



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.07.09.2019

Scrip Code: 533427

Dear Sir,

Sub: Submission of 27th Annual Report of VMS INDUSTRIES LTD
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 27th Annual Report for 27TH Annual General Meeting held on 30TH September, 2019.

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

Thanking You,

YOURS FAITHFULLY,

FOR: VMS INDUSTRIES LTD



Hemal Patel
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)

annual report
2018-2019



VMS INDUSTRIES LIMITED

BOARD OF DIRECTORS



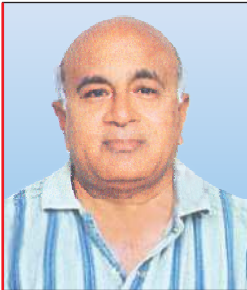
Manoj Kumar Jain
Managing Director



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

K Jatin & Co.

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.in
[email : info@vmsil.in](mailto:info@vmsil.in)
L74140GJ1991PLC016714

WORK SHOP

Ship Recycling Yard
160-M, Alang- Soshiya 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 27th Annual General Meeting of the members of M/s VMS Industries Limited (“the Company”) will be held at 11.00 A.M. on Monday, 30th day of September, 2019 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 Standalone Financial Statement of the Company for Financial Year ended at 31st March, 2019 together with the reports of the Directors’ and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statement of the Company for Financial Year ended at 31st March, 2019 together with Auditors thereon.
3. To appoint Mrs. Sangeeta Jain, Whole Time Director of the Company (DIN: 00125273), liable to retire by rotation and being eligible, offers herself for re-elected.
4. 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 the provision of Section 139, 142 and other applicable provision, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company be and are hereby re-appointed M/s S N SHAH & Associates (Firm Reg.No.109782W), Chartered Accountant, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to till the conclusion of the 28th Annual General Meeting of the Company to be held in year 2020 to examine and audit the accounts of the Company for the Financial Year 2019-20 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.”

SPECIAL BUSINESS:

5. To consider and approve the re-appointment and increase in remuneration of Mr. Manojkumar Jain, Managing Director of the Company, as an Executive-Director on the Board of the Company and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, if any, as may be required in this regard, and pursuant to recommendation of the Nomination and Remuneration Committee, the consent of the Shareholders be and is hereby accorded to the re-appointment of Mr. Manojkumar Jain, (DIN: 02190018) as Managing Director, {designated as Executive Director} of the Company, for a period of 3 (Three) years with effect from 01st October, 2019 upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re- appointment and / or agreement in such manner as may be agreed to between the Board of Directors .

RESOLVED FURTHER THAT the remuneration payable to Mr. Manojkumar Jain, (DIN: 02190018), shall not exceed the overall ceiling of managerial remuneration as provided under within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

6. To consider and approve the re-appointment and increase in remuneration of Mrs. Sangeeta Jain, Whole Time Director of the Company, as an Executive-Director on the Board of the Company and if thought fit, to pass , with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, if any, as may be required in this regard, and pursuant to recommendation of the Nomination and Remuneration Committee, the consent of the Shareholders be and is hereby accorded to the re-appointment of Mrs. Sangeeta Jain, (DIN: 00125273) as Whole Time Director, {designated as Executive Director} of the Company, for a period of 3 (Three) years with effect from 01st October, 2019 upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re- appointment and / or agreement in such manner as may be agreed to between the Board of Directors.

RESOLVED FURTHER THAT the remuneration payable to Mrs. Sangeeta Jain, (DIN: 00125273), shall not exceed the overall ceiling of managerial remuneration as provided under within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-
- “RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; and pursuant to the revised Regulation 27(2)(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company to enter into related party transaction(s) including material related party transactions with M/s Aditya Ultra Steel Limited (“AUSL”) for sale, purchase, transfer or receipt of products, goods, materials, assets or services for an estimated amount of up to ₹ 100 crores (Rupees One Hundred Crores) for the financial year 2019-20 and onward provided, however that contract(s)/ transaction(s) so carried out shall at all times be on arm’s length basis and in the ordinary course of the Company’s business, on such terms and conditions as may be mutually agreed upon between the Company and AUSL.
- RESOLVED FURTHER THAT** the Board of Directors or Managing Director be and is hereby authorized to decide upon the nature and value of the products, goods, materials, assets or services to be transacted with AUSL within the aforesaid limits.
- RESOLVED FURTHER THAT** Mr. Manojkumar Jain, (DIN: 02190018), Managing Director or Company of the Company be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts and things as may be considered necessary and expedient for the purpose of giving effect to this resolution.
- RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”
8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013, Companies (Cost Records and Audit) Rules, 2014 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2019-2020 to M/s. A.G.Tulsian & Co., Cost Accountants, Ahmedabad having Firm Registration No. 100629 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-2020, at a remuneration as mutually decided between the board and Cost Auditor be and is hereby ratified and confirmed.”
- “RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
9. Re-appointment of Mr. Hitesh Loonia (DIN 02906216) as an Independent Director of the Company and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**
- “RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Hitesh Loonia (DIN 02906216), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.
10. Re-appointment of Mr. Bakul Kishanlal Mehta (DIN 02902485) as an Independent Director of the Company and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**
- “RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Bakul Kishanlal Mehta (DIN 02902485), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.
11. Re-appointment of Mr. Pranavkumar Vinaykant Parikh (DIN 02906210) as an Independent Director of the Company and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**
- “RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pranavkumar Vinaykant Parikh (DIN 02906210), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of



the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

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

Place : Ahmedabad
Date : 14th August, 2019

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 form 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 the registered books of members and share transfer books of the company will remain closed from Tuesday 24th September, 2019 to Monday 29th September, 2019 (both days 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 registers 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 27th 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 30th August, 2019. Members may also note that the notice of the 27th AGM and the Annual Report 2018-19 will be available on the company's website 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 SH-13 (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 27th 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 Participant(s)]:
 - (i) If you are holding shares in Demat form and had logged on to 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
 - (iii) Click on “shareholders” tab to cast your votes.
 - (iv) Now select the Electronic Voting Sequence Number – “190814001” 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 you 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 26th September, 2019 (9.00 a.m.) and ends on 29th September, 2019 (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 20th September, 2019, 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 under help section or write an email to 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.
- (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 20th September, 2019.
- (G) 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.

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

Place : Ahmedabad
Date : 14th August, 2019

Hemal Patel
Company Secretary

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESSES****Item No. 5 & 6,**

The Board of Directors of the Company (the 'Board'), at its meeting held on August 14, 2019 has, subject to the approval of members, re- appointed Mrs. Sangeeta Jain as Whole Time Director, for a period of 3 (Three) years from the expiry of his present term, at the remuneration recommended by the Remuneration Committee of the Board and approved by the Board.

Further, the Board at its meeting held on August 14, 2019 has, subject to the approval of members, re-appointed Mr. Manojkumar Jain as Managing Director for a period of 3 (Three) years before the expiry of his present term, which will expire on September 30, 2022, at the remuneration recommended by the Remuneration Committee of the Board and approved by the Board. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mrs. Sangeeta Jain as Whole Time Director and Mr. Manojkumar Jain as Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mrs. Sangeeta Jain and Mr. Manojkumar Jain are as under:

Sr No.	Name	Upto Salary Per Month
1	Mrs Sangeeta Jain	7,00,000/-
2	Mr. Manojkumar Jain	7,00,000/-

Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

General:

- (i) The Whole-time Director and the Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
- (ii) The Whole-time Director and the Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iii) The office of The Whole-time Director and the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Mrs. Sangeeta Jain and Mr. Manojkumar Jain satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Brief resume of Mrs. Sangeeta Jain and Mr. Manojkumar Jain, nature of their expertise in specialize functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under applicable LODR , are provided as under;

Ms Sangeeta Jain is the Whole Time Director of the Company. She holds a Master degree in Arts from C.S.J.M University, Kanpur. She is having around 21 years of experience in the area of administration and marketing . She is associated with our Company since its Incorporation. She is in charge of administration and liaisoning functions. She is also partner in M/s Eternal Automobiles from July 2002 and is looking after all activities of said partnership firm engaged as Dealer of Honda Motorcycle.

Brief resume of the Whole Time Director as under;

Name of the Director	Mrs. Sangeeta Jain
Date of Birth	22 nd January, 1968
DIN	00125273
Qualification	M.A
Experience in specific functional areas	Mrs. Sangeeta Jain is the Whole Time Director of the Company. She holds a Master degree in Arts from C.S.J.M. University, Kanpur. She is having around 21 years of experience in the areas of administration and marketing. She is associated with our Company since its incorporation. She is in-charge of administration and liaisoning functions. She is also partner in M/s Eternal Automobiles from July 2002 and is looking after overall activities of said partnership firm engaged as Dealer of Honda Motorcycle.



Name of the Director	Mrs. Sangeeta Jain	
List of other Companies in which Directorship is held	VMS TMT PRIVATE LIMITED	
Chairman / Member of the Committees of the Board of other Companies in which she is a Director	1	
The details of shares held by the Directors and their relatives	No. of Shares	% in Holding
SANGEETA JAIN	22,92,264	13.91
MANOJ KUMAR JAIN	61,68,100	37.44
VARUN JAIN	6,24,800	3.79
VAIBHAV JAIN	2,40,000	1.46
TOTAL	93,25,164	56.61

Brief resume of the Managing Director as under;

Name of the Director	Mr. Manojkumar Jain	
Date of Birth	18 th December, 1961	
DIN	02190018	
Qualification	B. Com, Chartered Accountant	
Experience in specific functional areas	He is having over 22 years of experience in various fields such as finance, taxation consultancy and ship recycling and off shore Industrial and other business activities. He is examining and advising on Purchase of Old ships and finalizes the deals with the suppliers. He is also guiding on off shore activities and is arranging finance for the business of the company.	
List of other Companies in which Directorship is held	VMS TMT PRIVATE LIMITED	
Chairman / Member of the Committees of the Board of other Companies in which he is a Director	Nil	
The details of shares held by the Directors and their relatives	No. of Shares	% in Holding
MANOJ KUMAR JAIN	61,68,100	37.44
SANGEETA JAIN	22,92,264	13.91
VARUN JAIN	6,24,800	3.79
VAIBHAV JAIN	2,40,000	1.46
TOTAL	93,25,164	56.61

Mrs. Sangeeta Jain and Mr. Manojkumar Jain are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them.

The following information pertaining to Mrs Sangeeta Jain and Mr Manoj Kumar Jain are furnished pursuant to the provisions of Schedule V to the Companies Act, 2013:

I. GENERAL INFORMATION:

(a)	Nature of Industry	The Company is in the business of Manufacturing and Trading of Iron and Steel
(b)	Date or expected date of commencement of commercial production	Not Applicable
(c)	In case of new companies, expected date of commencement of activities as project approved by financial institutions appearing in the prospectus	Not Applicable

(d)	Financial performance based on given indicators	Figures of revenue, sales and profit recorded during last five financial years are as follows:																														
		(₹ In Lakhs)																														
		<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Revenue from Operations</th> <th>Profit Before Tax</th> <th>Profit after Tax</th> <th>EPS</th> </tr> </thead> <tbody> <tr> <td>2017-18</td> <td>11785.84</td> <td>211.34</td> <td>141.85</td> <td>0.86</td> </tr> <tr> <td>2016-17</td> <td>11411.67</td> <td>172.28</td> <td>99.07</td> <td>0.60</td> </tr> <tr> <td>2015-16</td> <td>10179.95</td> <td>139.74</td> <td>95.21</td> <td>0.58</td> </tr> <tr> <td>2014-15</td> <td>8228.20</td> <td>100.57</td> <td>54.68</td> <td>0.33</td> </tr> <tr> <td>2013-14</td> <td>11609.04</td> <td>154.14</td> <td>102.30</td> <td>0.62</td> </tr> </tbody> </table>	Financial Year	Revenue from Operations	Profit Before Tax	Profit after Tax	EPS	2017-18	11785.84	211.34	141.85	0.86	2016-17	11411.67	172.28	99.07	0.60	2015-16	10179.95	139.74	95.21	0.58	2014-15	8228.20	100.57	54.68	0.33	2013-14	11609.04	154.14	102.30	0.62
Financial Year	Revenue from Operations	Profit Before Tax	Profit after Tax	EPS																												
2017-18	11785.84	211.34	141.85	0.86																												
2016-17	11411.67	172.28	99.07	0.60																												
2015-16	10179.95	139.74	95.21	0.58																												
2014-15	8228.20	100.57	54.68	0.33																												
2013-14	11609.04	154.14	102.30	0.62																												
(e)	Foreign investments or collaborations, if any.	Not Applicable																														

