	0.58	-	3.56	2.65	3.23
Winch	190.90	-	-	-	190.90	36.94	5.90	-	42.84	148.06	153.96
Wire Rope	23.58	-	-	-	23.58	7.15	1.85	-	9.00	14.58	16.43
Crane	289.90	-	-	-	289.90	65.10	10.17	-	75.27	214.63	224.80
Oxygen Clinders	137.94	-	-	-	137.94	61.06	3.70	-	64.76	73.18	76.88
DG Sets	1.67	-	-	-	1.67	0.49	0.11	-	0.60	1.07	1.17
Office Equipments	2.87	-	-	-	2.87	1.06	0.20	-	1.26	1.61	1.82
EPBX	0.58	-	-	-	0.58	0.07	0.11	-	0.18	0.40	0.51
Vehicles	163.75	11.90	-	-	175.65	50.73	18.11	-	68.84	106.80	113.02
Computers	4.77	0.29	-	-	5.05	3.27	0.66	-	3.93	1.12	1.49
Printers	0.24	0.19	-	-	0.42	0.23	0.02	-	0.24	0.18	0.01
<b>TOTAL ... ..</b>	<b>910.10</b>	<b>34.92</b>	-	-	<b>945.02</b>	<b>262.70</b>	<b>46.97</b>	-	<b>309.67</b>	<b>635.35</b>	<b>647.40</b>
PREVIOUS YEAR	923.95	44.45	(58.31)	-	910.10	248.61	43.27	(29.18)	262.70	647.40	675.34

**NOTE NO. 3 CAPITAL WORK IN PROGRESS**

SR. NO.	DESCRIPTION OF ASSETS	AS AT 1ST APRIL, 2017	ADDITIONS	ADJUSTMENTS DURING THE YEAR	REVALUATIONS RECOGNIZED IN OCI	AS AT 31ST MARCH, 2018
1	Green Plot	9.03	9.03			
	<b>TOTAL ... ..</b>	<b>9.03</b>	-	-	-	<b>9.03</b>
	PREVIOUS YEAR	-	9.03	-	-	9.03

**NOTE NO. 4 NON-CURRENT FINANCIAL ASSETS: INVESTMENTS**

SR. NO.	PARTICULARS	Face Value/ Paid Up Value	No. of Shares/Units	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>A.</b>	<b>INVESTMENTS IN SUBSIDIARY</b>				
	VMS TMT Private Limited	10	5,073,000	507.30	507.30
<b>B.</b>	<b>INVESTMENTS IN PARTNERSHIP-AT COST</b>				
	Enternal Automobiles [Profit Sharing Ratio 10.00%]			1,026.13	532.53
	Details of Other Partners In The Firm:				
	Manoj Kumar Jain-Profit Sharing Ratio 15.00%				
	Smt. Sangeet Jain-Profit Sharing Ratio 15.00%				
	Other Individuals-Profit Sharing Ratio 60.00%				
	<b>TOTAL .....</b>			<b>1,533.43</b>	<b>1,039.83</b>

**NOTE NO. 5 NON-CURRENT FINANCIAL ASSETS: LOANS & ADVANCES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	<b>Unsecured but Considered Good</b>		
<b>I.</b>	<b>DEPOSITS</b>		
	SHIP RCECYCLING INDUSTRIES ASS.(DEPOSIT)	4.00	4.00
	TELEPHONE DEPOSIT	0.01	0.01
	SECURITY DEPOSITE (GMB PLOT RENEWAL)	5.00	5.00
	PGVCL DEPOSIT	0.10	0.10
		<b>9.11</b>	<b>9.11</b>
<b>II.</b>	<b>LOANS &amp; ADVANCES</b>		
	Loans and Advances to Others	500.00	500.25
	<b>TOTAL .....</b>	<b>509.11</b>	<b>509.36</b>

**NOTE NO. 6 OTHER NON-CURRENT ASSETS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	Share Issue Expenses	47.70	63.24
	<b>TOTAL .....</b>	<b>47.70</b>	<b>63.24</b>

**NOTE NO. 7 INVENTORIES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I</b>	<b>-Inventories taken as Physically Verified, Valued and Certified by the management of the company</b>		
1	Raw Materials-Uncut Ship	2,693.80	2,725.77
	<b>TOTAL .....</b>	<b>2,693.80</b>	<b>2,725.77</b>

**NOTE NO. 8 CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>1</b>	<b>Unsecured But Considered Good</b>		
	- Outstanding for a period Exceeding Six Months (From the date from which they became due for payment)	-	-
	- Others	2,650.77	2,021.29
		2,650.77	2,021.29
	- Due by Companies in which Directors are Director/Interested	952.87	-
	- Due by Others	1,697.90	2,021.29
	<b>TOTAL .....</b>	<b>2,650.77</b>	<b>2,021.29</b>

**NOTE NO. 9 CURRENT FINANCIAL ASSETS: CASH & BANK BALANCES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I</b>	<b>Balance with Banks</b>		
	In Current Accounts	862.15	299.40
	Fixed Deposits	1,267.06	2,850.00
		2,129.21	3,149.40
<b>II</b>	<b>Cash on Hand</b>	27.76	5.01
	<b>TOTAL .....</b>	<b>2,156.97</b>	<b>3,154.42</b>

**NOTE NO. 10 CURRENT FINANCIAL ASSETS: LOANS & ADVANCES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I.</b>	<b>Unsecured but Considered Good</b>		
	Loans and Advances to Related Parties	1,040.00	1,108.09
	Loans and Advances to Others	-	1,516.37
	Balance With Government Authorities	-	-
	Self Assessment/Advance Tax/TDS Receivable	66.84	107.94
		1,106.84	2,732.40
<b>II.</b>	Interest Accrued On Bank FDR	20.19	21.63
	<b>TOTAL .....</b>	<b>1,127.03</b>	<b>2,754.03</b>

**NOTE NO. 11 OTHER CURRENT ASSETS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I.</b>	<b>ADVANCES</b>		
<b>1</b>	Advances to Suppliers for Goods	42.70	42.70
<b>2</b>	Advances for Expenses & Other Debit Balances	18.24	11.27
		60.94	53.97
<b>II.</b>	Prepaid Expenses	1.51	17.90
	<b>TOTAL .....</b>	<b>62.45</b>	<b>71.87</b>



**NOTE NO. 12 EQUITY SHARE CAPITAL**

SR. NO.	PARTICULARS	AS AT 31-Mar-18		AS AT 31-Mar-17	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
I	<b>EQUITY SHARES AUTHORISED</b>				
	Equity Shares of ` 10/= Each At Par Issued, Subscribed and Paid Up Capital	20,000,000	200,000,000	20,000,000	200,000,000
	Equity Shares of ` 10/= Each At Par Fully Paid Up	16,473,391	164,733,910	16,473,391	164,733,910
	<b>TOTAL .....</b>	<b>16,473,391</b>	<b>164,733,910</b>	<b>16,473,391</b>	<b>164,733,910</b>

**II Reconciliation of Number Shares Outstanding**

SR. NO.	PARTICULARS	AS AT 31-Mar-18		AS AT 31-Mar-17	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
	Outstanding As At The Beginning Of The Year	16,473,391	164,733,910	16,473,391	164,733,910
	Add: Issue of Shares (Face Value )	-	-	-	-
	<b>Outstanding As At The End Of The Year</b>	<b>16,473,391</b>	<b>164,733,910</b>	<b>16,473,391</b>	<b>164,733,910</b>

**III Details of Shareholder Holding 5% or More Shares in the Company**

PARTICULARS	AS AT 31-Mar-18		AS AT 31-Mar-17	
	No. of Shares	% of Total Holding	No. of Shares	% of Total Holding
Manoj Kumar Jain	6,168,100	37.44%	6,168,100	37.44%
Sangeeta Jain	2,292,264	13.91%	2,292,264	13.91%
Mono Herbicides Limited	1,499,684	9.10%	1,499,684	9.10%
B Lodha Securities Limited	1,342,896	8.15%	1,342,896	8.15%

**NOTE NO. 13 NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18		AS AT 31-Mar-17	
		No. of Shares	% of Total Holding	No. of Shares	% of Total Holding
I.	<b>SECURED</b>				
	<b>VEHICLE LOANS</b>				
	ICICI Car Loan-VOLVO		6.48		6.48
	ICICI Car Loan-INNOVA		8.95		8.62
	BOB Car Loan-BALENO DELTA		4.84		4.15
	BOB Car Loan-SWIFT VDI MARUTI		4.99		4.94
	BOB Car Loan-CRETA		12.94		12.85
	BOB Car Loan-CELERIO		3.47		3.45
	BOB Car Loan-CIAZ		8.28		-
	<b>TOTAL .....</b>		<b>49.95</b>		<b>40.49</b>

**DETAILS OF SECURITIES & TERMS OF REPAYMENT**

- ICICI Bank Limited-Volvo Car Loan secured by Hypothecation Charge on Volvo Car.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 52,865/- including interest and last instalment due in April, 2019
- ICICI Bank Limited-Innova Car Loan secured by Hypothecation Charge on Innova Car.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 32,800/- including interest and last instalment due in October, 2020
- Bank of Baroda-Baleno Delta Car Loan secured by Hypothecation Charge on Baleno Delta.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 18,656/- including interest and last instalment due in July, 2021
- Bank of Baroda-Maruti Swift VDI Car Loan secured by Hypothecation Charge on Maruti Swift VDI.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 14,605/- including interest and last instalment due in July, 2021

- 5 Bank of Baroda-Creta Car Loan secured by Hypothecation Charge on Creta.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 24,593/- including interest and last instalment due in October, 2023
- 6 Bank of Baroda-Celerio Car Loan secured by Hypothecation Charge on Celerio.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 12,586/- including interest and last instalment due in October, 2020
- 7 Bank of Baroda-Ciaz Car Loan secured by Hypothecation Charge on Ciaz.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 19,859/- including interest and last instalment due in June, 2022

**NOTE NO. 14 DEFERRED TAX LIABILITIES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	OPENING BALANCE	71.42	64.76
	DEFERRED TAX LIABILITIES/(ASSETS) RELATING TO Property, Plant and Equipments, Intangible Assets & Investment Properties	31.49	6.66
		102.91	71.42
	<b>TOTAL .....</b>	<b>102.91</b>	<b>71.42</b>

**NOTE NO. 15 CURRENT FINANCIAL LIABILITIES: SHORT TERM BORROWINGS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I.</b>	<b>SECURED</b>		
	Loans repayable on Demand		
	Working Capital		
	From Banks		
<b>A</b>	<b>CASH CREDIT</b>		
	Bank of Baroda	174.88	43.03
<b>B</b>	<b>LC</b>		
	BOB Inland LC	1,248.55	-
	<b>TOTAL .....</b>	<b>1,423.43</b>	<b>43.03</b>

**I NATURE OF SECURITY:**

**A Primary Security**

Working Capital secured by way of Exclusive First charge by way of Hypothecation of entire Raw Materials, Stock-in-Process, Stores and Spares, Packing Materials, Finished Goods and Book-Debts of the Company both present and future.