II. Information about the appointee

(a) Mrs Sangeeta Jain

(a)	Background Details	Mrs. Sangeeta Jain is the Whole Time Director of the Company. She holds a Master degree in Arts from C.S.J.M. University, Kanpur. She is having around 21 years of experience in the areas of administration and marketing. She is associated with our Company since its incorporation.
(b)	Past Remuneration	₹ 200,000 per month
(c)	Job profile and his suitability	21 years of experience in the areas of administration and marketing, she is in-charge of administration and liaisoning functions. She is also partner in M/s Eternal Automobiles from July 2002 and is looking after overall activities of said partnership firm engaged as Dealer of Honda Motorcycle.
(d)	Remuneration Proposed	The revised remuneration details are provided in the respective explanatory statement to the special business.
(e)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mrs. Sangeeta Jain is a Whole Time Director of the Company. She is one of the promoter of the Company and wife of Mr. Manojkumar Jain who is a Managing Director of the Company

(b) Mr Manojkumar Jain

(a)	Background Details	Mr. Manojkumar Jain is the Managing Director of the Company. He holds degree in Bachelors of Commerce from University of Kanpur and also a Chartered Accountant from Institute of Chartered Accountants of India.
(b)	Past Remuneration	₹ 200,000 per month
(e)	Job profile and his suitability	He is having over 22 years of experience in various fields such as finance, taxation consultancy and ship recycling and off shore Industrial and other business activities. He is examining and advising on Purchase of Old ships and finalizes the deals with the suppliers. He is also guiding on off shore activities and is arranging finance for the business of the company
(f)	Remuneration Proposed	The revised remuneration details are provided in the respective explanatory statement to the special business.
(g)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Manojkumar Jain is the Managing Director of the Company and one of the Promoters of the Company. He is the husband of Mrs. Sangeeta Jain who is the Whole time Director of the Company.

III. OTHER INFORMATION:

(a) Reasons for loss or inadequate profits:

Lower capacity utilization of solvent extraction plants primarily due to lower demand in domestic market and disparity in export of final product ; - Lowest commodity prices;

(b) Steps taken or proposed to be taken for improvement:

The Company has initiated various steps to improve its operational performance/liquidity, including lowering its operating cost, augmenting its branded sales and diversifying in profitable ventures. Improved productivity and cost control measures have been put in place. Various realignment initiatives ensured reduced debt burden on the Company resulting in overall reduction in finance cost.

(c) Expected increase in productivity and profit in measurable terms:

The Company expects that with the improvement in consumer sentiment and increased consumer spending will enable the growth momentum to pick up. The management continues to be optimistic towards the external economic environment and expects consumer demand to become more consistent and robust in the current financial year. Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins.

The relatives of Mrs. Sangeeta Jain and Mr. Manojkumar Jain may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/the irrelatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No.7

Aditya Ultra Steel Limited (“AUSL”) is a ‘Related Party’ within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (“Listing Regulations”)

Pursuant to provisions of Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said Section require a Company to obtain prior approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in ordinary course of business and on arm’s length basis.

SEBI (LODR) Regulations, 2015, also requires that all material related party transactions shall require approval of the shareholders through ordinary resolution.

Accordingly, on recommendation of Audit Committee, Board of Directors of the Company has in its meeting held on **August 14, 2019** approved related party transaction and now seek approval of the Shareholders by way of Ordinary Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following Related Party Transaction in one or more tranches. The transaction under consideration is proposed to be enter in the ordinary course of business and at arm length basis.

However, considering the nature of agreements which are peculiar in nature in respect of each working site, Company as an abundant caution is taking necessary approval of the shareholders under Section 188 also.

The Company envisages that the transaction(s) entered into with M/s. Aditya Ultra Steel Limited whether individually and/or in aggregate would exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited and financial statements of the Company during a financial year of the Company. The Company therefore requires approval of the shareholders through a Special Resolution for entering into contract(s)/ arrangement (s)/ transaction(s) with M/s. Aditya Ultra Steel Limited upto a maximum amount as mentioned in the respective resolutions from the financial year 2019-2020 and onward.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules framed thereunder forth specified transactions with this Company, the same is being sought as an abundant precautionary measure.

All related parties shall abstain from voting on these resolutions. The relevant information is as follows:-

Sr No.	Particulars	Details
1	Name of related parties	M/s. Aditya Ultra Steel Limited
2	Name of Director or KMP who is related	Mr. Manojkumar Jain Managing Director & Mrs. Sangeeta Jain Whole Time Director and Mr. Ajit Jain, Director of the Company are interested in the proposed resolution.
3	Nature of relationship	Mr. Manojkumar Jain Managing Director & Mrs. Sangeeta Jain Whole Time Director are father Mother of Varun Jain who is Director of M/s Aditya Ultra Steel Private Limited
4	Monetary value	The estimated aggregate contract value for the matters proposed in the resolutions shall not exceed ₹ 50 crore annually for each of M/s Aditya Ultra Steel Limited
5	Nature, material terms and particulars of arrangement	Purchase / Sale of material / Services by the Company from and the Purchase / sale / services / Loan and advances of Company’s product(s) to these companies are dependent on the requirement of the Company for its products from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm’s lengths basis and in the ordinary course of the Company’s business.
6	Any advance paid or received for the arrangement, If any	Nil.



Mr. Ajit Jain, Mr. Manojkumar Jain and Sangeeta Jain are interested on above resolution.

None of the other Directors and Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution. The Board of Directors recommends the above special resolutions for your approval.

Item No. 8:

The Board of Directors of the Company, upon the recommendation of the Audit Committee, has approved the appointment of M/s A.G.Tulsian & Co., Cost Accountants, Ahmedabad to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 at a remuneration as mutually decided between the board and Cost Auditor as applicable at its meeting held on 14th August 2019. In pursuance of Section 148 of the Companies Act, 2013, Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the resolution set out at Item No. 8 of the Notice.

Item No. 9.

Mr. Hitesh Loonia (DIN 02906216) was appointed as an Independent Non Executive Director of the Company by the members at the 22nd AGM of the Company held on 29th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Hitesh Loonia (DIN 02906216), being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Hitesh Loonia (DIN 02906216) fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Hitesh Loonia as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Hitesh Loonia (DIN 02906216) as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Hitesh Loonia (DIN 02906216) as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Hitesh Loonia (DIN 02906216), being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice of the AGM. Mr. Hitesh Loonia (DIN 02906216), is not related to any Director of the Company.

Item No. 10.

Mr. Bakul Kishanlal Shah, (DIN: 02902485) was appointed as an Independent Non Executive Director of the Company by the members at the 22nd AGM of the Company held on 29th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Bakul Kishanlal Shah, (DIN: 02902485), being eligible for re-appointment as an Independent Director and offering himself for re- appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Bakul Kishanlal Shah, (DIN: 02902485) fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,



2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Bakul Kishanlal Shah as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bakul Kishanlal Shah, (DIN: 02902485) as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Bakul Kishanlal Shah, (DIN: 02902485) as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Bakul Kishanlal Shah, (DIN: 02902485) being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice of the AGM. Mr. Bakul Kishanlal Shah, (DIN: 02902485) is not related to any Director of the Company.

Item No. 11.

Mr. Pranavkumar Vinaykant Parikh, (DIN: 02906210) was appointed as an Independent Non Executive Director of the Company by the members at the 22nd AGM of the Company held on 29th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Pranavkumar Vinaykant Parikh, (DIN: 02906210), being eligible for re-appointment as an Independent Director and offering himself for re- appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Pranavkumar Vinaykant Parikh, (DIN: 02906210) fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Pranavkumar Vinaykant Parikh as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Pranavkumar Vinaykant Parikh, (DIN: 02906210) as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Pranavkumar Vinaykant Parikh, (DIN: 02906210) as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Pranavkumar Vinaykant Parikh, (DIN: 02906210) being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the accompanying Notice of the AGM. Mr. Pranavkumar Vinaykant Parikh, (DIN: 02906210) is not related to any Director of the Company.

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

Place : Ahmedabad
Date : 14th August, 2019

Hemal Patel
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith their 27th (Twentieth Seventh) Annual Report of your Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2019.

FINANCIAL RESULTS

The financial performance of the Company for the Year ended 31st March, 2019 is summarized as below:- Rs. In Lakhs

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended on 31.03.2019	Year Ended on 31.03.2018	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Income / Receipts from Operations	17750.40	11785.85	30881.34	13475.69
Other Income	250.23	290.91	226.32	413.58
Total Income	18000.63	12076.76	31107.66	13889.27
Earning Before Financial Charges, Depreciation, and Taxation (EBITDA)	411.01	400.43	571.80	569.42
Financial Charges	81.36	143.35	196.34	262.62
Depreciation	46.97	46.97	60.02	60.01
Profit Before Tax (PBT)	283.04	210.11	315.44	246.79
Less: Provision for Taxation including Deferred	85.34	69.45	89.12	80.97
Profit After Tax (PAT)	197.70	140.66	226.32	165.82
Profit Brought Forward from Previous Year	1219.81	1079.14	1246.99	1081.17
Profit Available for Appropriation	1417.51	1219.81	1473.31	1246.99
Balance Carried to Balance Sheet	1417.51	1219.81	1473.31	1246.99

OPERATIONS REVIEW

During the year, under review, the revenue from operations amounted to **Rs. 17750.40** Lakhs (Consolidated **Rs.30881.34** Lakhs) as against the previous year figure of Rs.11785.85 Lakhs (Consolidated Rs. 13475.69 Lakh), a growth of 50% approx (Consolidated a growth of 129% approx). In spite of overall slowdown in the economy, the Company was able to generate Net Profit After Tax amounted to Rs.197.70 Lakhs (Consolidated Rs.226.32 Lakhs) as against the previous year figure of Rs.140.67 lakhs (Consolidated Rs.165.85 Lakhs) a growth of 41% approx (Consolidated a growth of 36%).

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 2018-19.

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 31st March 2019 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, 2019 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, 2019 given by M/s. K Jatin & 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

Mrs. Sangeeta Jain (DIN:00125273) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. None of the Directors of the Company are disqualified under section 164 of the Companies Act, 2013 from being appointed as a Director of any public Company. The Board recommends her 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, 2019.

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. 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 11 (Eleven) 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 2018-19 and hence no complaint is outstanding as on 31.03.2019 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 2019-20.

DEMATERIALIZATION OF SHARES:

The ISIN for the Equity shares is INE932K01015. As on 31st March, 2019 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 2019, 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 : 28.05.2019**

**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

(₹ Lacs)

Name of Subsidiary	VMS TMT PRIVATE LTD
Reporting period of the subsidiary concerned, if different from the holding Company’s reporting period	01 st April, 2018 to 31 st March, 2019
Reporting Currency	INR
Share Capital	633.10
Reserves and Surplus	55.76
Total Assets	688.86
Total Liabilities (Excluding Share Capital & Reserve and Surplus)	1071.29
Investment (Other than Subsidiary)	-
Turnover (Including other Income)	13871.46
Profit Before Taxation	32.39
Provision for Taxation	3.78
Profit After Taxation	28.61
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 2019.

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 : ₹ 11,693.15 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 33 (Thirty Three) 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	M.V. HILLA	2770
30	M.V BRITANNIA	16567
31	M.V VARDHAN	5922
32	M.V DWAJ	17117
33	M.V DEN	28000



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, mach inability, bend ability, 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 31st March, 2019 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 :- 29th May, 2019
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, 2019.

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 (₹ Lacs)

Particulars	2018-19	2017-18
Total revenue	18000.63	12076.75
EBIDTA	326.04	258.40
EBIDTA as a % of total Income	1.81	3.15
Profit before tax	283.04	210.12
PBT as a % of total Income	1.57	1.74

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 01.04.2018				No. of Shares held at the end of the year at 31.03.2019				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	9325164	0	9325164	56.61	9325164	0	9325164	56.61	0
b) Central Govt	-	-	--	-	-	-	--	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	9325164	0	9325164	56.61	9325164	0	9325164	56.61	0
2) Foreign	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
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)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.	3825136	-	3825136	26.07	809502	-	809502	4.91	-21.16
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	383138	136	383274	2.33	468261	136	468397	2.84	0.51
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2898702	-	2898702	17.6	5386063	-	5386063	32.7	15.1
c) Others (Clearing Members)	-	-	-	-	860	-	860	-	0.01
d) HUF	37920	-	37920	0.23	479088	-	479088	2.91	2.68
e) None Resident Indian	3195	-	3195	0.02	4317	-	4317	0.03	0.01
Sub-total(B)(2)	7148091	136	7148227	43.39	7148091	136	7148227	43.39	-2.85
Total Public Shareholding (B)=(B)(1)+(B)(2)	7147591	136	7148091	43.39	7148091	136	7148227		
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	16472755	136	16473391	100%	16472755	136	16473391	100%	-

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	-
		93,25,164	56.61	30.35	93,25,164	56.61	30.35	0

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	MONO HERBICIDES LTD	27,47,200	16.68	-	-
2	SUVARNA NANDKUMAR GOPALE	2,98,000	1.81	2,98,000	1.81
3	NANDKUMAR MARUTI GOPALE	3,50,000	2.12	3,50,000	2.12
4	SIDHARTH RATANLAL BAFNA	2,12,063	1.28	2,12,063	1.28
5	RAJENDRA KANOONGO	4,99,990	3.04	4,99,990	3.04
6	ABHINANDAN JAIN	2,00,500	1.22	2,00,600	1.22
7	IVORY CONSULTANTS PVT. LTD.	2,00,000	1.21	-	-
8	TORRENT FINVEST CONSULTANTS PVT. LTD.	1,55,000	0.94	-	-
9	MARK CORPORATION PRIVATE LIMITED	27,51,690	16.7	-	-
10	TARADEVI RATANLAL BAFNA	1,33,911	0.81	-	-
11	C UMAMAHESWARI	-	-	7,45,885	4.53
12	K CHANDRA PRAKASH	-	-	3,25,500	1.98
13	PURNIMA SUNIL SINGHI	-	-	3,00,000	1.82
14	R CHANDRASEKAR	-	-	1,96,100	1.19

(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	1,473.37	NIL	NIL	1,473.37
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1,473.37	NIL	NIL	1,473.37
Change in Indebtedness during the financial year				
- Addition	162.61	NIL	NIL	162.61
- Reduction	NIL	NIL	NIL	NIL
Net Change	162.61	NIL	NIL	162.61
Indebtedness at the end of the financial year				
i. Principal Amount	1,635.98	NIL	NIL	1,635.98
ii. Interest due but not paid	NIL	NIL	NIL	NIL
iii. Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1,635.98	NIL	NIL	1,635.98

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	5.20	3.66	8.86
2.	Total	0	5.20	3.66	8.86

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)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	NIL	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Annexure- VI
FORM NO. MR-3

For the Financial Year ended on 31st March, 2019

[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 of
VMS Industries Limited
Ahmedabad

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"). The 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 **VMS Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on, 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 **VMS Industries Limited** ("the Company") for the financial year ended on, according to the provisions of:-

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

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

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

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Factories Act, 1948;
- f) The Employee's Provident Fund and Miscellaneous Provision Act, 1952;
- g) The Contract Labour (Regulation & Abolition) Act, 1970;
- h) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013
- i) The Water (Prevention and Control of Pollution) Act, 1974;
- j) Payment of Gratuity Act, 1972;
- k) Labour Laws

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) 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 subject.

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 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.

**For K. Jatin & Co.,
(Company Secretary)
(UCN: S2017GJ508600)**

**Date:- 22nd May, 2019
Place:- Ahmedabad**

**Jatin Kapadia
Company Secretary
COP: 12043**

This report is to be read with our letter of even date which is annexed as Annexure - 1 and forms an integral part of this report.

'Annexure -1'

To,
The Members
VMS Industries Limited
Ahmedabad

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

Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

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 K. Jatin & Co.,
(Company Secretary)
(UCN: S2017GJ508600)**

**Date:- 22nd May, 2019
Place:- Ahmedabad**

**Jatin Kapadia
Company Secretary
COP: 12043**



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, 11 (Eleven) Board meetings were held, one each on the following dates:

Sl. No.	Date	Total no. of directors entitled to attend the meeting	Number Of Directors Attended	Percentage of Attendance
1	14/04/2018	6	6	100%
2	30/05/2018	6	6	100%
3	21/06/2018	6	4	66.67%
4	14/08/2018	6	5	83.33%
5	27/09/2018	6	4	66.67%
6	15/10/2018	6	5	83.33%
7	05/11/2018	6	5	83.33%
8	22/12/2018	6	4	66.67%
9	28/01/2019	6	5	83.33%
10	13/02/2019	6	5	83.33%
11	01/03/2019	6	5	83.33%

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. Manojkumar Jain	Chairman & Managing Director	11	Yes	NIL
2	Mrs. Sangeeta Jain	Whole Time Director	11	Yes	NIL
3	Mr. Ajitkumar Bhajanlal Jain	Non-Executive Director	10	No	NIL
4	Mr. Hitesh Loonia	Independent & Non-Executive Director	10	Yes	NIL
5	Mr. Pranavkumar Vinaykant Parikh	Independent & Non-Executive Director	3	No	NIL
6	Mr. Bakul Kishanlal Mehta	Independent & Non-Executive Director	9	Yes	NIL

There is one independent Director Meeting held on 29th 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:-

Name of Director	SANGEETA JAIN
Date of Birth	22-01-1968
Nationality	Indian
Date of Appointment on the Board	02-12-1991
Qualification	B.A
Experience of functional area	Business
Shareholding in the Company	22,92,264
List of Directorship held in other Companies	1
Committee Membership	1

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, 2019 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 2019 comprises of three members who are Independent & Non Executive Directors. The composition of Remuneration Committee as on 31st March, 2019 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, 2019
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, 2019 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 2018 to 31st March 2019:-

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 31st March, 2019."

**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 Pass
24 th	2015-16	29 th September, 2016	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	0
25 th	2016-17	29 th September, 2017	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	0
26 TH	2017-18	30 th September, 2018	11.00	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 2018-19.

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:-

i) 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 29(b) for Standalone and 33(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:-

No Penalties was imposed during last 3 years by any regularity.

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) 27th Annual General Meeting:-

Date	30th September, 2019
Day & Time	Monday, 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 1st April to 31st March, as the Financial Year

For the Financial Year 2018-19, Financial Results will be announced as per the following tentative schedule:-

1st Quarter ending June, 2019	By 15th August, 2019
2nd Quarter & Half Year ending September, 2019	By 14th November, 2019
3rd Quarter ending December, 2019	By 14th February, 2020
4th Quarter / year ending March, 2020	Within 60 days from 31st March, 2020
Annual General Meeting	By September 2020

c) Book Closure & Dividend:-

Date of Book Closure	Tuesday 24th September, 2019 to Saturday 29th September, 2019 (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 2019-20 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 2018-19

Market Price Data: High, Low (based on the closing prices) and volume during each month in form April, 2018 to March, 2019 at BSE LTD.

Month	Open	High	Low	Close	No. of Shares	No. of Trades
Apr-18	15.30	15.90	14.05	14.05	62996	11
May-18	13.85	13.85	12.05	12.05	12014	27
Jun-18	12.05	12.05	10.39	11.03	2504336	18
Jul-18	11.25	15.89	11.25	15.89	617792	17
Aug-18	16.20	18.80	15.45	16.45	317083	34
Sep-18	16.50	18.00	14.55	17.35	479145	13
Oct-18	16.50	16.50	13.60	14.60	206001	10
Nov-18	15.33	20.84	14.50	16.75	822359	12
Dec-18	15.95	20.50	15.95	19.75	1039850	57
Jan-19	17.85	22.70	17.50	19.00	35804	32
Feb-19	19.40	20.00	13.60	18.30	15204	8
Mar-19	17.50	22.05	15.50	17.30	384815	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 31st March, 2019. 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, 2019:-

SLNO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 1000	473	47.06	19544	0.12
2	between 1001 and 5000	237	23.58	65802	0.40
3	between 5001 and 10000	89	8.86	74112	0.45
4	between 10001 and 20000	60	5.97	91687	0.56
5	between 20001 and 30000	23	2.29	58496	0.36
6	between 30001 and 40000	8	0.80	27590	0.17
7	between 40001 and 50000	16	1.59	78438	0.48
8	between 50001 and 100000	17	1.69	133538	0.81
9	> 100000	82	8.16	15924184	96.67
	Total	1005	100.00	16473391	100.00

m) Categories of Shareholders as on March 31, 2019 :-

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	0.40
Public Shareholding:	63,38,725	38.48	958	95.32
Bodies Corporate	8,09,502	4.91	43	4.28
TOTAL	1,64,73,391	100.00	1005	100.00

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 March 31, 2019, 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 March 31, 2019.

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

PLACE : AHMEDABAD
DATED : 20TH MAY, 2019

S. N. SHAH
PARTNER
M. No. 035181



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
VMS Industries Limited
808/ Pinnacle Business Park Corporate Road,
Prahladnagar, Ahmedabad – 380 015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VMS Industries Limited** having CIN L74140GJ1991PLC016714 and having registered office at 808/ Pinnacle Business Park Corporate Road, Prahladnagar, Ahmedabad – 380 015 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V (Para-C) {Sub clause 10(i)} of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of Appointment in Company
01	Sangeeta Jain	00125273	01/04/2010
02	Ajitkumar Bhajanlal Jain	00114766	01/10/1997
03	Manojkumar Jain	02190018	01/04/2008
04	Bakul Kishanlal Mehta	02902485	30/12/2009
05	Pranavkumar Vinaykant Parikh	02906210	30/12/2009
06	Hitesh Loonia	02906216	30/12/2009

(Table A)

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. Jatin & Co.,
(Company Secretary)
(UCN: S2017GJ508600)

Jatin Kapadia
Company Secretary
COP: 12043
UDIN: A026725A000002690

Date:- 06/08/19
Place:- Ahmedabad



INDEPENDENT AUDITOR'S REPORT

To the Members of
VMS INDUSTRIES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS:

OPINION

We have audited the standalone financial statements of VMS INDUSTRIES LIMITED ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2019, the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), the Standalone Statement of Changes In Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements "except for non-provision for gratuity and other long term employee benefits as per Ind-As-19 "Employee Benefits" give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS OF OPINION

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

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The Key Audit Matter	How the matter was addressed in our audit
1. Litigations and Claims (Refer to Note No. 28 Relating to Contingent Liabilities)	
<p>The Company is/was subject to different Laws and Regulations which are subject to different implications and interpretations thereof. In such regulatory environment, the Company is subject to some legal and tax related claims which have been disclosed for as contingent liabilities in the financial statements based on the facts and circumstances of each case.</p> <p>Taxation and litigations have been identified as a key audit matter due to the status of legal proceedings, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, such tax litigations involve significant management judgment in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<ul style="list-style-type: none"> • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. • Obtained the summary of Company's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, appropriate senior management and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Assessed management's estimate of the possible outcome of the litigations, the relevant disclosures made within the financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS:

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS:

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by The Companies (Auditor's Report) Order, 2016 issued by The Central Government Of India in term of section 143 (11) of The Companies Act, 2013, we enclose in the Annexure-A hereto a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable to the company.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Standalone Balance Sheet, Standalone the Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity & the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, aforesaid Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity & the Standalone Statement of Cash Flows 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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-B;
 - 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 following litigations pending as at the end of the financial year which may impact its financial position on final disposal of the respective matters.