**B Collateral Security**

- Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Lower Ground Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 141 Sq. Mtr. in the name of M/s. Eternal Automobiles.
- Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Upper Ground Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1096.55 Sq. Mtr. in the name of M/s. Eternal Automobiles.
- Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, First Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1548 Sq. Mtr. in the name of M/s. Eternal Automobiles.
- Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Second Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1342 Sq. Mtr. in the name of Smt. Sangeeta Jain.
- Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Third Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1342 Sq. Mtr. in the name of Manoj Kumar Jain.
- Equitable Mortgage of Commercial Property situated at Survey No. 241p, City Survey No. 3027p, Ward-7, Office No. A/104 at Lilla Efcee, Waghawadi Road, Nr, Aksharwadi, Bhavnagar admeasuring 404.50 Sq. Ft. in the name of Manoj Kumar Jain.
- Equitable Mortgage of Commercial Property situated at Survey No. 241p, City Survey No. 3027p, Ward-7, Office No. A/105 at Lilla Efcee, Waghawadi Road, Nr, Aksharwadi, Bhavnagar admeasuring 404.50 Sq. Ft. in the name of Manoj Kumar Jain.

- 8 Equitable Mortgage of Commercial Property situated at 808-C, Pinnacle Business Park, Prahladnagar Corporate Road, Prahladnagar, Ahmedabad admeasuring 1556 Sq. Ft. in the name of M/s. VMS Industries Limited.
- 9 Equitable Mortgage of Bunglow No. 29, Green Park Bunglows, Green Park Vikas Mandal, Gokuldharm, Near Shanti Circle, Sanathal, Tal. Sanand, Dist.: Ahmedabad in the name of Indubala Mukeshchand Jain.

## II GUARANTEE:

Outstanding balances of working capital secured by personal guarantees of the following:

- 1 Manoj Kunar Jain-Director
- 2 Smt. Sangeeta Jain-Director
- 3 Smt. Indubala Mukesh Jain

## III REPAYMENT TERMS:

Working capital loans repayable on demand.

### NOTE NO. 16 CURRENT FINANCIAL LIABILITIES: CURRENT MATURITIES OF LONG TERM DEBTS

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>A.</b>	<b>SECURED</b>		
	VEHICLE LOANS		
	ICICI Car Loan-VOLVO	-	5.39
	ICICI Car Loan-INNOVA	-	2.90
	BOB Car Loan-BALENO DELTA	-	1.51
	BOB Car Loan-SWIFT VDI MARUTI	-	1.18
	BOB Car Loan-CRETA	-	1.64
	BOB Car Loan-CELERIO	-	1.13
	BOB Car Loan-CIAZ	-	-
	<b>TOTAL .....</b>	<b>-</b>	<b>13.75</b>

### NOTE NO. 17 CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I</b>	<b>Sundry Creditors for Goods</b>		
	- Others	4,470.17	7,503.48
<b>II</b>	<b>Sundry Creditors for Other Expenses</b>		
	- Others	20.11	20.87
	<b>TOTAL .....</b>	<b>4,490.28</b>	<b>7,524.35</b>

### NOTE NO. 18 OTHER CURRENT LIABILITIES

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I</b>	Advances from Customers/Sundry Credit Balances	-	0.92
<b>II</b>	Other Payables	1.92	13.30
<b>III</b>	<b>Other Payables-Statutory Liabilities</b>		
	Provident Fund	1.55	1.28
	Employee State Insurance Fund	0.50	0.39
	Professional Tax	0.22	0.40
	T.D.S./T.C.S. Payable	3.67	2.59
	CST & VAT Payable	-	16.83
		5.94	21.49
	<b>TOTAL .....</b>	<b>7.86</b>	<b>35.71</b>

### NOTE NO. 19 CURRENT: PROVISIONS

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	Provision For Expenses	-	4.75
	<b>TOTAL .....</b>	<b>-</b>	<b>4.75</b>

**NOTE NO. 20 CURRENT TAX LIABILITIES [NET]**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	<b>Current Income Tax Liabilities</b>		
	Provision for Current Year	69.61	66.34
	Provision for Income Tax-OCI Items		
	Less: Advance Tax Paid	(15.00)	(30.23)
	Less: TDS/TCS Receivable	(23.50)	
	<b>TOTAL .....</b>	<b>31.11</b>	<b>36.11</b>

**NOTE NO. 21 REVENUE FROM OPERATIONS**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>A.</b>	<b>SALE OF PRODUCTS</b>		
	Sales Of Manufacturing Goods-Ship Breaking	7,120.50	10,073.54
	Sales Of Trading Goods	4,665.35	2,058.72
	Less: Excise on Sales		-720.59
		<b>11,785.85</b>	<b>11,411.67</b>
	<b>TOTAL .....</b>	<b>11,785.85</b>	<b>11,411.67</b>

**NOTE NO. 22 OTHER INCOME**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>1</b>	<b>INTEREST INCOME</b>		
	From Current Investments/Advances/Others		
	Interest on Fixed Deposits With Banks	96.99	112.64
	Interest on Loans & Advances	144.73	164.61
	Interest From Partnership Firm	42.61	63.54
	Interest On Income Tax Refund	2.99	19.10
		287.32	359.89
<b>2</b>	Share of Profit From Partnership Firm	-	0.73
<b>3</b>	Other Non-Operating Income (Net of Related Expenses)		
	Rent Income	0.60	0.60
	Other Income	2.99	1.31
		3.59	1.91
	<b>TOTAL .....</b>	<b>290.91</b>	<b>362.53</b>

**NOTE NO. 23 COST OF MATERIALS CONSUMED**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>I.</b>	<b>RAW MATERIALS CONSUMED:</b>		
<b>A.</b>	Opening Stock	2,725.77	1,670.14
	Add : Purchases (Net of Tax Credit )	5,022.93	9,374.64
	Add:Freight, Custom Duty, Clearing & Forwarding Charges	1,121.84	406.60
	Less: Foreign Exchange Variation Effects on Purchases	-	-223.94
	Less : Closing Stocks	-2,693.80	-2,725.77
		<b>6,176.74</b>	<b>8,501.67</b>
	<b>TOTAL .....</b>	<b>6,176.74</b>	<b>8,501.67</b>

**NOTE NO. 24 PURCHASE STOCK IN TRADE**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
-	Purchases Stock in Trade	4,640.57	2,027.79
	<b>TOTAL .....</b>	<b>4,640.57</b>	<b>2,027.79</b>

**NOTE NO. 25 EMPLOYEE BENEFIT EXPENSES**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
1	Salaries, Wages & Labour Charges		
	- To Directors-Remuneration	48.00	48.00
	- To Others	69.37	97.94
		117.37	145.94
2	Company Contribution to Provident Fund	10.58	9.37
3	Company Contribution to ESIC	3.24	2.85
4	Bonus & Exgratia	9.20	16.87
5	Staff Welfare Expenses (Net)	-	1.54
	<b>TOTAL .....</b>	<b>140.39</b>	<b>176.57</b>

**NOTE NO. 26 FINANCE COST**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
1	Bank & Other Financial Charges	109.18	18.49
2	Interest		
	On Term Loans		
	On Working Capital Facilities	26.70	4.34
	On Buyer's Credit	-	0.42
	Usance Interest	-	7.40
	On Unsecured Loans	1.72	7.65
	On Vehicle Loans	5.74	4.55
	To Others	0.01	-
		34.17	24.36
	<b>TOTAL .....</b>	<b>143.35</b>	<b>42.85</b>

**NOTE NO. 28 OTHER EXPENSES**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>I.</b>	<b>MANUFACTURING EXPENSES</b>		
1	Stores & Spares Consumed:	13.31	52.30
2	Power, Fuel & Utilities : Diesel, Gases & Carbide	123.48	176.36
3	REPAIRS & MAINTENANCE:	4.89	2.16
4	Plot Rent & Development Charges	11.58	19.00
5	Pollution Control Expenses	2.00	1.89
6	Other Manufacturing Expenses	1.35	-
		<b>156.61</b>	<b>251.72</b>
<b>II.</b>	<b>ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
1	Postage & Telephone/Communications	<b>2.45</b>	<b>4.96</b>
2	Stationery & Printing	<b>1.69</b>	<b>1.49</b>
3	Travelling, Conveyance & Vehical Expenses Travelling & Conveyance Vehicle Expenses (Including Repairs & Fuel)	1.93 6.40	0.24 3.61
		<b>8.33</b>	<b>3.85</b>
4	Legal & Professional Charges	<b>38.88</b>	<b>32.85</b>
5	Rent, Rates & Taxes	<b>434.54</b>	<b>422.49</b>
6	Auditor's Remuneration Statutory Audit Fees Tax Audit Fees For Other Matters	0.60 0.15 -	0.59 0.05 0.06
		<b>0.75</b>	<b>0.70</b>
7	Insurance	<b>3.47</b>	<b>1.95</b>
8	Selling & Distribution Expenses Advertisement Expenses Commission on Sales	0.41 5.99	0.42 12.91
		<b>6.40</b>	<b>13.33</b>
9	Loss On Foreign Exchange Fluctuations	<b>55.27</b>	<b>49.70</b>
10	Loss On Sale of Assets	-	<b>22.66</b>
11	Other Expenses	<b>10.24</b>	<b>4.07</b>
	<b>TOTAL .....</b>	<b>718.63</b>	<b>809.77</b>

**NOTE NO. 29 CONTINGENET LIABILITIES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
I.	Corporate Guarantee in Favour Standard Chartered Bank, Mumabi Branch for Working Capital Loan Availed by M/s. Eternal Automobiles. The Outstanding Balance of Loan As At 31.03.2018 was Rs. 4,96,24,013 and Rs. 4,12,00,000 As At 31.03.2017	480.00	480.00
II.	Corporate Guarantee in Favour Reliance Home Finance Limited for Loan Availed by M/s. VMS TMT Private Limited (Subsidiary Of The Company). The Outstanding Balance of Loan As At 31.03.2018 was Rs. 4,31,31,545 and Rs. 4,78,76,138 As At 31.03.2017. The Guarantee was released on 20.04.2018.	500.00	500.00
III.	Commissioner Of Income Tax (Appeals), Ahmedabad, A.Y. 2010-11	8.99	8.99
IV.	Commissioner Of Income Tax (Appeals), Ahmedabad, A.Y. 2011-12	2.64	2.64
V.	Commissioner Of Income Tax (Appeals)-8, Ahmedabad, A.Y. 2014-15	8.28	-
VI.	Commissioner Of Income Tax (Appeals)-8, Ahmedabad, A.Y. 2015-16	14.24	-
VII.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2009-10	19.28	19.28
VIII.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2010-11	34.72	34.72
	<b>TOTAL .....</b>	<b>1,068.15</b>	<b>1,045.63</b>

**NOTE 30 : OTHER NOTES**
**a) Earnings Per Share (EPS):**

The Basic and Diluted Earnings Per Share (EPS) has been computed on the basis of profit for the year attributable to equity holders divided by the weighted average number of shares outstanding during the year.

PARTICULARS		FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>Net Profit After Tax for the period</b>	(A)	140.66	99.07
Weighted Average Number of Shares	(B)		
Opening Balance of Share Outstanding		164.73	164.73
No. of Days for which Shares Outstanding		365	365
Total No. of Weighted Average Shares		164.73	164.73
Basic and Diluted Earnings per Share	(C) (A/B)	0.85	0.60

**b) Related Party Disclosures:**

The Related Party Disclosures in compliance with Ind AS-24 "Related Party Disclosures"

**A. List of Related Parties**

Sr. No.	Name of the Related Party	Nature of Relationship	Transactions Entered During The Year (Yes/No)
i.	VMS TMT Private Limited	Subsidiary Company	Yes
ii.	Eternal Automobiles	Partnership Firm in which the Company is Partner	Yes
iii.	Mr. Manoj Kumar Jain	Key Management Personnel- Managing Director	Yes
iv.	Mrs. Sangeeta Jain	Whole Time Director	Yes
v.	Mr. Himanshu Surendrabhai Shah	CFO	Yes
vi.	Mr. Hemal Pankajkumar Patel	Company Secretary	Yes
vii.	Mr. Varun Manoj Jain	Son of Managing Director	No
viii.	Mr. Vaibhav Manoj Jain	Son of Managing Director	No

**B. Transaction with Related Parties**
**(Rs. in Lakhs)**

Nature of Transaction	Name of the Party	2017-18	2016-17
Investment in Capital Account of Partnership Firm (Net)	Eternal Automobiles	493.60	122.40
Advances Given	VMS TMT Private Limited	265.00	15.00
Advances Received Back	VMS TMT Private Limited	265.00	15.00
Corporate Guarantee to Banks/Financial Institutions	Eternal Automobiles	480.00	480.00
	VMS TMT Private Limited	500.00	500.00
Rent Income	VMS TMT Private Limited	0.60	0.60
Sales of Goods (Net)	VMS TMT Private Limited	952.86	-
Share of Profit In Partnership Firm	Eternal Automobiles	-	0.73
Interest Received	Eternal Automobiles	42.60	63.54
	VMS TMT Private Limited	0.42	-
Director/Key Managerial Personnel /CFO/ Company Secretary Remuneration	Mr. Manoj Kumar Jain	24.00	24.00
	Mrs. Sangeeta Jain	24.00	24.00
	Mr. Himanshu Surendrabhai Shah	3.25	2.86
	Mr. Hemal Pankajkumar Patel	4.55	4.09
Outstanding Balances as at the year end- Sale of Goods	VMS TMT Private Limited	952.86 (Dr.)	-
Outstanding Balances as at the year end- Investment in Partnership Firm	Eternal Automobiles	1,026.12 (Dr.)	532.52 (Dr.)
Outstanding Balances as at the year end- Investment in Subsidiary Company	VMS TMT Private Limited	507.30 (Dr.)	507.30 (Dr.)

**c) Financial Instruments and Related Disclosures:**

**Financial Risk Management:**

The company activities are exposed various financial risks: credit risk, liquidity risk and foreign exchange fluctuation risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**I. Credit Risk:**

**Trade Receivables:**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss to the Company. The maximum exposure to the credit risk as at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers from sale of goods. Trade receivables generally are impaired after three years when recoverability is considered doubtful based on general trend. The Company considers that trade receivables stated in the financial statements are not impaired and past due for each reporting dates under review are of good credit quality subject to outcome of the litigations where the company has initiated legal proceedings for recovery.

**Other Financial Assets:**

Credit risk relating to cash and cash equivalents is considered negligible since the counterparties are banks which are majorly owned by Government of India and are have oversight of Reserve Bank of India. The Company considers the credit quality of term deposits with banks to be good and the company reviews these banking relationships on an ongoing basis.

The Company considers all other financial assets as at the balance sheet dates to be of good credit quality.

**II. Liquidity Risk:**

The company's principal sources of liquidity are from Short Term Bank Borrowings, Cash and Cash Equivalents and Cash generated from operations.

The Short term liquidity requirements consist mainly of Trade Payables, Expense Payables, Employee Dues, Servicing of Interest on Short Term and Long Term Borrowings and payment of instalments of vehicle loans and other payments arising during the normal course of business.

**III. Foreign Exchange Rate Risk:**

The Company undertakes transactions denominated in foreign currency mainly for purchase of Ships which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks. Hedging is regularly carried out to mitigate the risks of exchange rate fluctuations.

- d)** The company has initiated the process of obtaining confirmations from suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). In absence of the relevant information as to the status of the suppliers, the balance due to Micro, Small and Medium Enterprises and interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be disclosed or provided.
- e)** In the opinion of the Board of Directors, Current Assets & Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the balance sheet. In the opinion of the Board of Directors, claims receivable against property/goods are realizable as per the terms of the agreement and/or other applicable relevant factors and have been stated in the financial statements at the value which is most probably expected to be realized.
- f)** The company has obtained balance confirmation from some of the parties for Sundry Creditors, Sundry Debtors and parties to whom loans/advance have been granted. All other balances of debtors and creditors and loans and advances are subject to confirmation and subsequent reconciliation, if any.
- g)** The previous year's figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

The Paises are rounded up to the nearest of rupee. The figures wherever shown in bracket represent deductions.

SIGNATURES TO NOTES '1' TO '30'

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**

Chartered Accountants

FRN: 109782W

**FIROJ G. BODLA**

Partner

M. NO. : 126770

**For and on behalf of the Board**

**VMS Industries Limited**

**Manoj Kumar Jain**

Director

DIN: 02190018

**Himanshu Shah**

Chief Financial Officer

**Sangeeta Jain**

Director

DIN: 00125273

**Hemal Patel**

Company Secretary

Place : Ahmedabad

Date : 30th May, 2018

Place : Ahmedabad

Date : 30th May, 2018





## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of  
**VMS INDUSTRIES LIMITED**

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS:

We have audited the accompanying Consolidated financial statements of **VMS INDUSTRIES LIMITED** (herein after referred to as "the Holding Company") and its one subsidiary (the Holding Company and its Subsidiary together hereinafter referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Changes In Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

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

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company as aforesaid.

### AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION:

In our opinion and to the best of our information and according to the explanations given to us and based on our report on separate financial statements of subsidiary **except for non provision for gratuity and other long term employee benefits as per Ind-As-19 "Employee Benefits"**, the aforesaid consolidated 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:

- i. In the case of the Consolidated Balance Sheet of the consolidated state of the affairs of the Group as at 31st March 2018;
- ii. In the case of Consolidated Statement of Profit & Loss of Consolidated PROFIT (including Other Comprehensive Income) for the year ended on that date
- iii. In the case of Consolidated Statement of Changes in Equity, of the consolidated changes in Equity for the year ended on that date AND
- iv. In the case of the Consolidated Statement of Cash Flows, of the consolidated cash flows for the year ended on that date.



**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:**

1. 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 Group so far as appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity & the Consolidated Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity & the Consolidated Statement of Cash Flow comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) On the basis of written representations received from the directors of the Group as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of sub-section (2) of section 164 of Act;
  - f) With respect to the adequacy of internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A;
  - g) With respect to the other matters 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 Group had the disclosed pending litigations as at the end of the financial year in Note No. 32 to the Consolidated Financial Statements which may impact its financial position on final disposal of the respective matters.
    - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. As at 31st March, 2018 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR AND ON BEHALF OF  
S. N. SHAH & ASSOCIATES,  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO. 109782W**

**FIROJ G. BODLA  
PARTNER  
M. No. 126770**

**PLACE : AHMEDABAD  
DATED : 30<sup>TH</sup> MAY, 2018**



## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

[REFERRED TO IN PARAGRAPH 1(f) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS SECTION OF OUR REPORT OF EVEN DATE] FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018

### Report on the Internal Financial Controls 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 **VMS INDUSTRIES LIMITED (herein after referred to as "the Holding Company")** and its **Subsidiary Company which is incorporated in India (hereinafter referred to as "Group")**, as of March 31, 2018 in conjunction with our audit of the Ind AS consolidated financial statements of the Group for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The management of the Holding Company and Subsidiary Company respectively is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its Subsidiary 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") 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 judgment, 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 internal financial controls system over financial reporting of the Holding Company and Its Subsidiary Company.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion and to the best of our information and according to the information and explanations given to us and based on the consideration of our report of the Holding Company and its Subsidiary Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were commensurate with the nature of the business of the Group and operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies 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 AND ON BEHALF OF  
S. N. SHAH & ASSOCIATES,  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO. 109782W**

**FIROJ G. BODLA  
PARTNER  
M. No. 126770**

**PLACE : AHMEDABAD  
DATED : 30<sup>TH</sup> MAY, 2018**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Amount ₹ in Lacs)

NO.	PARTICULARS	NO.	31-Mar-18		31-Mar-17	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>A.</b>	<b>ASSETS:</b>					
	<b>I. NON-CURRENT ASSETS</b>					
	1 Property, Plant and Equipment	2	1,171.33		820.65	
	2 Capital Work-in-Progress	3	9.03		384.80	
				<b>1,180.36</b>		<b>1,205.45</b>
	3 FINANCIAL ASSETS					
	(i) Investments	4	1,026.13		532.53	
	(ii) Loans & Advances	5	509.38		509.64	
				1,535.51		1,042.17
	4 OTHER NON-CURRENT ASSETS	6		47.70		63.24
	<b>TOTAL .... [I]</b>			<b>2,763.57</b>		<b>2,310.86</b>
	<b>II. CURRENT ASSETS</b>					
	1 INVENTORIES	7	2,693.80		2,733.60	
	2 FINANCIAL ASSETS					
	(i) Trade Receivables	8	2,623.40		2,026.81	
	(ii) Cash & Cash Equivalents	9	2,163.30		3,156.66	
	(iii) Loans & Advances	10	1,823.14		3,284.81	
			<b>6,609.84</b>		<b>8,468.27</b>	
	3 CURRENT TAX ASSETS [NET]	11	10.74		3.20	
	3 OTHER CURRENT ASSETS	12	73.23		91.44	
	<b>TOTAL .... [II]</b>			<b>9,387.61</b>		<b>11,296.52</b>
	<b>TOTAL ASSETS ....</b>			<b>12,151.18</b>		<b>13,607.38</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES:</b>					
	<b>I. EQUITY</b>					
	1 Equity Share Capital	13	1,647.34		1,647.34	
	2 Other Equity		3,726.16		3,580.90	
	<b>EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b>		<b>5,373.50</b>		<b>5,228.24</b>	
	3 Non Controlling Interest	14	131.19		126.20	
	<b>TOTAL .... [I]</b>					
	<b>II. NON-CURRENT LIABILITIES</b>					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	15	426.33		471.81	
			<b>426.33</b>		<b>471.81</b>	
	2 DEFERRED TAX LIABILITIES [NET]	16	76.19		71.42	
	<b>TOTAL .... [II]</b>			<b>502.52</b>		<b>543.22</b>
	<b>III. CURRENT LIABILITIES</b>					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	17	1,423.43		43.03	
	(ii) Current Maturities of Long Term Borrowings	18	54.94		61.19	
	(iii) Trade Payables	19	4,615.26		7,524.35	
			<b>6,093.62</b>		<b>7,628.58</b>	
	2 OTHER CURRENT LIABILITIES	20	16.28		36.91	
	3 PROVISIONS	21	2.95		8.12	
	4 CURRENT TAX LIABILITIES [NET]	22	31.11		36.11	
	<b>TOTAL .... [III]</b>			<b>6,143.96</b>		<b>7,709.72</b>
	<b>TOTAL EQUITY AND LIABILITIES ....</b>			<b>12,151.18</b>		<b>13,607.38</b>
<b>C.</b>	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1				
<b>D.</b>	<b>CONTINGENT LIABILITIES</b>	32				
<b>E.</b>	<b>NOTES TO THE FINANCIAL STATEMENTS</b>	33				