(₹ Lacs)

Sr. No.	Name of The Party/Department	Brief Facts of the Case	Financial Impact
1.	Commissioner of Income Tax (Appeals), Ahmedabad	Disputed Income Tax Demand for A.Y. 2010-11	8.99
2.	Commissioner of Income Tax (Appeals), Ahmedabad	Disputed Income Tax Demand for A.Y. 2011-12	2.64
3.	Commissioner of Income Tax (Appeals), Ahmedabad	Disputed Income Tax Demand for A.Y. 2014-15	8.28
4.	Commissioner of Income Tax (Appeals), Ahmedabad	Disputed Income Tax Demand for A.Y. 2015-16	14.23
5.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar	Disputed VAT Liabilities for F.Y. 2009-10	19.27
6.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar	Disputed VAT Liabilities for F.Y. 2010-11	34.72

- 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, 2019 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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 : 28TH MAY, 2019

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 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, 2019:

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 showing full particulars including quantitative details and situation of property, plant and equipment and investment properties.
 - b) As explained to us, the management in accordance with a phased programme of verification adopted by the company has physically verified the property, plant and equipment and investment properties. 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 physically verified at reasonable intervals 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 or 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 (a), (b) and (c) 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 provisions of Sections 185 and 186 of The Companies Act, 2013 in respect of grant of any loans, investments, guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the company has not accepted 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 under section 148 (1). 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, T.D.S., GST, Employee Provident Fund, ESIC, Cess and other material statutory dues applicable to it. There has been no outstanding as at 31st March, 2019 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 books of account, there were no statutory dues outstanding as at 31st March, 2019 which have not been deposited on account of any dispute except the following disputed dues.

Sr. No.	Name of the Act	Nature of Dues	Amount (₹)	Period to Which Amount Relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	8,99,000	A.Y. 2010-11	CIT-(Appeals), Ahmedabad
2.	Income Tax Act, 1961	Income Tax Demand	2,64,000	A.Y. 2011-12	CIT-(Appeals), Ahmedabad
3.	Income Tax Act, 1961	Income Tax Demand	8,28,210	A.Y. 2014-15	CIT-(Appeals)-8, Ahmedabad
4.	Income Tax Act, 1961	Income Tax Demand	14,23,730	A.Y. 2015-16	CIT-(Appeals)-8, Ahmedabad
5.	Value Added Tax Laws	VAT	19,27,984	F.Y. 2009-10	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar
6.	Value Added Tax Laws	VAT	34,72,252	F.Y. 2010-11	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar

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

- ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- 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 Ind AS.
- 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 : 28TH MAY, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

[REFERRED TO IN PARAGRAPH 2(f) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS SECTION OF OUR REPORT OF EVEN DATE] FINANCIAL YEAR ENDED 31ST MARCH 2019

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, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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, 2019, 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 : 28TH MAY, 2019

FIROJ G. BODLA
PARTNER
M. No. 126770



BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lacs)

NO.	PARTICULARS	NO.	31-Mar-19		31-Mar-18	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
A.	ASSETS:					
	I. NON-CURRENT ASSETS					
	1 Property, Plant and Equipment	2	597.46		635.35	
	2 Capital Work-in-Progress	3	-		9.03	
				597.46		644.38
	3 FINANCIAL ASSETS					
	(i) Investments	4	817.42		1,534.65	
	(ii) Loans & Advances	5	254.11		509.11	
				1,071.53		2,043.76
	4 OTHER NON-CURRENT ASSETS	6		32.16		47.70
	TOTAL [I]			1,701.15		2,735.84
	II. CURRENT ASSETS					
	1 INVENTORIES	7	9,604.64		2,693.80	
	2 FINANCIAL ASSETS					
	(i) Trade Receivables	8	808.62		2,650.77	
	(ii) Cash & Cash Equivalents	9	1,862.04		2,156.97	
	(iii) Loans & Advances	10	998.10		1,127.02	
			3,668.76		5,934.76	
	3 OTHER CURRENT ASSETS	11	115.82		62.43	
	TOTAL [II]			13,389.22		8,690.99
	TOTAL ASSETS			15,090.37		11,426.83
B.	EQUITY AND LIABILITIES:					
	I. EQUITY					
	1 Equity Share Capital	12	1,647.34		1,647.34	
	2 Other Equity		3,887.79		3,705.59	
	TOTAL [I]			5,535.13		5,352.93
	II. NON-CURRENT LIABILITIES					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	13	21.13		49.95	
			21.13		49.95	
	2 DEFERRED TAX LIABILITIES [NET]	14	69.47		71.26	
	TOTAL [II]			90.60		121.21
	III. CURRENT LIABILITIES					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	15	1,602.86		1,423.42	
	(ii) Current Maturities of Long Term Borrowings	16	12.00		-	
	(iii) Trade Payables	17				
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-		0.48	
	- Total Outstanding Dues of Creditors Other Than Above		7,585.75		4,489.79	
			9,201		5,914	
	2 OTHER CURRENT LIABILITIES	18	208.88		7.86	
	4 CURRENT TAX LIABILITIES [NET]	19	55.15		31.14	
	TOTAL [III]			9,464.64		5,952.69
	TOTAL EQUITY AND LIABILITIES			15,090.37		11,426.83
C.	SIGNIFICANT ACCOUNTING POLICIES	1				
D.	CONTINGENT LIABILITIES	28				
E.	NOTES TO THE FINANCIAL STATEMENTS	29				

The accompanying notes 1 to 29 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 : 28th May, 2019

For and on behalf of the Board
VMS Industries Limited

Manoj Kumar Jain
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Place : Ahmedabad
Date : 28th May, 2019

Sangeeta Jain
Director
DIN: 00125273

Hemal Patel
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2019

(₹ in Lacs)

NO.	PARTICULARS	NO.	FOR THE YEAR ENDED 31-Mar-19		FOR THE YEAR ENDED 31-Mar-18	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
I.	INCOME:					
	Revenue From Operations	20	17,750.40		11,785.84	
	Other Income	21	250.23		292.13	
	TOTAL INCOME			18,000.63		12,077.97
II.	EXPENSES					
	Cost of Raw Materials Consumed	22	10,797.65		6,176.74	
	Purchase of Stock-in-Trade	23	5,742.01		4,640.56	
	Employee Benefit Expense	24	194.37		140.93	
	Finance Costs	25	81.37		143.35	
	Depreciation and Amortisation Expense	26	46.97		46.97	
	Other Expenses	27	855.22		718.08	
	TOTAL EXPENSES			17,717.59		11,866.63
III.	PROFIT BEFORE TAX [I-II]			283.04		211.34
IV.	TAX EXPENSES					
	Current Tax		81.36		69.64	
	Tax Of Earlier Years		5.77		-	
	Deferred Tax		(1.79)		(0.15)	
				85.34		69.49
V.	PROFIT (LOSS) AFTER TAX FOR THE YEAR [III-IV]			197.70		141.85
VI.	OTHER COMPREHENSIVE INCOME (OCI)					
	(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		-		-	
			-		-	
VII.	TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX) [A+B]			-		-
VIII.	TOTAL COMPREHENSIVE INCOME (NET OF TAX) [V+VII]			197.70		141.85
IX.	EARNING PER EQUITY SHARE: (FACE VALUE OF ₹ 10 EACH)					
	Basic			1.20		0.86
	Diluted			1.20		0.86

The accompanying notes 1 to 29 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 : 28th May, 2019

For and on behalf of the Board
VMS Industries Limited

Manoj Kumar Jain
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Place : Ahmedabad
Date : 28th May, 2019

Sangeeta Jain
Director
DIN: 00125273

Hemal Patel
Company Secretary



EQUITY SHARE CAPITAL AND OTHER EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

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, 2018	1,647.34	2,522.51	46.28	1,138.80	-	3,705.59
II.	ADDITIONS						
	Profit For The Year				197.70		197.70
	Excess Provision for Income Tax of Earlier Years				0.03		0.03
	Other Comprehensive Income For The Year					-	-
	Changes in Accounting Policies & Prior Period Errors						
III.	Total Comprehensive Income For The Year [I+II]	1,647.34	2,521.51	46.28	1,335.53	-	3,903.32
IV.	DEDUCTIONS						
	Loss Transferred From Other Unit						
	1/10th of Public Issue Expenses Written Off		(15.53)				(15.53)
	Deduction/Adjustments to Total Comprehensive Income For the Year	-	(15.53)	-	-	-	(15.53)
V.	Balance As At 31st March, 2018 [III-IV]	1,647.34	2,505.98	46.28	1,335.53	-	3,887.79

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

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.	ADDITIONS						
	Profit For The Year				141.85		141.85
	Other Comprehensive Income For The Year					-	-
III.	Total Comprehensive Income For The Year [I+II]	1,647.34	2,537.04	46.28	1,137.80	-	3,721.12
IV.	DEDUCTIONS						
	1/10th of Public Issue Expenses Written Off		(15.53)				(15.53)
	Other Appropriations				-		-
	Deduction/Adjustments to Total Comprehensive Income For the Year	-	(15.53)	-	-	-	(15.53)
V.	Balance As At 31st March, 2018 [III-IV]	1,647.34	2,521.51	46.28	1,137.80	-	3,705.59

The accompanying notes 1 to 29 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 : 28th May, 2019

For and on behalf of the Board
VMS Industries Limited

Manoj Kumar Jain
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Place : Ahmedabad
Date : 28th May, 2019

Sangeeta Jain
Director
DIN: 00125273

Hemal Patel
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19		FOR THE YEAR ENDED 31-Mar-18	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
I. PROFIT BEFORE TAX		283.04		211.34
ADJUSTMENTS FOR:				
Depreciation and Amortization Expense	46.96		46.97	
Finance Cost	81.37		143.35	
Interest Income	(246.12)		(287.32)	
Rent Income	(1.20)		(0.60)	
Loss On Sale of Vehicle	4.92		0.00	
Share of Profit From Partnership Firm	(1.41)		(1.22)	
		(115.48)		(98.82)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		167.56		112.52
ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:				
Inventories	(6,910.84)		31.97	
Trade Receivables	1,842.15		(629.49)	
Non-Current Loans & Advances	255.00		0.25	
Other Current Assets, Current Loans & Advances	75.54		1,636.44	
Trade Payables	3,095.48		(3,034.07)	
Other Current Liabilities	201.03		(41.60)	
Current Provisions	(31.10)		(40.86)	
		(1,472.74)		(2,077.36)
CASH GENERATED FROM OPERATIONS	2.00	(1,305.18)		(1,964.84)
Income Tax Paid		(31.98)		(38.50)
NET CASH FROM OPERATING ACTIVITIES		(1,337.16)		(2,003.34)
II. CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(6.98)		(34.92)	
Sale of Property, Plant and Equipment	2.00		0.00	
Purchase of Non-Current/Current Investments	0.00		(494.82)	
Sale of Non-Current/Current Investments	717.23		0.00	
Rent Received	1.20		0.60	
Interest Received	246.12		287.32	
Share Of Profit From Partnership Firm	1.41		1.22	
NET CASH FROM/(USED) IN INVESTING ACTIVITIES		960.98		(240.60)
III. CASHFLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) Of Non-Current Borrowings [Net]	(16.82)		9.46	
Proceeds/(Repayment) Of Current Borrowings	179.44		1,380.39	
Finance Cost	(81.37)		(143.35)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		81.25		1,246.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [I+II+III]		(294.93)		(997.94)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		2,156.97		3,154.41
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR [REFER TO NOTE NO. 1(q)]		1,862.04		2,155.97

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 29 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 : 28th May, 2019

For and on behalf of the Board
VMS Industries Limited

Manoj Kumar Jain
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Place : Ahmedabad
Date : 28th May, 2019

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.

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 spares of Honda two wheelers.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES:

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.

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 GST/ Other Tax Credits received/receivable during the year in respect of eligible item of Property, Plant and Equipment. Subsequent costs are included in the carrying amount of respective Property, Plant and Equipment or recognized as separate assets as appropriate, only if such costs 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 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.

The Losses arising from the disposal of PPE Property, Plant & Equipment are recognised in the Statement of Profit and Loss of the period.

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 to 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 cutting loss. The inventory at the balance sheet date is ascertained by the management 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, 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 at the transaction price 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. The Company has adopted Ind AS 115 "Revenue from Contracts with Customers", with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue".

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 of 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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

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 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:

- 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.