The accompanying notes 1 to 33 are an integral part of the Financial Statements.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**

Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**

Partner  
M. NO. : 126770

**For and on behalf of the Board**

**VMS Industries Limited**

**Manoj Kumar Jain**

Director  
DIN: 02190018

**Himanshu Shah**

Chief Financial Officer

**Sangeeta Jain**

Director  
DIN: 00125273

**Hemal Patel**

Company Secretary

Place : Ahmedabad

Date : 30th May, 2018

Place : Ahmedabad

Date : 30th May, 2018



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2018

(Amount ₹ in Lacs)

NO.	PARTICULARS	NO.	FOR THE YEAR ENDED 31-Mar-18		FOR THE YEAR ENDED 31-Mar-17	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>I.</b>	<b>INCOME:</b>					
	Revenue From Operations	23	13,475.69		11,473.84	
	Other Income	24	413.58		403.21	
	<b>TOTAL INCOME ... ..</b>			<b>13,889.27</b>		<b>11,877.05</b>
<b>II.</b>	<b>EXPENSES</b>					
	Cost of Raw Materials Consumed	25	6,176.74		8,501.67	
	Purchase of Stock-in-Trade	26	6,249.55		2,027.79	
	Changes in Inventories of Finished Goods & Work-in-Progress	27	7.83		49.64	
	Employee Benefit Expense	28	141.53		177.49	
	Finance Costs	29	262.63		82.37	
	Depreciation and Amortisation Expense	30	60.01		43.27	
	Other Expenses	31	744.20		819.61	
	<b>TOTAL EXPENSES ... ..</b>			<b>13,642.49</b>		<b>11,701.84</b>
<b>III.</b>	<b>PROFIT BEFORE TAX[I-II]</b>			<b>246.78</b>		<b>175.21</b>
<b>IV.</b>	<b>TAX EXPENSES</b>					
	Current Tax		76.60		67.26	
	Tax Of Earlier Years		-		0.20	
	Less: MAT Credit		-0.40		-	
	Deferred Tax		4.78		6.66	
				<b>80.98</b>		<b>74.12</b>
<b>V.</b>	<b>PROFIT(LOSS) AFTER TAX FOR THE YEAR [III-IV]</b>			<b>165.80</b>		<b>101.09</b>
<b>VI.</b>	<b>OTHER COMPREHENSIVE INCOME (OCI)</b>					
	(A) (i) Items that will not be reclassified to Profit or Loss:					
	- Remeasurements of the defined benefit plans		-		-	
	- Effective portion of Gains/(Losses) on designated portion of hedging instruments in a cash flow hedge		-		-	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-		-	
			-		-	
	(B) (i) Items that will be reclassified to Profit or Loss:					
	- Effective portion of Gains/(Losses) on designated portion of hedging instruments in a cash flow hedge		-		-	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-		-	
			-		-	
<b>VII.</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX) [A+B]</b>			<b>-</b>		<b>-</b>
<b>VIII.</b>	<b>TOTAL COMPREHENSIVE INCOME (NET OF TAX) [V+VII]</b>			<b>165.80</b>		<b>101.09</b>
<b>IX.</b>	<b>EARNING PER EQUITY SHARE: (FACE VALUE OF RS. 10 EACH)</b>					
	Basic			1.01		0.61
	Diluted			1.01		0.61

The accompanying notes 1 to 33 are an integral part of the Financial Statements.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**  
Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**  
Partner  
M. NO. : 126770

Place : Ahmedabad  
Date : 30th May, 2018

**For and on behalf of the Board**  
**VMS Industries Limited**

**Manoj Kumar Jain**  
Director  
DIN: 02190018

**Himanshu Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : 30th May, 2018

**Sangeeta Jain**  
Director  
DIN: 00125273

**Hemal Patel**  
Company Secretary



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
EQUITY SHARE CAPITAL AND OTHER EQUITY**

**FOR THE YEAR ENDED 31ST MARCH, 2018**

SR. NO.	PARTICULARS	RESERVES & SURPLUS				OCI	TOTAL OTHER EQUITY
		EQUITY SHARE CAPITAL	SECURITIES PREMIUM RESERVE	GENERAL RESERVE	RETAINED EARNINGS	RESERVE FOR EQUITY INSTRUMENTS THROUGH OCI	
I.	Balance As At 1st April, 2017	1647.34	2537.05	46.29	997.96	0.00	3581.30
II.	<b>ADDITIONS</b>						
	Profit For The Year				165.80		165.80
	Other Comprehensive Income For The Year					0.00	0.00
III.	<b>Total Comprehensive Income For The Year [I+II]</b>	<b>1647.34</b>	<b>2537.05</b>	<b>46.29</b>	<b>1163.76</b>	<b>0.00</b>	<b>3747.10</b>
IV.	<b>DEDUCTIONS</b>						
	Loss Transferred From Other Unit						
	1/10th of Public Issue Expenses Written Off		(15.54)				(15.54)
	Deduction/Adjustments to Total Comprehensive Income For the Year	-			(5.40)		(5.40)
	Deduction/Adjustments to Total Comprehensive Income For the Year	0.00	(15.54)	0.00	(5.40)	0.00	(20.93)
V.	<b>Balance As At 31st March, 2018 [III-IV]</b>	<b>1647.34</b>	<b>2521.51</b>	<b>46.29</b>	<b>1158.36</b>	<b>0.00</b>	<b>3726.16</b>

**FOR THE YEAR ENDED 31ST MARCH, 2017**

SR. NO.	PARTICULARS	RESERVES & SURPLUS				OCI	TOTAL OTHER EQUITY
		EQUITY SHARE CAPITAL	SECURITIES PREMIUM RESERVE	GENERAL RESERVE	RETAINED EARNINGS	RESERVE FOR EQUITY INSTRUMENTS THROUGH OCI	
I.	Balance As At 1st April, 2017	1,647.34	2,552.59	46.29	980.08		3,578.96
II.	<b>ADDITIONS</b>						
	Profit For The Year				101.09		101.09
	Other Comprehensive Income For The Year					-	-
III.	<b>Total Comprehensive Income For The Year [I+II]</b>	<b>1,647.34</b>	<b>2,552.59</b>	<b>46.29</b>	<b>1,081.17</b>	<b>-</b>	<b>3,680.05</b>
IV.	<b>DEDUCTIONS</b>						
	1/10th of Public Issue Expenses Written Off		(15.54)				(15.54)
	Other Appropriations				(83.21)		(83.21)
	Share Of Profit Of Non-Controlling Interests				-0.40		(0.40)
	Deduction/Adjustments to Total Comprehensive Income For the Year	-	(15.54)	-	(83.61)	-	(83.61)
V.	<b>Balance As At 31st March, 2018 [III-IV]</b>	<b>1,647.34</b>	<b>2,537.05</b>	<b>46.29</b>	<b>997.56</b>	<b>-</b>	<b>3,580.90</b>

The accompanying notes 1 to 33 are an integral part of the Financial Statements.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**  
Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**  
Partner  
M. NO. : 126770

Place : Ahmedabad  
Date : 30th May, 2018

**For and on behalf of the Board  
VMS Industries Limited**

**Manoj Kumar Jain**  
Director  
DIN: 02190018

**Himanshu Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : 30th May, 2018

**Sangeeta Jain**  
Director  
DIN: 00125273

**Hemal Patel**  
Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	FOR THE YEAR ENDED 31-Mar-18		FOR THE YEAR ENDED 31-Mar-17	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>I. PROFIT BEFORE TAX</b>		<b>246.78</b>		<b>175.21</b>
ADJUSTMENTS FOR:				
Depreciation and Amortization Expense	60.01		43.27	
Finance Cost	262.63		82.37	
Interest Income	(410.59)		(401.17)	
Preliminary Expenses Written Off	13.36			
Share of Profit From Partnership Firm	0.00		(0.72)	
		<b>(74.59)</b>		<b>(276.25)</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>172.19</b>		<b>(101.04)</b>
<b>ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:</b>				
Inventories	39.80		(1,005.99)	
Trade Receivables	(596.60)		(304.99)	
Non-Current Loans & Advances	0.26		1,050.97	
Other Current Assets, Current Loans & Advances	1,469.73		(1,740.52)	
Trade Payables	(2,909.09)		4,860.34	
Other Non Current Liabilities	0.00		(6.11)	
Other Current Liabilities	(26.88)		43.46	
Current Provisions	(41.28)		3.99	
		<b>(2,064.06)</b>		<b>2,901.15</b>
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(1,891.87)</b>		<b>2,800.11</b>
Income Tax Paid		(55.83)		(34.36)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(1,947.70)</b>		<b>2,765.75</b>
<b>II. CASHFLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment	(34.92)		(53.48)	
Sale of Property, Plant and Equipment			29.13	
Purchase of Non-Current/Current Investments	(493.60)		(122.39)	
Interest Received	410.59		401.17	
Share of Profit From Partnership Firm	0.00		0.73	
<b>NET CASH FROM/(USED) IN INVESTING ACTIVITIES</b>		<b>(117.93)</b>		<b>255.16</b>
<b>III. CASHFLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayment) Of Non-Current Borrowings [Net]	(45.48)		448.42	
Proceeds/(Repayment) Of Current Borrowings	1,380.38		(1,016.47)	
Finance Cost	(262.63)		(82.37)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1072.27</b>		<b>(650.42)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [I+II+III]</b>		<b>(993.36)</b>		<b>2370.49</b>
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		3156.66		786.19
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		2163.30		3156.66
[REFER TO NOTE NO. 1(q)]				

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".
- 2 Direct Taxes Paid are treated as arising from Operating Activities without their bifurcation into Investing and Financing Activities.
- 3 Figures of the previous year have been regrouped wherever necessary to make them comparable with the figures of the current period.

The accompanying notes 1 to 33 are an integral part of the Financial Statements.

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**  
Chartered Accountants  
FRN: 109782W

**FIROJ G. BODLA**  
Partner  
M. NO. : 126770

**For and on behalf of the Board**  
**VMS Industries Limited**

**Manoj Kumar Jain**  
Director  
DIN: 02190018

**Himanshu Shah**  
Chief Financial Officer

**Sangeeta Jain**  
Director  
DIN: 00125273

**Hemal Patel**  
Company Secretary

Place : Ahmedabad  
Date : 30th May, 2018

Place : Ahmedabad  
Date : 30th May, 2018





## CORPORATE INFORMATION:

VMS Industries Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the company are listed in the Bombay Stock Exchange Limited ('BSE').

The Holding Company and its Subsidiary Company (hereinafter referred to as "Group") were engaged in the business of ship breaking as well as trading in Ferrous and Non-Ferrous metals. Moreover, as and when any surplus funds were available, the same had been given on interest to various parties.

The Holding Company has also investment of 10.00% share in partnership firm M/s. Eternal Automobiles, which is engaged in the business of Automobiles dealership of sales, service and sale of spares of Honda two wheelers.

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES:

### I BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### a) Accounting Conventions :

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and with Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and comply in all material aspects with the relevant provisions of the Companies Act, 2013 to the extent applicable to it.

For the period upto 31<sup>st</sup> March, 2017, the Consolidated Financial Statements of the Group were prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles in India.