NOTE NO. 2 PROPERTY, PLANT & EQUIPMENTS (₹ in Lakhs)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS AT 1ST APRIL, 2018	ADDITIONS	ADJUSTMENTS/SALE DURING THE YEAR	AS AT 31ST MARCH, 2019	ADDITIONS	ADJUSTMENTS/SALE DURING THE YEAR	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
1	Building	24.28	15.36	-	39.64	1.08	-	2.24	23.12
2	Corporate Office	42.01	-	-	42.01	0.66	-	8.55	34.12
3	Plant & Machinery	0.71	-	-	0.71	0.07	-	0.49	0.29
4	Furniture & Fixtures	41.39	-	-	41.39	3.93	-	33.28	12.04
5	Air Conditioner	1.86	-	-	1.86	0.36	-	0.74	1.48
6	Weigh Bridge	6.21	-	-	6.21	0.58	-	4.15	2.64
7	Winch	190.90	-	-	190.90	5.91	-	48.75	148
8	Wire Rope	23.58	-	-	23.58	1.85	-	10.85	14.58
9	Crane	289.90	-	-	289.90	10.17	-	85.44	214.63
10	Oxygen Cylinders	137.94	-	-	137.94	3.70	-	68.45	73.19
11	DG Sets	1.66	-	-	1.66	0.11	-	0.72	1.05
12	Office Equipments	2.07	-	-	2.07	0.07	-	0.83	1.31
13	C.C.TV Camera	0.57	0.64	-	1.21	0.18	-	0.55	0.20
14	EPBX	0.58	-	-	0.58	0.11	-	0.29	0.40
15	Water Filter	0.12	-	-	0.12	0.02	-	0.07	0.07
16	Godrege RHINO Safe	0.11	-	-	0.11	0.01	-	0.07	0.05
17	Vehicles	175.65	-	(15.56)	160.09	17.16	(8.64)	77.36	106.81
18	Computers	5.05	-	-	5.05	0.87	-	4.79	1.13
19	Printers	0.42	-	-	0.42	0.13	-	0.37	0.18
	TOTAL	945.01	16.00	(15.56)	945.45	46.97	(8.64)	347.99	635.35
	PREVIOUS YEAR	910.09	34.93	-	945.02	46.97	-	309.67	647.39


NOTE NO. 3 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

SR. NO.	DESCRIPTION OF ASSETS	AS AT 1ST APRIL, 2018	ADDITIONS	ADJUSTMENTS DURING THE YEAR	AS AT 31ST MARCH, 2019
1	Green Plot	9.03		(9.03)	-
	TOTAL	9.03		(9.03)	-
	PREVIOUS YEAR	-	9.03	-	-

NOTE NO. 4 NON-CURRENT FINANCIAL ASSETS: INVESTMENTS

(₹ in Lakhs)

SR. NO.	PARTICULARS	Face Value/ Paid Up Value	No. of Shares/Units	AS AT 31-Mar-19	AS AT 31-Mar-18
A.	INVESTMENTS IN SUBSIDIARY				
	VMS TMT Private Limited	10	5,073,000	507.30	507.30
B.	INVESTMENTS IN PARTNERSHIP-AT COST				
	Enternal Automobiles [Profit Sharing Ratio 10.00%]			310.12	1,027.35
	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%				
	TOTAL			817.42	1,534.65

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

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	Unsecured but Considered Good		
I.	DEPOSITS		
	SHIP RCECYCLING INDUSTRIES ASSOCIATION (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
		9.11	9.11
II.	LOANS & ADVANCES		
	Loans and Advances to Others	245.00	500.00
	TOTAL	254.11	509.11

NOTE NO. 6 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	Share Issue Expenses	32.16	47.70
	TOTAL	32.16	47.70

NOTE NO. 7 INVENTORIES

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	-Inventories taken as Physically Verified, Valued and Certified by the management of the company		
1	Raw Materials-Uncut Ship	9,604.64	2,693.80
	TOTAL	9,604.64	2,693.80

NOTE NO. 8 CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
1	Unsecured But Considered Good		
	- Outstanding for a period Exceeding Six Months (From the date from which they became due for payment)	-	-
	- Others	808.62	2,650.77
		808.62	2,650.77
	- Due by Others	808.62	2,650.77
	TOTAL	808.62	2,650.77

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

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	Balance with Banks		
	In Current Accounts	123.01	862.15
	Fixed Deposits	1,724.99	1,267.06
		1,848.00	2,129.21
II	Cash on Hand	14.04	28
	TOTAL	1,862.04	2,156.97

NOTE NO. 10 CURRENT FINANCIAL ASSETS: LOANS & ADVANCES

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	Unsecured but Considered Good		
	Loans and Advances to Related Parties	700.14	1,040.00
	Loans and Advances to Others	200.58	-
	Balance With Government Authorities Self Assessment/Advance Tax/TDS Receivable	68.90	66.83
		969.62	1,106.83
II.	Interest Accrued On Bank FDR	28.48	20.19
	TOTAL	998.10	1,127.02

NOTE NO. 11 OTHER CURRENT ASSETS

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	ADVANCES		
1	Advances to Suppliers for Goods	42.84	42.70
2	Advances for Expenses & Other Debit Balances	23.58	18.22
		66.42	60.92
II.	Prepaid Expenses	49.40	1.51
	TOTAL	115.82	62.43


NOTE NO. 12 EQUITY SHARE CAPITAL

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19		AS AT 31-Mar-18	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹
I	EQUITY SHARES AUTHORISED				
	Equity Shares of ₹ 10/= Each At Par Issued, Subscribed and Paid Up Capital	2,00,00,000	2,000.00	2,00,00,000	2,000.00
	Equity Shares of ₹ 10/= Each At Par Fully Paid Up	1,64,73,391	1,647.34	1,64,73,391	1,647.34
	TOTAL	1,64,73,391	1,647.34	1,64,73,391	1,647.34

II Reconciliation of Number Shares Outstanding

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19		AS AT 31-Mar-18	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹
	Outstanding As At The Beginning Of The Year	1,64,73,391	16,47,33,910	1,64,73,391	16,47,33,910
	Add: Issue of Shares (Face Value)	-	-	-	-
	Outstanding As At The End Of The Year	1,64,73,391	16,47,33,910	1,64,73,391	16,47,33,910

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

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19		AS AT 31-Mar-18	
	No. of Shares	% of Total Holding	No. of Shares	% of Total Holding
Manoj Kumar Jain	61,68,100	37.44%	61,68,100	37.44%
Sangeeta Jain	22,92,264	13.91%	22,92,264	13.91%
Mono Herbicides Limited	-	0.00%	14,99,684	9.10%
B Lodha Securities Limited	-	0.00%	13,42,896	8.15%

NOTE NO. 13 NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19		AS AT 31-Mar-18	
I.	SECURED				
	VEHICLE LOANS				
	ICICI Car Loan-VOLVO		-		6.48
	ICICI Car Loan-INNOVA		2.22		8.95
	BOB Car Loan-BALENO DELTA		2.03		4.84
	BOB Car Loan-SWIFT VDI MARUTI		2.26		4.98
	BOB Car Loan-CRETA		9.06		12.94
	BOB Car Loan-CELERIO		0.83		3.48
	BOB Car Loan-CIAZ		4.73		8.28
	TOTAL		21.13		49.95

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 ₹ 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 ₹ 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 ₹ 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 ₹ 14,605/- including interest and last instalment due in July, 2021
- Bank of Baroda-Creta Car Loan secured by Hypothecation Charge on Creta.
The Loan is repayable in 60 Equal Monthly Instalments of ₹ 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 ₹ 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 ₹ 19,859/- including interest and last instalment due in June, 2022

NOTE NO. 14 DEFERRED TAX LIABILITIES

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	OPENING BALANCE	71.27	71.41
	DEFERRED TAX LIABILITIES/(ASSETS) RELATING TO Property, Plant and Equipments, Intangible Assets & Investment Properties	(1.80)	(0.15)
		69.47	71.26
	TOTAL	69.47	71.26

NOTE NO. 15 CURRENT FINANCIAL LIABILITIES: SHORT TERM BORROWINGS

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	SECURED		
	Loans repayable on Demand		
	Working Capital		
	From Banks		
A	CASH CREDIT		
	Bank of Baroda-CC Account No.-05/137	199.18	174.87
	Bank of Baroda-CC Account No.-08490500000109	1,207.55	-
B	LC **		
	BOB Inland LC	196.13	1,248.55
	TOTAL	1,602.86	1,423.42

*

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 Shri 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 Shri 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 Shri Manoj Kumar Jain.
- 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.
- Equitable Mortgage of Bunglow No. 29, Block No. 78, Green Park Bungalows, Green Park Vikas Mandal, Gokuldham, Near Shanti Circle, Sanathal, Tal. Sanand, Dist.: Ahmedabad in the name of Smt. Indubala Mukeshchand Jain.

II GUARANTEE:

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

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

III REPAYMENT TERMS:

Working capital loans repayable on demand.

**

I NATURE OF SECURITY:

Cash Margin of 10% at the time of opening of LC

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

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
A.	SECURED		
	VEHICLE LOANS		
	ICICI Car Loan-VOLVO	0.52	-
	ICICI Car Loan-INNOVA	3.53	-
	BOB Car Loan-BALENO DELTA	1.30	-
	BOB Car Loan-SWIFT VDI MARUTI	1.45	-
	BOB Car Loan-CRETA	2.00	-
	BOB Car Loan-CELERIO	1.36	-
	BOB Car Loan-CIAZ	1.84	-
	TOTAL	12.00	-

* Refer to Note No. 13 for Securities Offered and Terms of Repayment.

NOTE NO. 17 CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	Sundry Creditors for Goods		
	- Micro & Small Enterprises	-	-
	- Others	7,571.63	4,470.17
II	Sundry Creditors for Other Expenses		
	- Micro & Small Enterprises	-	0.48
	- Others	14.12	19.62
	TOTAL	7,585.75	4,490.27

NOTE: DUES TO MICRO AND SMALL ENTERPRISES

The Company has dues outstanding as at the reporting date to certain suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act, 2006 are as follows:

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	The principal amount remaining unpaid to any supplier at the end of the year.	-	0.48
II	Interest due as claimed remaining unpaid to any supplier at the end of the year.	-	-
III	The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year.	-	-
IV	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
V	The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
VI	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
	TOTAL	-	0.48

NOTE NO. 18 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	Advances from Customers/Sundry Credit Balances	200.00	-
II	Other Payables	1.21	1.92
III	Other Payables-Statutory Liabilities		
	Provident Fund	0.73	1.55
	Employee State Insurance Fund	0.19	0.50
	Professional Tax	0.10	0.22
	T.D.S./T.C.S. Payable	6.59	3.67
	GST Payable	0.06	-
		7.67	5.94
	TOTAL	208.88	7.86

NOTE NO. 19 CURRENT TAX LIABILITIES [NET]

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	Current Income Tax Liabilities		
	Provision for Current Year	81.36	69.64
	Provision for Income Tax-OCI Items	-	0.00
	Less: Advance Tax Paid	(10.00)	(15.00)
	Less: TDS/TCS Receivable	(16.21)	(23.50)
	TOTAL	55.15	31.14

NOTE NO. 20 REVENUE FROM OPERATIONS

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
A.	SALE OF PRODUCTS		
	Sales Of Manufacturing Goods-Ship Breaking (Inclusive of GST Collected On Sales)	11,974.19	7,120.49
	Sales Of Trading Goods	5,776.21	4,665.35
		17,750.40	11,785.84
	TOTAL	17,750.40	11,785.84

NOTE NO. 21 OTHER INCOME

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
1	INTEREST INCOME		
	From Current Investments/Advances/Others		
	Interest on Fixed Deposits With Banks	137.12	96.99
	Interest on Loans & Advances	51.48	144.73
	Interest From Partnership Firm	55.48	42.61
	Interest On Income Tax Refund	2.04	2.99
		246.12	287.32
2	Share of Profit From Partnership Firm	1.41	1.22
3	Other Non-Operating Income (Net of Related Expenses)		
	Rent Income	1.20	0.60
	Other Income	1.50	2.99
		2.70	3.59
	TOTAL	250.23	292.13

NOTE NO. 22 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
I.	RAW MATERIALS CONSUMED:		
A.	Opening Stock	2,693.80	2,725.77
	Add : Purchases (Inclusive of GST On Purchases & LC Charges)	17,215.01	5,022.94
	Add:Freight, Custom Duty, Clearing & Forwarding Charges	493.48	1,121.83
	Less : Closing Stocks	(9,604.64)	(2,693.80)
		10,797.65	6,176.74
	TOTAL	10,797.65	6,176.74

NOTE NO. 23 PURCHASE STOCK IN TRADE

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
-	Purchases Stock in Trade (Inclusive of GST On Purchases & LC Charges)	5,742.01	4,640.56
	TOTAL	5,742.01	4,640.56

NOTE NO. 24 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
1	Salaries, Wages & Labour Charges		
	- To Directors-Remuneration	48.00	48
	- To Others	101.24	69
		149.24	117.37
2	Company Contribution to Provident Fund	19.77	10.58
3	Company Contribution to ESIC	5.98	3.24
4	Professional Tax of Employees	1.00	0.55
5	Bonus & Exgratia	18.38	9.19
	TOTAL	194.37	140.93

NOTE NO. 25 FINANCE COST

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
1	Bank & Other Financial Charges	9.16	109.18
2	Interest		
	To Bank	64.37	26.70
	On Unsecured Loans	-	1.72
	On Vehicle Loans	3.37	5.74
	On Income Tax	4.47	-
	On TDS	0.00	0.01
		72.21	34.17
	TOTAL	81.37	143.35

NOTE NO. 26 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
-	Depreciation on Property, Plant & Equipments	46.97	46.97
	TOTAL	46.97	46.97

NOTE NO. 27 OTHER EXPENSES

(₹ in Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
I.	MANUFACTURING EXPENSES		
1	Stores & Spares Consumed:	22.35	13.31
2	Power, Fuel & Utilities :		
	Diesel, Gases & Carbide	164.38	123.48
3	REPAIRS & MAINTENANCE:	1.90	4.89
4	Transportation Inward	0.91	-
5	GMB Plot Rent/Development & Other Charges	82.67	11.58
6	Pollution Control Expenses	2.76	2.00
7	Other Manufacturing Expenses	5.31	1.35
		280.28	156.61
II.	ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
1	Postage & Telephone/Communications	1.21	2.44
2	Stationery & Printing	1.85	1.69
3	Travelling, Conveyance & Vehical Expenses		
	Travelling & Conveyance	0.39	1.93
	Vehicle Expenses (Including Repairs & Fuel)	3.96	6.40
		4.35	8.33
4	Legal & Professional Charges	50.76	38.88
5	Rent, Rates & Taxes	117.63	434.00
6	Auditor's Remuneration		
	Statutory Audit Fees	0.83	0.60
	Tax Audit Fees	0.18	0.15
		1.01	0.75
7	Insurance	3.42	3.46
8	Selling & Distribution Expenses		
	Advertisement Expenses	0.43	0.41
	Transportation Expenses	0.44	-
	Commission on Sales	11.55	5.99
		12.42	6.40
9	Loss On Foreign Exchange Fluctuations	349.34	55
10	Security Expenses	21.09	2
11	Loss On Sale of Assets	4.92	-
12	Other Expenses	6.94	9
	TOTAL	855.22	718.08

NOTE NO. 28 CONTINGENT LIABILITIES

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	Corporate Guarantee in Favour Standard Chartered Bank, Mumabi Branch and Oriental Bank of Commerce, Bhavanagar for Working Capital Loan Aailed by M/s. Eternal Automobiles. The Outstanding Balance of Loan As At 31.03.2019 was ₹ 3,09,52,267 to Standard Chartered Bank and ₹ 58,16,275 to Oriental Bank of Commerce and ₹ 4,96,24,013 to Standard Chartered Bank and ₹ 79,02,885 to Oriental Bank of Commerce As At 31.03.2018.	480.00	480.00
II.	Corporate Guarantee in Favour Reliance Home Finance Limited for Loan Aailed by M/s. VMS TMT Private Limited (Subsidiary Of The Company). The Outstanding Balance of Loan As At 31.03.2019 was ₹ NIL and ₹ 4,31,31,545 As At 31.03.2018. The Guarantee was released on 20.04.2018.	-	500.00
III.	Corporate Guarantee in Favour SBI, SME-1, Navrangpura, Ahmedabad for Working Capital Loan Aailed by M/s. VMS TMT Private Limited (Subsidiary Of The Company). The Outstanding Balance of Loan As At 31.03.2019 was ₹ 9,50,04,794 and ₹ NIL As At 31.03.2018.	1,090.00	-
IV.	Commissioner Of Income Tax (Appeals), Ahmedabad, A.Y. 2010-11	8.99	8.99
V.	Commissioner Of Income Tax (Appeals), Ahmedabad, A.Y. 2011-12	2.64	2.64
VI.	Commissioner Of Income Tax (Appeals)-8, Ahmedabad, A.Y. 2014-15	8.28	8.28
VII.	Commissioner Of Income Tax (Appeals)-8, Ahmedabad, A.Y. 2015-16	14.23	14.23
VIII.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2009-10	19.27	19.27
IX.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2010-11	34.72	34.72
	TOTAL	1,658	1,068

NOTE 29 : 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.

(₹ in Lakhs)

PARTICULARS		FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
Net Profit After Tax for the period	(A)	197.70	141.85
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)	1.20	0.86

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
ix.	Aditya Ultra Steel Limited	Company in Which Relative of Directors is Director and have substantial shareholding	Yes

B. Transaction with Related Parties

(₹ in Lakhs)

Nature of Transaction	Name of the Party	2018-19	2017-18
Investment in Capital Account of Partnership Firm (Net)	Eternal Automobiles	NIL	4,93.59
Advances Given	VMS TMT Private Limited	3,038.00	265.00
Advances Received Back	VMS TMT Private Limited	2,383.00	265.00
Corporate Guarantee to Banks/Financial Institutions	Eternal Automobiles	480.00	480.00
	VMS TMT Private Limited	1090.00	500.00
Rent Income	VMS TMT Private Limited	0.70	0.60
	Aditya Ultra Steel Limited	0.70	NIL
Sales of Goods (Net)	VMS TMT Private Limited	713.66	952.86
	Aditya Ultra Steel Limited	2,695.29	NIL
Share of Profit In Partnership Firm	Eternal Automobiles	1.41	1.22
Interest Received	Eternal Automobiles	55.47	42.61
	VMS TMT Private Limited	50.16	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	3.57	3.25
	Mr. Hemal Pankajkumar Patel	5.20	4.55
Outstanding Balances as at the year end- Sale of Goods	VMS TMT Private Limited	NIL	952.86 (Dr.)
Outstanding Balances as at the year end- Investment in Partnership Firm	Eternal Automobiles	310.12 (Dr.)	1,027.35 (Dr.)
Outstanding Balances as at the year end- Advance Given	VMS TMT Private Limited	7,00.14 (Dr.)	NIL
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) 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.
- e) 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.
- f) The Financial Statements were authorised for issue by the Board of Directors on 28th May, 2019.
- 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 '29'

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
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Sangeeta Jain
Director
DIN: 00125273

Hemal Patel
Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

Place : Ahmedabad
Date : 28th May, 2019



INDEPENDENT AUDITOR’S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of
VMS INDUSTRIES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS:

OPINION

We have audited the consolidated financial statements of **VMS INDUSTRIES LIMITED** (herein after referred to as “the Holding Company”) and its subsidiary (the Holding Company and its Subsidiary together hereinafter referred to as “the Group’), which comprise the Consolidated Balance Sheet as at March 31, 2019, 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 notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements “except for non-provision for gratuity and other long term employee benefits as per Ind-As-19 “Employee Benefits” give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2019, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS OF OPINION

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

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

The Key Audit Matter	How the matter was addressed in our audit
1. Litigations and Claims (Refer to Note No. 32 Relating to Contingent Liabilities)	
The Group is/was subject to different Laws and Regulations which are subject to different implications and interpretations thereof. In such regulatory environment, the Group is subject to some legal and tax related claims which have been disclosed for as contingent liabilities in the consolidated financial statements based on the facts and circumstances of each case. Taxation and litigations have been identified as a key audit matter due to the status of legal proceedings, timescales involved for resolution and the potential financial impact of these on the consolidated financial statements. Further, such tax litigations involve significant management judgment in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.	<ul style="list-style-type: none"> • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. • Obtained the summary of Group’s legal and tax cases and critically assessed management’s position through discussions with the Legal Counsel, appropriate senior management and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Assessed management’s estimate of the possible outcome of the litigations, the relevant disclosures made within the consolidated financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS’ REPORT THEREON

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS:

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 consolidated 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 with 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 each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing each Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group is also responsible for overseeing each Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS:

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (the Holding Company and its Subsidiary Company) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.



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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books;
 - c) The Consolidated Balance Sheet, Consolidated the Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity & the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, aforesaid 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 Flows 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 Holding Company as on March 31, 2019, and taken on record by the Board of Directors of the Holding Company and report of statutory auditors of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2019, 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 Holding Company and its subsidiary 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - 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, 2019 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.
2. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**PLACE : AHMEDABAD
DATED : 28TH MAY, 2019**

**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 31ST MARCH 2019

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

In conjunction with our audit of the Consolidated Financial Statements VMS INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary Company (the Holding Company and its Subsidiary hereinafter referred to as "Group").

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 each 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, 2019, 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 : 28TH MAY, 2019



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lacs)

NO.	PARTICULARS	NO.	31-Mar-19		31-Mar-18	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
A.	ASSETS:					
	I. NON-CURRENT ASSETS					
	1 Property, Plant and Equipment	2	1,120.39		1,171.33	
	2 Capital Work-in-Progress	3	-		9.03	
				1,120.39		1,180.36
	3 FINANCIAL ASSETS					
	(i) Investments	4	310.12		1,027.35	
	(ii) Loans & Advances	5	254.38		509.38	
				564.50		1,536.73
	4 OTHER NON-CURRENT ASSETS	6		32.16		47.70
	TOTAL [I]			1,717.05		2,764.79
	II. CURRENT ASSETS					
	1 INVENTORIES	7	9,604.64		2,693.80	
	2 FINANCIAL ASSETS					
	(i) Trade Receivables	8	2,713.57		2,623.41	
	(ii) Cash & Cash Equivalents	9	1,869.82		2,163.30	
	(iii) Loans & Advances	10	298.09		1,823.14	
			4,881.48		6,609.85	
	3 CURRENT TAX ASSETS [NET]	11	0.71		10.73	
	3 OTHER CURRENT ASSETS	12	134.80		73.23	
	TOTAL [II]			14,621.63		9,387.61
	TOTAL ASSETS			16,338.68		12,152.40
B.	EQUITY AND LIABILITIES:					
	I. EQUITY					
	1 Equity Share Capital	13	1,647.34		1,647.34	
	2 Other Equity		3,932.48		3,727.40	
	EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS		5,579.82		5,374.74	
	3 Non Controlling Interest	14	136.88		131.19	
	TOTAL [I]			5,716.70		5,505.93
	II. NON-CURRENT LIABILITIES					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	15	21.13		426.32	
			21.13		426.32	
	2 DEFERRED TAX LIABILITIES [NET]	16	76.19		76.20	
	TOTAL [II]			97.32		502.52
	III. CURRENT LIABILITIES					
	1 FINANCIAL LIABILITIES					
	(i) Borrowings	17	2,650.91		1,423.42	
	(ii) Current Maturities of Long Term Borrowings	18	12.00		54.94	
	(iii) Trade Payables	19				
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-		0.48	
	- Total Outstanding Dues of Creditors Other Than Above		7,587.31		4,614.77	
			10,250.22		6,093.61	
	2 OTHER CURRENT LIABILITIES	20	219.29		16.28	
	3 PROVISIONS	21	-		2.95	
	4 CURRENT TAX LIABILITIES [NET]	22	55.15		31.11	
	TOTAL [III]			10,524.66		6,143.95
	TOTAL EQUITY AND LIABILITIES			16,338.68		12,152.40
C.	SIGNIFICANT ACCOUNTING POLICIES	1				
D.	CONTINGENT LIABILITIES	32				
E.	NOTES TO THE FINANCIAL STATEMENTS	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

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board
VMS Industries Limited

Manoj Kumar Jain
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Place : Ahmedabad
Date : 28th May, 2019

Sangeeta Jain
Director
DIN: 00125273

Hemal Patel
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2019

(₹ in Lacs)