The Consolidated Financial Statements have been prepared on a historical cost basis except the following assets and liabilities which have been measured at fair values:

- Certain Financial Assets and Liabilities that are measured at Fair Value

#### b) Use of Estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that are believed to be reasonable under the circumstances and such estimates and assumptions may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses during the reporting period. Although the consolidated financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

#### c) 1. Property, Plant and Equipment (PPE):

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

The Freehold land is carried/stated at historical cost/cost of acquisition. The other items of Property, Plant and Equipment are stated at cost of acquisition/construction (less Accumulated Depreciation and Impairment, if any). The cost of Property, Plant and Equipment comprises of their purchase price including freight, duties, taxes or levies, directly attributable cost of bringing the assets to their working conditions for their intended use and applicable borrowing cost for qualifying assets. The Company capitalises its Property, Plant and Equipment at a value net of CENVAT/GST/VAT received/receivable during the year in respect of eligible item of Property, Plant and Equipment. Subsequent expenditures on Property, Plant and Equipment have been capitalised only if such expenditures increase the future benefits from the existing items beyond their previously assessed standard of performance and cost of such items can be measured reliably.

The items of capital work- in-progress are carried at cost comprising of cost directly attributable to the acquisition net of CENVAT/GST/VAT received/receivable in respect of respective times and related incidental expenses.

For the purpose of measurement of cost as at 1<sup>st</sup> April, 2016, the cost represents the carrying value of Property, Plant and Equipment recognized as at 1<sup>st</sup> April, 2016 measured as per the previous GAAP.

The items of Property, Plant and Equipment that are under construction/erection or not fully acquired and therefore not available for productive use are shown as "Capital Work in Progress" under assets and will be transferred to respective item of Property, Plant and Equipment on completion of the construction/erection/acquisition activities.

#### 2. Depreciation & Amortization:

The Depreciation on tangible items of Property, Plant and Equipment is provided on straight line method for the period of acquisition/construction i.e. from the period from which such assets were available for their intended use on pro-rata basis on the basis of useful life of each of the fixed assets as per Schedule II of the Companies Act, 2013 and in the manner specified in Schedule II of the Companies Act, 2013.



**d) Inventories**

The Inventories of Raw Materials-uncut ships have been valued at cost. The Trading Goods have been valued at cost or net realisable value whichever is lower. The cost of Raw Materials and Trading Goods comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition.

Consumable Stores and Spares are considered too have been consumed at the time of purchases.

In ship recycling industry, the weight of ship purchased is accounted in terms of LDT/MT of the ship at the time of its construction. Ascertaining weight of ship at the time of purchase is not possible due to its nature and size. There is loss of weight of ship on account of corrosion and other factors during the usage of ship during its operating years and its voyage for long period. The inventory at the balance sheet date is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.

**e) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable from the customers/parties net of returns, rebates, value added taxes and discount to the customers and amounts collected on behalf of third parties. The Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

**Sale of Goods:**

The revenue from the sale of goods is recognized when the company had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched.

**Interest Income:**

Income from investments and deposits, where appropriate, is taken into revenue in full on declaration or accrual on time basis and tax deducted at source thereon is treated as advance tax. The interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the company and the amount interest income can be measured reliably.

**f) Foreign Currency Transactions**

The Group's financial statements have been prepared and presented in Indian Rupees (₹) which is also its functional currency.

The transactions in foreign currency initially have been recorded using the rate of exchange prevailing on the date of transactions. The differences arising on the settlement/restatement of the foreign currency denominated Financial Assets/Liabilities into Indian rupees have been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

The monetary items denominated in foreign currencies outstanding as at the end of the reporting period, are translated at the exchange rates prevailing as at the end of the reporting period.

**g) Employee Benefits:**

**1. Short Term Obligations:**

Short term employee benefits of like wages, salaries and other monetary and non-monetary benefits are recognized in the period during which services are rendered by the employees and are recognized at the value at amounts at which liabilities have been settled or are expected to be settled.

**2. Post-Employment and Other Long Term Employee Benefits:**

**2.1 Contribution to Provident Fund:**

The Company's contribution to the Provident Fund is remitted as per the provisions relating to the Employee Provident Fund Scheme and such contribution is charged to the Statement of Profit & Loss of the period to which contribution relates.

**2.2 Gratuity:**

The management of the Group is of the view that none of the employees were eligible in respect of the of which the Groups was required to make contribution as per the provisions relating to the Payment of Gratuity and accordingly provision for gratuity was not required to be made. However, if the Group is required to make payment of gratuity on happening any event/incident due to which the provisions relating to payment of gratuity becomes applicable to the company, the same will be accounted as and when incurred.

**h) Borrowing Costs**

The borrowing costs incurred during the year have been debited to the Statement of Profit and Loss of the current year.

**i) Operating Segment**

The Group identifies operating segments on the basis of dominant source, nature of risks and returns and the internal organization. The The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director/Chief Executive Officer who is Holding and Subsidiary Company's chief operating maker in deciding how to allocate resources and in assessing performance.

The dominant source of income of the Group is from Ship Breaking Activities and Trading of Scrap of Iron and Steel which in the opinion of the management based on their regular internal evaluation do not materially differ in respect of risk perception and the return realized/to be realized. Even the geographical/regulatory environment in which the Group operates does not materially differ considering the political and economic environment, the type of customers, assets employed and the risk and return associated in respect of each of the geographical area. So, the disclosure requirements pursuant to Ind AS-108-“Operating Segments” are not applicable.

**j) Taxes On Income:**

**1. Current Tax:**

The provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The current tax liabilities and assets are measured at the amounts expected to be paid or to be recovered from the taxation authorities as at the balance sheet date.

The current tax liabilities and assets are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The current income tax relating to items recognized outside profit or loss is recognized either in the Other Comprehensive Income or in Other Equity Directly.

**2. Deferred Tax:**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities as per the provisions of the Income Tax Act, 1961 and their carrying amounts for financial reporting purposes as at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary timing differences. Deferred tax assets are recognized for all deductible taxable temporary timing differences, the carry forward of unused tax losses and unused tax credits to the extent to which future taxable profits are expected to be available against which the deductible temporary differences and the carry forward of unused tax losses and unused tax credits can be utilized/set-off.

**k) Impairment of Non-Financial Assets:**

The Group Companies assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group Companies estimate the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

**l) Provisions, Contingent Liabilities and Contingent Assets**

The Group recognises a provision when it has a present obligation as a result of a past event that probably requires an outflow of the respective Company’s resources embodying economic benefits at the time of settlement and a reliable estimate can be made of the amount of the obligation. The provisions are measured at the best estimate of the amounts required to settle the present obligation as at the balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more future uncertain events not wholly or substantially within the control of the Group Companies or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

When demand notices are issued by the Government Authorities and demand is disputed by the Group Companies and it is probable that the Group Companies will not be required to settle/pay such demands then these are classified as disputed obligations.

Contingent Assets, if any, are not recognised in the financial statements. If it becomes certain that inflow of economic benefit will arise then such asset and the relative income are recognised in consolidated financial statements.

**m) Share Issue Expenses:**

The share issue expenses are amortized on proportionate basis and are adjusted against the Securities Premium as per permissible as per the provision of Section 52 of the Companies Act, 2013 to the extent of balance in the Securities Premium.

**n) Current/Non-Current Classifications:**

The Group presents assets and liabilities in the consolidated balance sheet on the basis of their classifications into current and non-current.

**Assets:**

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**All other assets are classified as non-current.**

**Liabilities:**

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period
- No unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**o) Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments**

The financial assets and financial liabilities are recognised when the respective Company in the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

**A. Financial Assets:**

**Initial Recognition:**

Financial Assets include Investments, Trade Receivables, Security Deposits, Cash and Cash Equivalents and eligible current and non-current assets. The financial assets are initially recognized at the transaction price when the respective Company in the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being value at fair value through the Statement Of Profit and Loss.

**Subsequent Measurement:**

The subsequent measurement of financial assets depends upon the initial classification of financial assets. For the purpose of subsequent measurement, financial assets are classified as under:

- Financial Assets At Amortized Cost where the financial assets are held solely for collection of cash flows and contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for realization of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Security Deposits, Cash and Cash Equivalents, Investments in Equity where reliable data for fair value is not available and eligible current and non-current assets are classified for measurement at amortized cost.

**Impairment:**

If the recoverable amount of an asset (or cash-generating unit/Fixed Assets) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a re-valued amount if any, in which case the impairment loss is treated as a revaluation decrease.

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The Group recognises impairment loss on trade receivables using expected credit loss model.

**B. Financial Liabilities:**

Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities. The borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry of the terms.

**p) Fair Value Measurement:**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**q) Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:**

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and in hand and short-term deposits, which are subject to an insignificant risk of changes in value.

**r) Operating Cycle:**

Based on the activities of the Group and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the Group has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

**s) First Time of Adoption of Ind-AS:**

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

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies applying the exemptions, classifications, recognition, de-recognition, measurement criterion as prescribed in Ind-AS.

The Group has adopted the carrying value determined in accordance with GAAP as applicable on the date of transition for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.

The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with existing GAAP before transition to Ind-AS.

**NOTE NO. 2 PROPERTY, PLANT & EQUIPMENTS**

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 1ST APRIL, 2017	ADDITIONS	ADJUSTMENTS/ SALE DURING THE YEAR	REVALUATIONS RECOGNIZED IN OCI	AS AT 31ST MARCH, 2018	AS AT 1ST APRIL, 2017	ADDITIONS	ADJUSTMENTS/ SALE DURING THE YEAR	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017
Freehold Land	163.11	-	-	-	163.11	-	-	-	163.11	163.11
Building	2.08	396.74	-	-	398.82	0.55	12.47	-	385.80	1.53
Corporate Office	42.01	-	-	-	42.01	7.22	0.66	-	34.13	34.79
Plant & Machinery	0.71	0.25	-	-	0.97	0.35	0.08	-	0.54	0.36
Electrification	-	0.67	-	-	0.67	-	0.04	-	0.63	-
Borewell	3.57	-	-	-	3.57	-	0.68	-	2.89	3.57
Furniture & Fixtures	41.39	0.30	-	-	41.68	25.41	3.96	-	12.32	15.98
Air Conditioner	1.50	0.36	-	-	1.86	0.08	0.30	-	1.48	1.42
Weigh Bridge	12.79	-	-	-	12.79	2.99	0.99	-	8.81	9.80
Winch	190.90	-	-	-	190.90	36.94	5.90	-	148.06	153.96
Wire Rope	23.58	-	-	-	23.58	7.15	1.85	-	14.58	16.43
Crane	289.90	-	-	-	289.90	65.10	10.17	-	214.63	224.80
Oxygen Cylinders	137.94	-	-	-	137.94	61.06	3.70	-	73.18	76.88
DG Sets	1.67	-	-	-	1.67	0.49	0.11	-	1.06	1.17
Office Equipments	2.87	-	-	-	2.87	1.06	0.20	-	1.61	1.82
EPBX	0.58	-	-	-	0.58	0.07	0.11	-	0.40	0.51
Vehicles	163.75	11.90	-	-	175.65	50.73	18.12	-	106.80	113.02
Computers	4.77	0.29	-	-	5.05	3.27	0.66	-	1.12	1.49
Printers	0.24	0.19	-	-	0.42	0.22	0.02	-	0.18	0.01
<b>TOTAL ... ..</b>	<b>1,083.35</b>	<b>410.69</b>	<b>-</b>	<b>-</b>	<b>1,494.05</b>	<b>262.70</b>	<b>60.01</b>	<b>-</b>	<b>322.71</b>	<b>820.65</b>
PREVIOUS YEAR	1,097.20	44.45	-58.31	-	1,083.35	248.61	43.27	-29.16	820.65	848.59

**NOTE NO. 3 CAPITAL WORK IN PROGRESS**

SR. NO.	DESCRIPTION OF ASSETS	AS AT 1ST APRIL, 2017	ADDITIONS	ADJUSTMENTS DURING THE YEAR	REVALUATIONS RECOGNIZED IN OCI	AS AT 31ST MARCH, 2018
1	Green Plot	9.03	-	-	-	9.03
2	Factory Building	205.23	-	(205.23)	-	-
3	Plant & Machineries	0.25	-	(0.25)	-	-
4	Electrification	0.67	-	(0.67)	-	-
5	Furniture & Fixtures	0.29	-	(0.29)	-	-
6	Pre- Operative Expenses	169.31	-	(169.31)	-	-
	<b>TOTAL ... ..</b>	<b>384.78</b>	<b>-</b>	<b>(384.78)</b>	<b>-</b>	<b>9.03</b>
	PREVIOUS YEAR	375.76	9.03	-	-	384.80

**NOTE NO. 4 NON-CURRENT FINANCIAL ASSETS: INVESTMENTS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>A.</b>	<b>INVESTMENTS IN PARTNERSHIP-AT COST</b>		
	Enternal Automobiles [Profit Sharing Ratio 10.00%]	1,026.13	532.53
	Details of Other Partners In The Firm:		
	Manoj Kumar Jain-Profit Sharing Ratio 15.00%		
	Smt. Sangeet Jain-Profit Sharing Ratio 15.00%		
	Other Individuals-Profit Sharing Ratio 60.00%		
	<b>TOTAL ..... ..</b>	<b>1,026.13</b>	<b>532.53</b>

**NOTE NO. 5 NON-CURRENT FINANCIAL ASSETS: LOANS & ADVANCES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	<b>Unsecured but Considered Good</b>		
<b>I.</b>	<b>DEPOSITS</b>		
	SHIP RCECYCLING INDUSTRIES ASS.(DEPOSIT)	4.00	4.00
	TELEPHONE DEPOSIT	0.01	0.01
	SECURITY DEPOSITE (GMB PLOT RENEWAL)	5.00	5.00
	PGVCL DEPOSIT	0.10	0.10
	CST REGISTRATION DEPOSIT	0.10	0.10
	VAT REGISTRATION DEPOSIT	0.10	0.10
	Electricity Deposit with UGVCL	0.07	0.07
		<b>9.38</b>	<b>9.38</b>
<b>II.</b>	<b>LOANS &amp; ADVANCES</b>		
	Loans and Advances to Others	500.00	500.26
	<b>TOTAL ..... ..</b>	<b>509.38</b>	<b>509.64</b>

**NOTE NO. 6 OTHER NON-CURRENT ASSETS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	Share Issue Expenses	47.70	63.24
	<b>TOTAL ..... ..</b>	<b>47.70</b>	<b>63.24</b>

**NOTE NO. 7 INVENTORIES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I</b>	<b>-Inventories taken as Physically Verified, Valued and Certified by the management of the company</b>		
1	Raw Materials-Uncut Ship	2,693.80	2,725.77
2	Stock in Trade	-	7.83
	<b>TOTAL .....</b>	<b>2,693.80</b>	<b>2,733.60</b>

**NOTE NO. 8 CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>1</b>	<b>Unsecured But Considered Good</b>		
-	Outstanding for a period Exceeding Six Months (From the date from which they became due for payment)	-	-
-	Others	2,623.40	2,026.81
		2,623.40	2,026.81
-	Due by Companies in which Directors are Director/Interested	-	1,507.25
-	Due by Others	2,623.40	0.01
		<b>2,623.40</b>	<b>1,507.25</b>
	<b>TOTAL .....</b>	<b>2,623.40</b>	<b>2,026.81</b>

**NOTE NO. 9 CURRENT FINANCIAL ASSETS: CASH & BANK BALANCES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I</b>	<b>Balance with Banks</b>		
	In Current Accounts	858.46	300.79
	Fixed Deposits	1,267.06	2,850.00
		2,125.52	3,150.79
<b>II</b>	<b>Cash on Hand</b>	37.78	5.87
	<b>TOTAL .....</b>	<b>2,163.30</b>	<b>3,156.66</b>

**NOTE NO. 10 CURRENT FINANCIAL ASSETS: LOANS & ADVANCES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I.</b>	<b>Unsecured but Considered Good</b>		
	Loans and Advances to Related Parties	1,734.45	1,635.24
	Loans and Advances to Others	1.66	1,519.99
	Balance With Government Authorities		
	Self Assessment/Advance Tax/TDS Receivable	66.84	107.95
		1,802.95	3,263.18
<b>II.</b>	<b>Interest Accrued On Bank FDR</b>	20.19	21.63
	<b>TOTAL .....</b>	<b>1,823.14</b>	<b>3,284.81</b>

**NOTE NO. 11 CURRENT TAX ASSETS [NET]**

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-18		AS AT 31-Mar-17	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
I.	<b>CURRENT TAX ASSETS</b>				
	TDS Receivable For The A.Y. 2018-19		12.33		-
	Advance Tax For The A.Y. 2018-19		5.00		-
	TDS Receivable For The A.Y. 2017-18		-		4.13
			<b>17.33</b>		<b>4.13</b>
	Less: Provision For Income Tax [Current]		-6.99		-0.92
	Add: MAT Credit A.Y. 2018-19		0.40		-
			<b>-6.59</b>		<b>-0.92</b>
	<b>TOTAL .....</b>		<b>10.74</b>		<b>3.20</b>

**NOTE NO. 12 OTHER CURRENT ASSETS**

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-18		AS AT 31-Mar-17	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
1	Advances for Capital Expenses		5.00		5.00
2	Advances to Suppliers for Goods		42.70		42.70
3	Advances for Expenses & Other Debit Balances		18.23		11.28
4	Balance With Government Authorities				
	Income tax Refund Receivable		3.21		-
	Central Excise, Service Tax & CENVAT Receivables		-		0.90
	VAT Credit Receivable		-		0.30
	GST Credit Receivable		0.51		-
			<b>3.72</b>		<b>1.21</b>
6	Prepaid Expenses		3.58		17.90
7	Preliminary Expenses (Not Written Off)		-		13.36
	<b>TOTAL .....</b>		<b>73.23</b>		<b>91.44</b>

**NOTE NO. 13 EQUITY SHARE CAPITAL**

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-18		AS AT 31-Mar-17	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
I	<b>EQUITY SHARES</b>				
	<b>AUTHORISED</b>				
	Equity Shares of Rs. 10/= Each At Par Issued, Subscribed and Paid Up Capital	20,000,000	2,000.00	20,000,000	2,000.00
	Equity Shares of Rs. 10/= Each At Par Fully Paid Up	16,473,391	1,647.34	16,473,391	1,647.34
	<b>TOTAL .....</b>	<b>16,473,391</b>	<b>1,647.34</b>	<b>16,473,391</b>	<b>1,647.34</b>

**II Reconciliation of Number Shares Outstanding**

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-18		AS AT 31-Mar-17	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
	Outstanding As At The Beginning Of The Year	16,473,391	164,733,910	16,473,391	164,733,910
	Add: Issue of Shares (Face Value )	-	-	-	-
	<b>Outstanding As At The End Of The Year</b>	<b>16,473,391</b>	<b>164,733,910</b>	<b>16,473,391</b>	<b>164,733,910</b>



### III Details of Shareholder Holding 5% or More Shares in the Company

PARTICULARS	AS AT 31-Mar-18		AS AT 31-Mar-17	
	No. of Shares	% of Total Holding	No. of Shares	% of Total Holding
Manoj Kumar Jain	6,168,100	37.44%	6,168,100	37.44%
Sangeeta Jain	2,292,264	13.91%	2,292,264	13.91%
Mono Herbicides Limited	1,499,684	9.10%	1,499,684	9.10%
B Lodha Securities Limited	1,342,896	8.15%	1,342,896	8.15%

### NOTE NO. 14 NON CONTROLLING INTEREST

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
I	Non-Controlling Interests Share-%	19.87%	19.87%
II	<b>MOVEMENT OF NON CONTROLLING INTERESTS</b>		
	Opening Non-Controlling Interests	126.20	125.80
	Add/(Less):		
	Profit For The Year	4.99	0.40
	Other Adjustments		0.00
	Other Comprehensive Income For The Year		
	<b>TOTAL .....</b>	<b>131.19</b>	<b>126.20</b>

### NOTE NO. 15 NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
I.	<b>SECURED</b>		
1	<b>BUSINESS LOAN</b>		
	From Reliance Home Finance Limited-A/c. No. 40695	338.74	388.18
	From Reliance Home Finance Limited-A/c. No. 40696	37.64	43.13
2	<b>VEHICLE LOANS</b>		
	ICICI Car Loan-VOLVO	6.48	6.48
	ICICI Car Loan-INNOVA	8.95	8.62
	BOB Car Loan-BALENO DELTA	4.84	4.15
	BOB Car Loan-SWIFT VDI MARUTI	4.99	4.95
	BOB Car Loan-CRETA	12.94	12.85
	BOB Car Loan-CELERIO	3.47	3.45
	BOB Car Loan-CIAZ	8.28	-
	<b>TOTAL .....</b>	<b>426.33</b>	<b>471.81</b>

### DETAILS OF SECURITIES & TERMS OF REPAYMENT

#### 1 RELIANCE HOME FINANCE LIMITED

##### NATURE OF SECURITY

Register Mortgage on Industrial Property Situated at New Block No. 236 and 214 (Old Survey No. 237 and 206) Mouje : Bhayla, Taluka: Bavla, District: Ahmedabad

##### TERMS OF REPAYMENT

To be Repaid by 84 Equated Monthly Installments of Rs. 9,57,838. EMI amount is subject to revision from time to time based on upon RHFL PLR (Presently 18.00%). The Repayment to Commence from 15.10.2016

#### 2 ICICI Bank Limited-Volvo Car Loan secured by Hypothecation Charge on Volvo Car.

The Loan is repayable in 60 Equal Monthly Instalments of Rs. 52,865/- including interest and last instalment due in April, 2019

#### 3 ICICI Bank Limited-Innova Car Loan secured by Hypothecation Charge on Innova Car.

The Loan is repayable in 60 Equal Monthly Instalments of Rs. 32,800/- including interest and last instalment due in October, 2020

- 4 Bank of Baroda-Baleno Delta Car Loan secured by Hypothecation Charge on Baleno Delta.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 18,656/- including interest and last instalment due in July, 2021
- 5 Bank of Baroda-Maruti Swift VDI Car Loan secured by Hypothecation Charge on Maruti Swift VDI.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 14,605/- including interest and last instalment due in July, 2021
- 6 Bank of Baroda-Creta Car Loan secured by Hypothecation Charge on Creta.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 24,593/- including interest and last instalment due in October, 2023
- 7 Bank of Baroda-Celerio Car Loan secured by Hypothecation Charge on Celerio.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 12,586/- including interest and last instalment due in October, 2020
- 8 Bank of Baroda-Ciaz Car Loan secured by Hypothecation Charge on Ciaz.  
The Loan is repayable in 60 Equal Monthly Instalments of Rs. 19,859/- including interest and last instalment due in June, 2022.