NO.	PARTICULARS	NO.	FOR THE YEAR ENDED 31-Mar-19		FOR THE YEAR ENDED 31-Mar-18	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
I.	INCOME:					
	Revenue From Operations	23	30,881.34		13,475.68	
	Other Income	24	226.32		414.80	
	TOTAL INCOME			31,107.66		13,890.48
II.	EXPENSES					
	Cost of Raw Materials Consumed	25	10,797.66		6,176.73	
	Purchase of Stock-in-Trade	26	18,569.65		6,249.55	
	Changes in Inventories of Finished Goods & Work-in-Progress	27	-		7.83	
	Employee Benefit Expense	28	196.34		142.07	
	Finance Costs	29	162.98		262.62	
	Depreciation and Amortisation Expense	30	60.02		60.01	
	Other Expenses	31	1,005.57		743.65	
	TOTAL EXPENSES			30,792.22		13,642.46
III.	PROFIT BEFORE TAX[I-II]			315.44		248.02
IV.	TAX EXPENSES					
	Current Tax		(87.59)		(76.60)	
	Tax Of Earlier Years		(5.77)		0.00	
	Less: MAT Credit		4.24		0.40	
	Deferred Tax		0.00		(4.77)	
				(89.12)		(80.97)
V.	PROFIT(LOSS) AFTER TAX FOR THE YEAR [III-IV]			226.32		167.05
VI.	OTHER COMPREHENSIVE INCOME (OCI)					
	(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		-		-	
			-		-	
VII.	TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX) [A+B]			-		-
VIII.	TOTAL COMPREHENSIVE INCOME (NET OF TAX) [V+VII]			226.32		167.05
IX.	EARNING PER EQUITY SHARE: (FACE VALUE OF ₹ 10 EACH)					
	Basic			1.37		1.01
	Diluted			1.37		1.01

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
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Sangeeta Jain
Director
DIN: 00125273

Hemal Patel
Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

Place : Ahmedabad
Date : 28th May, 2019



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

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lacs)

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, 2018	1,647.34	2,521.51	46.28	1,159.59	-	3,727.38
II.	ADDITIONS						
	Profit For The Year				226.31		226.31
III.	Total Comprehensive Income For The Year [I+II]	1,647.34	2,521.51	46.28	1,385.90	-	3,953.69
IV.	DEDUCTIONS						
	1/10th of Public Issue Expenses Written Off		(15.54)				(15.54)
	Share Of Profit Of Non-Controlling Interests				(5.67)		(5.67)
	Deduction/Adjustments to Total Comprehensive Income For the Year	0.00	(15.54)	0.00	(5.67)	0.00	(21.21)
V.	Balance As At 31st March, 2019 [III-IV]	1,647.34	2,505.97	46.28	1,380.23	0.00	3,932.48

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lacs)

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	2,537.04	46.29	997.57		3,580.90
II.	ADDITIONS						
	Profit For The Year				167.02		167.02
III.	Total Comprehensive Income For The Year [I+II]	1,647.34	2,537.04	46.29	1,164.59	0.00	3,747.92
IV.	DEDUCTIONS						
	1/10th of Public Issue Expenses Written Off		(15.53)				(15.53)
	Share Of Profit Of Non-Controlling Interests				(4.99)		(4.99)
	Deduction/Adjustments to Total Comprehensive Income For the Year	0.00	(15.53)	0.00	(4.99)	0.00	(20.52)
V.	Balance As At 31st March, 2018 [III-IV]	1,647.34	2,521.51	46.29	1,159.60	0.00	3,727.40

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 : 28th May, 2019

For and on behalf of the Board
VMS Industries Limited

Manoj Kumar Jain
Managing Director
DIN: 02190018

Himanshu Shah
Chief Financial Officer

Place : Ahmedabad
Date : 28th May, 2019

Sangeeta Jain
Director
DIN: 00125273

Hemal Patel
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lacs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19		FOR THE YEAR ENDED 31-Mar-18	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
I. PROFIT BEFORE TAX		315.44		248.02
ADJUSTMENTS FOR:				
Depreciation and Amortization Expense	60.01		60.01	
Finance Cost	162.98		262.62	
Interest Income	(222.81)		(410.58)	
Loss On Sale of Vehicle	4.92		0.00	
Preliminary Expenses Written Off	0.00		13.36	
Rent Income	(0.60)		0.00	
Share of Profit From Partnership Firm	(1.41)		(1.23)	
		3.09		(75.82)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		318.53		172.20
ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:				
Inventories	(6,910.84)		39.80	
Trade Receivables	(90.16)		(596.60)	
Non-Current Loans & Advances	255.00		0.25	
Other Current Assets, Current Loans & Advances	1,474.21		1,469.72	
Trade Payables	2,972.06		(2,909.09)	
Other Current Liabilities	148.07		(26.88)	
Current Provisions	(34.06)		(41.28)	
		(2,185.72)		(2,064.08)
CASH GENERATED FROM OPERATIONS		(1,867.19)		(1,891.88)
Income Tax Paid		(34.68)		(55.82)
NET CASH FROM OPERATING ACTIVITIES		(1,901.87)		(1,947.70)
II. CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(6.98)		(34.92)	
Sale of Property, Plant and Equipment	2.00		0.00	
Purchase of Non-Current/Current Investments	0.00		(494.82)	
Rent Income	0.60		0.00	
Sale of Non-Current/Current Investments	717.23			
Interest Received	222.81		410.58	
Share of Profit From Partnership Firm	1.41		1.23	
NET CASH FROM/(USED) IN INVESTING ACTIVITIES		937.07		(117.93)
III. CASHFLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) Of Non-Current Borrowings [Net]	(393.18)		(45.48)	
Proceeds/(Repayment) Of Current Borrowings	1,227.49		1,380.38	
Finance Cost	(162.98)		(262.62)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		671.33		1072.28
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [I+II+III]		(293.47)		(993.35)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		2,163.29		3,156.65
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		1,869.82		2,163.30
[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

Managing Director
DIN: 02190018

Himanshu Shah

Chief Financial Officer

Sangeeta Jain

Director
DIN: 00125273

Hemal Patel

Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

Place : Ahmedabad
Date : 28th May, 2019



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.

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 spares of Honda two wheelers.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES:

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.

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

The consolidated financial statements of the Group consolidate financial statements of the Holding Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income and expenses are eliminated on consolidation. The accounting policies to subsidiary have been applied to ensure the consistency with the policies adopted by the Holding Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Holding Company's standalone financial statements.

The Profit or loss and other comprehensive income are attributable to the owners of the Holding Company and to the non-controlling interests have been reflected separately in the consolidated financial statements.

Non-controlling interests represent that portion of the total comprehensive income and net assets of subsidiary as is attributable to interest which is not owned, directly or indirectly, by the Holding Company.

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 GST/Other tax credits received/receivable during the year in respect of eligible item of Property, Plant and Equipment. Subsequent costs are included in the carrying amount of Property, Plant and Equipment or recognized as separate assets as appropriate, only if such costs 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 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.

The Losses arising from the disposal of PPE Property, Plant & Equipment are recognised in the Statement of Profit and Loss of the period.

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 cutting loss. The inventory at the balance sheet date is ascertained by the management 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, 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 at the transaction price 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.

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers", with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 "Revenue".

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 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 Group'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 Group 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 Group, 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 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 decision 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 if any 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 assesse, 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 value in use or cash-generating unit's (CGU) fair value less costs of disposal. 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 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 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.

NOTE NO. 2 PROPERTY, PLANT & EQUIPMENTS

(₹ in Lacs)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 1ST APRIL, 2018	ADDITIONS	ADJUSTMENTS/ SALE DURING THE YEAR	REVALUATIONS RECOGNIZED IN OCI	AS AT 31ST MARCH, 2019	AS AT 1ST APRIL, 2018	ADDITIONS	ADJUSTMENTS/ SALE DURING THE YEAR	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
1	Freehold Land	163.11	-	-	-	163.11	-	-	-	163.11	163.11
2	Building	398.82	15.36	-	-	414.18	12.95	-	25.97	388.21	385.80
3	Corporate Office	42.01	-	-	-	42.01	0.66	-	8.54	33.47	34.13
4	Plant & Machinery	0.97	-	-	-	0.97	0.08	-	0.51	0.46	0.54
5	Electrification	0.67	-	-	-	0.67	0.04	-	0.08	0.59	0.63
6	Borewell	3.56	-	-	-	3.56	0.67	-	1.35	2.21	2.88
7	Furniture & Fixtures	41.68	-	-	-	41.68	3.96	-	33.32	8.36	12.32
8	Air Conditioner	1.85	-	-	-	1.85	0.36	-	0.74	1.11	1.47
9	Weigh Bridge	12.79	-	-	-	12.79	0.99	-	4.97	7.82	8.81
10	Winch	190.89	-	-	-	190.89	5.90	-	48.73	142.16	148.06
11	Wire Rope	23.58	-	-	-	23.58	1.85	-	10.85	12.73	14.58
12	Crane	289.90	-	-	-	289.90	10.16	-	85.43	204.47	214.63
13	Oxygen Cylinders	137.94	-	-	-	137.94	3.69	-	68.46	69.48	73.17
14	DG Sets	1.67	-	-	-	1.67	0.11	-	0.72	0.95	1.06
15	Office Equipments	2.07	-	-	-	2.07	0.07	-	0.83	1.24	1.31
16	C.C.TV Camera	0.57	0.64	-	-	1.21	0.18	-	0.55	0.66	0.20
17	EPBX	0.57	-	-	-	0.57	0.12	-	0.30	0.27	0.39
18	Water Filter	0.12	-	-	-	0.12	0.02	-	0.08	0.04	0.06
19	Godrege RHINO Safe	0.11	-	-	-	0.11	0.02	-	0.08	0.03	0.05
20	Vehicles	175.65	-	-15.56	-	160.09	17.16	-8.64	77.37	82.72	106.80
21	Computers	5.05	-	-	-	5.05	0.87	-	4.80	0.25	1.14
22	Printers	0.42	-	-	-	0.42	0.14	-	0.37	0.05	0.19
	TOTAL	1,494.00	16.00	-15.56	-	1,494.44	60.00	-8.64	374.05	1,120.39	1,171.33
	PREVIOUS YEAR	1,083.35	410.69	-	-	1,494.04	60.01	-	322.71	1,171.33	820.65


NOTE NO. 3 CAPITAL WORK IN PROGRESS

(₹ in Lacs)

SR. NO.	DESCRIPTION OF ASSETS	AS AT 1ST APRIL, 2018	ADDITIONS	ADJUSTMENTS DURING THE YEAR	REVALUATIONS RECOGNIZED IN OCI	AS AT 31ST MARCH, 2019
1	Green Plot	9.03	-	(9.03)	-	-
	TOTAL	9.03	-	(9.03)	-	-
	PREVIOUS YEAR	384.80	-	(375.77)	-	-

NOTE NO. 4 NON-CURRENT FINANCIAL ASSETS: INVESTMENTS

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
A.	INVESTMENTS IN PARTNERSHIP-AT COST		
	External Automobiles [Profit Sharing Ratio 10.00%]	310.12	1,027.35
	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%		
	TOTAL	310.12	1,027.35

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

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	Unsecured but Considered Good		
I.	DEPOSITS		
	SHIP RECYCLING 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
		9.38	9.38
II.	LOANS & ADVANCES		
	Loans and Advances to Others	245.00	500.00
	TOTAL	254.38	509.38

NOTE NO. 6 OTHER NON-CURRENT ASSETS

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	Share Issue Expenses	32.16	47.70
	TOTAL	32.16	47.70

NOTE NO. 7 INVENTORIES

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	-Inventories taken as Physically Verified, Valued and Certified by the management of the company		
1	Raw Materials-Uncut Ship	9,604.64	2,693.80
	TOTAL	9,604.64	2,693.80

NOTE NO. 8 CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
1	Unsecured But Considered Good		
	- Outstanding for a period Exceeding Six Months (From the date from which they became due for payment)	-	-
	- Others	2,713.57	2,623.41
		2,713.57	2,623.41
	- Due by Companies in which Directors are Director/Interested	1,188.75	-
	- Due by Others	1,524.82	2,623.41
		2,713.57	2,623.41
	TOTAL	2,713.57	2,623.41