**NOTE NO. 16 DEFERRED TAX LIABILITIES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	OPENING BALANCE	71.42	64.75
	DEFERRED TAX LIABILITIES/(ASSETS) RELATING TO		
	Property, Plant and Equipments, Intangible Assets & Investment Properties	8.88	6.67
	Expenditure Allowed on Payment Basis	-	-
	Expenditure Allowed U/s. 35D	-3.70	
	MAT Credit Entitlement	-0.41	-
		4.78	6.67
	<b>TOTAL .....</b>	<b>76.19</b>	<b>71.42</b>

**NOTE NO. 17 CURRENT FINANCIAL LIABILITIES: SHORT TERM BORROWINGS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I.</b>	<b>SECURED</b>		
	Loans repayable on Demand		
	Working Capital		
	From Banks		
<b>A</b>	<b>CASH CREDIT</b>		
	Bank of Baroda	174.88	43.03
<b>B</b>	<b>LC</b>		
	BOB Inland LC	1,248.55	-
	<b>TOTAL .....</b>	<b>1,423.43</b>	<b>43.03</b>

**I NATURE OF SECURITY:**

**A Primary Security**

Working Capital secured by way of Exclusive First charge by way of Hypothecation of entire Raw Materials, Stock-in-Process, Stores and Spares, Packing Materials, Finished Goods and Book-Debts of the Company both present and future.

**B Collateral Security**

- 1 Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Lower Ground Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 141 Sq. Mtr. in the name of M/s. Eternal Automobiles.
- 2 Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Upper Ground Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1096.55 Sq. Mtr. in the name of M/s. Eternal Automobiles.
- 3 Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, First Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1548 Sq. Mtr. in the name of M/s. Eternal Automobiles.
- 4 Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Second Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1342 Sq. Mtr. in the name of Smt. Sangeeta Jain.

- 5 Equitable Mortgage of Commercial Property situated at Plot No. B-3A, City Survey No. 5684, CS Ward No. 7, Street No. 202, Third Floor, Jain House, Central Point Complex, Opp. Vithalwadi GIDC, Near White Rose Hotel, Bhavnagar Rajkot Road, Bhavnagar admeasuring 1342 Sq. Mtr. in the name of Manoj Kumar Jain.
- 6 Equitable Mortgage of Commercial Property situated at Survey No. 241p, City Survey No. 3027p, Ward-7, Office No. A/104 at Lilla Efcee, Waghawadi Road, Nr, Aksharwadi, Bhavnagar admeasuring 404.50 Sq. Ft. in the name of Manoj Kumar Jain.
- 7 Equitable Mortgage of Commercial Property situated at Survey No. 241p, City Survey No. 3027p, Ward-7, Office No. A/105 at Lilla Efcee, Waghawadi Road, Nr, Aksharwadi, Bhavnagar admeasuring 404.50 Sq. Ft. in the name of Manoj Kumar Jain.
- 8 Equitable Mortgage of Commercial Property situated at 808-C, Pinnacle Business Park, Prahladnagar Corporate Road, Prahladnagar, Ahmedabad admeasuring 1556 Sq. Ft. in the name of M/s. VMS Industries Limited.
- 9 Equitable Mortgage of Bunglow No. 29, Green Park Bunglows, Green Park Vikas Mandal, Gokuldham, Near Shanti Circle, Sanathal, Tal. Sanand, Dist.: Ahmedabad in the name of Indubala Mukeshchand Jain.

## II GUARANTEE:

Outstanding balances of working capital secured by personal guarantees of the following:

- 1 Manoj Kumar Jain-Director
- 2 Smt. Sangeeta Jain-Director
- 3 Smt. Indubala Mukesh Jain

## III REPAYMENT TERMS:

Working capital loans repayable on demand.

### NOTE NO. 18 CURRENT FINANCIAL LIABILITIES: CURRENT MATURITIES OF LONG TERM DEBTS

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	<b>SECURED</b>		
<b>A.</b>	<b>BUSINESS LOANS</b>		
	From Reliance Home Finance Limited-A/c. No. 40695	49.45	42.70
	From Reliance Home Finance Limited-A/c. No. 40696	5.49	4.75
		<b>54.94</b>	<b>47.45</b>
<b>B.</b>	<b>VEHICLE LOANS</b>		
	ICICI Car Loan-VOLVO	-	<b>5.39</b>
	ICICI Car Loan-INNOVA	-	<b>2.90</b>
	BOB Car Loan-BALENO DELTA	-	1.51
	BOB Car Loan-SWIFT VDI MARUTI	-	1.18
	BOB Car Loan-CRETA	-	1.64
	BOB Car Loan-CELERIO	-	1.12
	BOB Car Loan-CIAZ	-	-
		-	13.74
	<b>TOTAL .....</b>	<b>54.94</b>	<b>61.19</b>

### NOTE NO. 19 CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
<b>I</b>	<b>Sundry Creditors for Goods</b>		
	- Others	4,595.01	7,503.48
<b>II</b>	<b>Sundry Creditors for Other Expenses</b>		
	- Others	20.25	20.87
	<b>TOTAL .....</b>	<b>4,615.26</b>	<b>7,524.35</b>

**NOTE NO. 20 OTHER CURRENT LIABILITIES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
I	Advances from Customers/Sundry Credit Balances	-	0.92
II	Other Payables	1.92	13.30
III	<b>Other Payables-Statutory Liabilities</b>		
	Provident Fund	1.55	1.28
	Employee State Insurance Fund	0.50	0.39
	Professional Tax	0.22	0.40
	T.D.S./T.C.S. Payable	6.71	3.78
	GST Payable	5.38	-
	CST & VAT Payable	-	16.83
		14.36	22.68
	<b>TOTAL .....</b>	<b>16.28</b>	<b>36.91</b>

**NOTE NO. 21 CURRENT: PROVISIONS**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	Provision For Expenses	2.95	8.12
	<b>TOTAL .....</b>	<b>2.95</b>	<b>8.12</b>

**NOTE NO. 22 CURRENT TAX LIABILITIES [NET]**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
	<b>Current Income Tax Liabilities</b>		
	Provision for Current Year	69.61	66.34
	Provision for Income Tax-OCI Items		
	Less: Advance Tax Paid	(15.00)	(30.23)
	Less: TDS/TCS Receivable	(23.50)	
	<b>TOTAL .....</b>	<b>31.11</b>	<b>36.11</b>

**NOTE NO. 23 REVENUE FROM OPERATIONS**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
A.	<b>SALE OF PRODUCTS</b>		
	Sales Of Manufacturing Goods-Ship Breaking	7,120.50	10,073.54
	Sales Of Trading Goods	6,356.90	2,120.88
	Less: Turnover Discount	(1.71)	0.00
	Less: Excise on Sales	0.00	(720.58)
		<b>13,475.69</b>	<b>11,473.84</b>
	<b>TOTAL .....</b>	<b>13,475.69</b>	<b>11,473.84</b>

**NOTE NO. 24 OTHER INCOME**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>1</b>	<b>INTEREST INCOME</b>		
	From Current Investments/Advances/Others		
	Interest on Fixed Deposits With Banks	96.99	112.64
	Interest on Loans & Advances	268.00	205.90
	Interest From Partnership Firm	42.61	63.54
	Interest On Income Tax Refund	2.99	19.10
		410.59	401.18
<b>2</b>	Share of Profit From Partnership Firm	-	0.73
<b>3</b>	Other Non-Operating Income (Net of Related Expenses)		
	Other Income	2.99	1.30
		2.99	1.30
	<b>TOTAL .....</b>	<b>413.58</b>	<b>403.21</b>

**NOTE NO. 25 COST OF MATERIALS CONSUMED**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>I.</b>	<b>RAW MATERIALS CONSUMED:</b>		
<b>A.</b>	Opening Stock	2,725.77	1,670.14
	Add : Purchases (Net of Tax Credit )	5,022.93	9,374.64
	Add:Freight, Custom Duty, Clearing & Forwarding Charges	1,121.84	406.60
	Less: Foreign Exchange Variation Effects on Purchases	-	-223.94
	Less : Closing Stocks	-2,693.80	-2,725.77
		<b>6,176.74</b>	<b>8,501.67</b>
	<b>TOTAL .....</b>	<b>6,176.74</b>	<b>8,501.67</b>

**NOTE NO. 26 PURCHASE STOCK IN TRADE**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
-	Purchases Stock in Trade	6,249.55	2,027.79
	<b>TOTAL .....</b>	<b>6,249.55</b>	<b>2,027.79</b>

**NOTE NO. 25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
	OPENING INVENTORIES		
	- Stock-in-Trade	7.83	57.47
	LESS:		
	CLOSING INVENTORIES		
	- Stock-in-Trade	-	(7.83)
	<b>CHANGES IN INVENTORIES</b>	<b>7.83</b>	<b>49.64</b>

**NOTE NO. 28 EMPLOYEE BENEFIT EXPENSES**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
1	Salaries, Wages & Labour Charges		
	- To Directors-Remuneration	48.00	48.00
	- To Others	70.51	98.86
		118.51	146.86
2	Company Contribution to Provident Fund	10.58	9.37
3	Company Contribution to ESIC	3.24	2.85
4	Bonus & Exgratia	9.20	16.87
5	Staff Welfare Expenses (Net)	-	1.54
	<b>TOTAL .....</b>	<b>141.53</b>	<b>177.49</b>

**NOTE NO. 29 FINANCE COST**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
1	Bank & Other Financial Charges	110.05	18.50
2	Interest		
	On Term Loans		
	On Working Capital Facilities	26.70	4.34
	On Buyer's Credit	-	0.42
	Banks/Financial Institutions	64.27	39.46
	Usance Interest	-	7.40
	On Unsecured Loans	55.79	7.65
	On Vehicle Loans	5.74	4.54
	To Others	0.08	0.06
		152.57	63.87
	<b>TOTAL .....</b>	<b>262.63</b>	<b>82.37</b>

**NOTE NO. 30 DEPRECIATION AND AMORTISATION EXPENSES**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
1	Depreciation on Property, Plant & Equipments	60.01	43.27
	<b>TOTAL .....</b>	<b>60.01</b>	<b>43.27</b>

**NOTE NO. 31 OTHER EXPENSES**

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>I.</b>	<b>MANUFACTURING EXPENSES</b>		
1	Stores & Spares Consumed:	13.31	52.30
2	Power, Fuel & Utilities : Diesel, Gases & Carbide	123.67	176.82
3	REPAIRS & MAINTENANCE:	4.89	2.16
4	Plot Rent & Development Charges	11.58	19.01
5	Pollution Control Expenses	2.00	1.89
6	Other Manufacturing Expenses	1.35	0.09
		<b>156.80</b>	<b>252.27</b>
<b>II.</b>	<b>ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
1	Postage & Telephone/Communications	2.44	4.95
2	Stationery & Printing	1.77	1.50
3	Travelling, Conveyance & Vehical Expenses		
	Travelling & Conveyance	1.93	0.24
	Vehicle Expenses (Including Repairs & Fuel)	6.40	3.61
		<b>8.33</b>	<b>3.85</b>
4	Legal & Professional Charges	46.17	41.96
5	Rent, Rates & Taxes	434.56	422.49
6	Auditor's Remuneration		
	Statutory Audit Fees	0.83	0.73
	Tax Audit Fees	0.23	0.06
	For Other Matters	-	0.06
		<b>1.06</b>	<b>0.85</b>
7	Insurance	3.47	1.95
8	Selling & Distribution Expenses		
	Advertisement Expenses	0.41	0.42
	Commission on Sales	7.26	12.92
	Rebate & Discount	2.58	-
		<b>10.25</b>	<b>13.34</b>
9	Loss On Foreign Exchange Fluctuations	55.27	49.70
10	Loss On Sale of Assets	-	22.66
11	Preliminary Expenses Written Off	13.36	-
12	Other Expenses	10.72	4.09
	<b>TOTAL .....</b>	<b>744.20</b>	<b>819.61</b>

**NOTE NO. 32 CONTINGENET LIABILITIES**

SR. NO.	PARTICULARS	AS AT 31-Mar-18	AS AT 31-Mar-17
I.	Corporate Guarantee in Favour Standard Chartered Bank, Mumabi Branch for Working Capital Loan Availed by M/s. Eternal Automobiles. The Outstanding Balance of Loan As At 31.03.2018 was Rs. 4,96,24,013 and Rs. 4,12,00,000 As At 31.03.2017	480.00	480.00
II.	Commissioner Of Income Tax (Appeals), Ahmedabad, A.Y. 2010-11	8.99	8.99
III.	Commissioner Of Income Tax (Appeals), Ahmedabad, A.Y. 2011-12	2.64	2.64
IV.	Commissioner Of Income Tax (Appeals)-8, Ahmedabad, A.Y. 2014-15	8.28	-
V.	Commissioner Of Income Tax (Appeals)-8, Ahmedabad, A.Y. 2015-16	14.24	-
VI.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2009-10	19.28	19.28
VII.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2010-11	34.72	34.72
	<b>TOTAL .....</b>	<b>568.15</b>	<b>545.63</b>

**NOTE 33 : OTHER NOTES**
**a) Earnings Per Share (EPS):**

The Basic and Diluted Earnings Per Share (EPS) has been computed on the basis of profit for the year attributable to equity holders divided by the weighted average number of shares outstanding during the year.

PARTICULARS		FOR THE YEAR ENDED 31-Mar-18	FOR THE YEAR ENDED 31-Mar-17
<b>Net Profit After Tax for the period</b>	(A)	1,65,79,689	1,01,09,103
Weighted Average Number of Shares	(B)		
Opening Balance of Share Outstanding		1,64,73,391	1,64,73,391
No. of Days for which Shares Outstanding		365	365
Total No. of Weighted Average Shares		1,64,73,391	1,64,73,391
Basic and Diluted Earnings per Share	(C) (A/B)	1.01	0.61

**b) Related Party Disclosures:**

The Related Party Disclosures in compliance with Ind AS-24 "Related Party Disclosures"

**A. List of Related Parties**

Sr. No.	Name of the Related Party	Nature of Relationship	Transactions Entered During The Year (Yes/No)
i.	Eternal Automobiles	Partnership Firm in which the Company is Partner	Yes
ii.	Aditya Ultra Steel Private Limited	Company in Which Relative of Directors have substantial shareholding	Yes
iii.	Hubilo Softech Private Limited	Company in Which Relative of Directors have substantial shareholding	Yes
iv.	Mr. Manoj Kumar Jain	Key Management Personnel- Managing Director	Yes
v.	Mrs. Sangeeta Jain	Whole Time Director	Yes
vi.	Mr. Himanshu Surendrabhai Shah	CFO	Yes
vii.	Mr. Hemal Pankajkumar Patel	Company Secretary	Yes
viii.	Mr. Varun Manoj Jain	Son of Managing Director	No
ix.	Mr. Vaibhav Manoj Jain	Son of Managing Director	No

**B. Transaction with Related Parties**
**(Rs. in Lakhs)**

Nature of Transaction	Name of the Party	2017-18	2016-17
Investment in Capital Account of Partnership Firm (Net)	Eternal Automobiles	493.59	122.39
Loans/Advances(Net)	Eternal Automobiles	114.34	490.00
	Hubilo Softech Private Limited	149.50	-
	Aditya Ultra Steel Private Limited	1,478.50	-
Corporate Guarantee to Banks/Financial Institutions	Eternal Automobiles	480.00	480.00
Share of Profit In Partnership Firm	Eternal Automobiles	-	0.73
Sales of Goods (Net)	Aditya Ultra Steel Private Limited	1,455.28	65.27
Purchase of Goods (Net)	Aditya Ultra Steel Private Limited	332.36	-
Interest Received	Eternal Automobiles	101.44	104.82
	Hubilo Softech Private Limited	5.74	-
	Aditya Ultra Steel Private Limited	39.27	-
Director/Key Managerial Personnel /CFO/ Company Secretary Remuneration	Mr. Manoj Kumar Jain	24.00	24.00
	Mrs. Sangeeta Jain	24.00	24.00
	Mr. Himanshu Surendrabhai Shah	3.25	2.86
	Mr. Hemal Pankajkumar Patel	4.55	4.09
Outstanding Balances as at the year end- Sale of Goods	Aditya Ultra Steel Private Limited	477.97 (Dr.)	- (Dr.)
Outstanding Balances as at the year end- Loans & Advances	Eternal Automobiles	694.45 (Dr.)	532.52 (Dr.)
Outstanding Balances as at the year end- Investment in Partnership Firm	Eternal Automobiles	1,026.12 (Dr.)	532.52 (Dr.)



**c) Financial Instruments and Related Disclosures:**

**Financial Risk Management:**

The company activities are exposed various financial risks: credit risk, liquidity risk and foreign exchange fluctuation risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**I. Credit Risk:**

**Trade Receivables:**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss to the Company. The maximum exposure to the credit risk as at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers from sale of goods. Trade receivables generally are impaired after three years when recoverability is considered doubtful based on general trend. The Company considers that trade receivables stated in the financial statements are not impaired and past due for each reporting dates under review are of good credit quality subject to outcome of the litigations where the company has initiated legal proceedings for recovery.

**Other Financial Assets:**

Credit risk relating to cash and cash equivalents is considered negligible since the counterparties are banks which are majorly owned by Government of India and are have oversight of Reserve Bank of India. The Company considers the credit quality of term deposits with banks to be good and the company reviews these banking relationships on an ongoing basis.

The Company considers all other financial assets as at the balance sheet dates to be of good credit quality.

**II. Liquidity Risk:**

The company's principal sources of liquidity are from Short Term Bank Borrowings, Cash and Cash Equivalents and Cash generated from operations.

The Short term liquidity requirements consist mainly of Trade Payables, Expense Payables, Employee Dues, Servicing of Interest on Short Term and Long Term Borrowings and payment of instalments of vehicle loans and other payments arising during the normal course of business.

**III. Foreign Exchange Rate Risk:**

The Company undertakes transactions denominated in foreign currency mainly for purchase of Ships which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks. Hedging is regularly carried out to mitigate the risks of exchange rate fluctuations.

- d)** The company has initiated the process of obtaining confirmations from suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). In absence of the relevant information as to the status of the suppliers, the balance due to Micro, Small and Medium Enterprises and interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be disclosed or provided.
- e)** In the opinion of the Board of Directors, Current Assets & Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the balance sheet. In the opinion of the Board of Directors, claims receivable against property/goods are realizable as per the terms of the agreement and/or other applicable relevant factors and have been stated in the financial statements at the value which is most probably expected to be realized.
- f)** The company has obtained balance confirmation from some of the parties for Sundry Creditors, Sundry Debtors and parties to whom loans/advance have been granted. All other balances of debtors and creditors and loans and advances are subject to confirmation and subsequent reconciliation, if any.
- g)** The previous year's figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

The Paises are rounded up to the nearest of rupee. The figures wherever shown in bracket represent deductions.

SIGNATURES TO NOTES '1' TO '33'

IN TERMS OF OUR REPORT ATTACHED

**FOR, S.N. SHAH & ASSOCIATES,**

Chartered Accountants

FRN: 109782W

**FIROJ G. BODLA**

Partner

M. NO. : 126770

**For and on behalf of the Board**

**VMS Industries Limited**

**Manoj Kumar Jain**

Director

DIN: 02190018

**Himanshu Shah**

Chief Financial Officer

**Sangeeta Jain**

Director

DIN: 00125273

**Hemal Patel**

Company Secretary

Place : Ahmedabad

Date : 30th May, 2018

Place : Ahmedabad

Date : 30th May, 2018



**VMS INDUSTRIES LIMITED**

[CIN:L74140GJ1991PLC016714]



Regd. Office: 808/c Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015,  
Email: info@vmsil.com web site: www.vmsil.com Phone : 079-40320484 Fax: 079-40320484

**ATTENDANCE SLIP**

**26TH ANNUAL GENERAL MEETING**

I /We hereby record my / our presence at the Annual General Meeting of the Company to be held at 808/C PINNACLE BUSINESS PARK, CORPORATE ROAD, PRAHLADNAGAR, AHMEDABAD-380015 on Saturday, 29<sup>TH</sup> day of September, 2018 at 11.00 a.m.

Member's Folio / DP ID Client ID No.

Member's / Proxy name in Block Member's / Proxy's Signature

**Note:**

1. Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF OFFICE.
2. Electronic copy of the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the Members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is sent in the permitted mode (s) to all Members whose email address is not registered or have requested for a hard copy.



**VMS INDUSTRIES LIMITED**

[CIN:L74140GJ1991PLC016714]

Regd. Office: 808/c Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015,  
Email: info@vmsil.com web site: www.vmsil.com Phone : 079-40320484 Fax: 079-40320484

**PROXY FORM**

**26th ANNUAL GENERAL MEETING**

Name of the Member (s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio / DP ID Client ID No. : \_\_\_\_\_

I /We being the member (s) holding Shares of the above named Company hereby appoint:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him / her:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my /our proxy to attend and vote for my / our behalf at the Annual General Meeting to be held on Saturday, the 29<sup>th</sup> September, 2018 at 11.00 A.M. at 808/c Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad - 380015 and at any adjournment thereof in respect of resolutions as are indicated below:.

---

Resolution No.	Particulars of Resolution	Optional	
		For	Against
<b>ORDINARY BUSINESS</b>			
1.	Adoption of Financial Statement for the year ended 31 <sup>st</sup> March, 2018		
2.	Re-appointment of Mr. Ajit Kumar Jain, Director retire by rotation.		
3.	Appointment of Statutory Auditors M/s. S N Shah & Associates, Chartered Accountant.		

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

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

Affix ₹ 1 revenue stamp
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**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member (s) in the above box before submission.





# VMS INDUSTRIES LIMITED

*If Undelivered, Please return to :*

**VMS INDUSTRIES LIMITED**

Registered Office : 808-C, Pinnacle Business Park,  
Corporate Road, Prahladnagar,  
Ahmedabad-380015 Gujarat (India)

**CIN NO. : L74140GJ1991PLC016714**