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

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	Balance with Banks		
	In Current Accounts	123.05	858.46
	Fixed Deposits	1,724.98	1,267.06
		1,848.03	2,125.52
II	Cash on Hand	21.79	37.78
	TOTAL	1,869.82	2,163.30

NOTE NO. 10 CURRENT FINANCIAL ASSETS: LOANS & ADVANCES

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	Unsecured but Considered Good		
	Loans and Advances to Related Parties	-	1,734.45
	Loans and Advances to Others	200.73	1.67
	Balance With Government Authorities Self Assessment/Advance Tax/TDS Receivable	68.88	66.83
		269.61	1,802.95
II.	Interest Accrued On Bank FDR	28.48	20.19
	TOTAL	298.09	1,823.14

NOTE NO. 11 CURRENT TAX ASSETS [NET]

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	CURRENT TAX ASSETS		
	TDS Receivable For The A.Y. 2019-20	2.70	12.32
	TDS Receivable For The A.Y. 2018-19	-	5.00
		2.70	17.32
	Less: Provision For Income Tax [Current]	(6.23)	(6.99)
	Add: MAT Credit A.Y. 2018-19	0.00	0.40
	Add: MAT Credit A.Y. 2019-20	4.24	0.00
		(1.99)	(6.59)
	TOTAL	0.71	10.73


NOTE NO. 12 OTHER CURRENT ASSETS

(₹ in Lacs)

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-19		AS AT 31-Mar-18	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹
1	Advances for Capital Expenses		5.00		5.00
2	Advances to Suppliers for Goods		42.84		42.70
3	Advances for Expenses & Other Debit Balances		23.58		18.23
4	Balance With Government Authorities				
	Income tax Refund Receivable		13.54		3.21
	MAT Credit Receivable		0.40		-
	GST Credit Receivable		0.03		0.51
			13.97		3.72
6	Prepaid Expenses		49.41		3.58
	TOTAL		134.80		73.23

NOTE NO. 13 EQUITY SHARE CAPITAL

(₹ in Lacs)

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-19		AS AT 31-Mar-18	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹
I	EQUITY SHARES				
	AUTHORISED				
	Equity Shares of ₹ 10/= Each At Par	2,00,00,000	2,000.00	2,00,00,000	2,000.00
	Issued, Subscribed and Paid Up Capital				
	Equity Shares of ₹ 10/= Each At Par Fully Paid Up	1,64,73,391	1,647.34	1,64,73,391	1,647.34
	TOTAL	1,64,73,391	1,647.34	1,64,73,391	1,647.34

II Reconciliation of Number Shares Outstanding

(₹ in Lacs)

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-19		AS AT 31-Mar-18	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹
	Outstanding As At The Beginning Of The Year	1,64,73,391	16,47,33,910	1,64,73,391	16,47,33,910
	Add: Issue of Shares (Face Value)	-	-	-	-
	Outstanding As At The End Of The Year	1,64,73,391	16,47,33,910	1,64,73,391	16,47,33,910

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

(₹ in Lakhs)

P A R T I C U L A R S	AS AT 31-Mar-19		AS AT 31-Mar-18	
	No. of Shares	% of Total Holding	No. of Shares	% of Total Holding
Manoj Kumar Jain	61,68,100	37.44%	61,68,100	37.44%
Sangeeta Jain	22,92,264	13.91%	22,92,264	13.91%
Mono Herbicides Limited	-	0.00%	14,99,684	9.10%
B Lodha Securities Limited	-	0.00%	13,42,896	8.15%

NOTE NO. 14 NON CONTROLLING INTEREST

(₹ in Lacs)

SR. NO.	P A R T I C U L A R S	AS AT 31-Mar-19	AS AT 31-Mar-18
I	Non-Controlling Interests Share-%	19.87%	19.87%
II	MOVEMENT OF NON CONTROLLING INTERESTS		
	Opening Non-Controlling Interests	126.20	125.80
	Add/(Less):		
	Profit For The Year	5.68	4.99
	Other Adjustments		-
	Other Comprehensive Income For The Year		
	TOTAL	136.88	131.19

NOTE NO. 15 NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	SECURED		
1	BUSINESS LOAN		
	From Reliance Home Finance Limited-A/c. No. 40695	-	338.74
	From Reliance Home Finance Limited-A/c. No. 40696	-	37.64
2	VEHICLE LOANS		
	ICICI Car Loan-VOLVO	-	6.48
	ICICI Car Loan-INNOVA	2.22	8.95
	BOB Car Loan-BALENO DELTA	2.03	4.84
	BOB Car Loan-SWIFT VDI MARUTI	2.26	4.99
	BOB Car Loan-CRETA	9.06	12.93
	BOB Car Loan-CELERIO	0.83	3.47
	BOB Car Loan-CIAZ	4.73	8.28
	TOTAL	21.13	426.32

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 ₹ 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 ₹ 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 ₹ 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 ₹ 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 ₹ 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 ₹ 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 ₹ 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 ₹ 19,859/- including interest and last instalment due in June, 2022.

NOTE NO. 16 DEFERRED TAX LIABILITIES

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	OPENING BALANCE	76.19	71.42
II.	DEFERRED TAX LIABILITIES/(ASSETS) RELATING TO		
	Property, Plant and Equipments, Intangible Assets & Investment Properties	3.95	8.88
	Expenditure Allowed on Payment Basis	0.00	-
	Expenditure Allowed U/s. 35D	0.69	-3.70
	MAT Credit Entitlement	(4.64)	-0.40
		0.00	4.78
	TOTAL	76.19	76.20

NOTE NO. 17 CURRENT FINANCIAL LIABILITIES: SHORT TERM BORROWINGS

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I.	SECURED		
	Loans repayable on Demand		
	Working Capital		
	From Banks		
A	CASH CREDIT		
	Bank of Baroda-CC Account No.-05/137	199.18	174.87
	Bank of Baroda-CC Account No.-08490500000109	1,207.55	-
	SBI CC A/c.37721369601	950.05	-
B	LC		
	BOB Inland LC	196.13	1,248.55
II.	UNSECURED		
	From Directors /Shareholders & Their Associates	-	-
	Inter Corporate Loans	98.00	-
		98.00	-
	TOTAL	2,650.91	1,423.42

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.
- 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.
- Equitable Mortgage of Bungalow No. 29, Green Park Bungalows, 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:

- Manoj Kunar Jain-Director
- Smt. Sangeeta Jain-Director
- 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

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
A.	SECURED		
	BUSINESS LOANS		
	From Reliance Home Finance Limited-A/c. No. 40695	-	49.45
	From Reliance Home Finance Limited-A/c. No. 40696	-	5.49
		-	54.94
B.	VEHICLE LOANS		
	ICICI Car Loan-VOLVO	0.52	-
	ICICI Car Loan-INNOVA	3.52	-
	BOB Car Loan-BALENO DELTA	1.31	-
	BOB Car Loan-SWIFT VDI MARUTI	1.45	-
	BOB Car Loan-CRETA	2.00	-
	BOB Car Loan-CELERIO	1.36	-
	BOB Car Loan-CIAZ	1.84	-
		12.00	-
	TOTAL	12.00	54.94

NOTE NO. 19 CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	Sundry Creditors for Goods		
	- Micro & Small Enterprises		
	- Others	7,571.63	4,595.01
II	Sundry Creditors for Other Expenses		
	- Micro & Small Enterprises	-	0.48
	- Others	15.68	19.76
	TOTAL	7,587.31	4,615.25

The Company has dues outstanding as at the reporting date to certain suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act, 2006 are as follows:

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	The principal amount remaining unpaid to any supplier at the end of the year.	-	0.48
II	Interest due as claimed remaining unpaid to any supplier at the end of the year.	-	-
III	The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year.	-	-
IV	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
V	The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
VI	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
	TOTAL	-	0.48

NOTE NO. 20 OTHER CURRENT LIABILITIES

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
I	Advances from Customers/Sundry Credit Balances	200.00	-
II	Other Payables	1.21	1.92
III	Other Payables-Statutory Liabilities		
	Provident Fund	0.74	1.55
	Employee State Insurance Fund	0.19	0.50
	Professional Tax	0.10	0.22
	T.D.S./T.C.S. Payable	11.73	6.71
	GST Payable	5.32	5.38
		18.08	14.36
	TOTAL	219.29	16.28

NOTE NO. 21 CURRENT: PROVISIONS

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	Provision For Expenses	-	2.95
	TOTAL	-	2.95

NOTE NO. 22 CURRENT TAX LIABILITIES [NET]

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	Current Income Tax Liabilities		
	Provision for Current Year	81.36	69.61
	Provision for Income Tax-OCI Items		
	Less: Advance Tax Paid	(10.00)	(15.00)
	Less: TDS/TCS Receivable	(16.21)	(23.50)
	TOTAL	55.15	31.11

NOTE NO. 23 REVENUE FROM OPERATIONS

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
A.	SALE OF PRODUCTS		
	Sales Of Manufacturing Goods-Ship Breaking (Inclusive of GST Collected On Sales)	11,974.19	7,120.49
	Sales Of Trading Goods	18,953.84	6,356.90
	Less: Turnover Discount/Sales Return	(46.69)	(1.71)
		30,881.34	13,475.68
	TOTAL	30,881.34	13,475.68

NOTE NO. 24 OTHER INCOME

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
1	INTEREST INCOME		
	From Current Investments/Advances/Others		
	Interest on Fixed Deposits With Banks	137.12	96.99
	Interest on Loans & Advances	28.16	267.99
	Interest From Partnership Firm	55.48	42.61
	Interest On Income Tax Refund	2.05	2.99
		222.81	410.58
2	Share of Profit From Partnership Firm	1.41	1.23
3	Other Non-Operating Income (Net of Related Expenses)		
	Rent Income	0.60	-
	Other Income	1.50	2.99
		2.10	2.99
	TOTAL	226.32	414.80

NOTE NO. 25 COST OF MATERIALS CONSUMED

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
I.	RAW MATERIALS CONSUMED:		
A.	Opening Stock	2,693.81	2,725.77
	Add : Purchases (Inclusive of GST On Purchases & LC Charges)	17,215.01	5,022.93
	Add:Freight, Custom Duty, Clearing & Forwarding Charges	493.48	1,121.83
	Less : Closing Stocks	(9604.64)	(2693.80)
		10,797.66	6,176.73
	TOTAL	10,797.66	6,176.73

NOTE NO. 26 PURCHASE STOCK IN TRADE

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
-	Purchases Stock in Trade	18,569.65	6,249.55
	TOTAL	18,569.65	6,249.55

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

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	OPENING INVENTORIES		
	- Stock-in-Trade	-	7.83
	LESS:		
	CLOSING INVENTORIES		
	- Stock-in-Trade	-	-
	CHANGES IN INVENTORIES	-	7.83

NOTE NO. 28 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
1	Salaries, Wages & Labour Charges		
	- To Directors-Remuneration	48.00	48.00
	- To Others	103.21	70.51
		151.21	118.51
2	Company Contribution to Provident Fund	19.77	10.58
3	Company Contribution to ESIC	5.98	3.24
4	Professional Tax of Employees	1.00	0.55
5	Bonus & Exgratia	18.38	9.19
	TOTAL	196.34	142.07

NOTE NO. 29 FINANCE COST

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
1	Bank & Other Financial Charges	17.54	110.05
2	Interest		
	To Bank	64.37	26.70
	Banks/Financial Institutions	72.85	64.27
	On Unsecured Loans	0.36	55.79
	On Vehicle Loans	3.36	5.74
	On Income Tax	4.47	-
	On TDS	0.03	0.07
		145.44	152.57
	TOTAL	162.98	262.62

NOTE NO. 30 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
1	Depreciation on Property, Plant & Equipments	60.01	60.01
	TOTAL	60.01	60.01

NOTE NO. 31 OTHER EXPENSES

(₹ in Lacs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
I.	MANUFACTURING EXPENSES		
1	Stores & Spares Consumed:	22.35	13.31
2	Power, Fuel & Utilities : Diesel, Gases & Carbide, Electricity	164.69	123.67
3	Repairs & Maintenance	1.90	4.89
4	Transportation Inward	0.90	-
5	GMB Plot Rent/Development & Other Charges	82.67	11.58
6	Pollution Control Expenses	2.76	2.00
7	Other Manufacturing Expenses	5.31	1.35
		280.58	156.80
II.	ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
1	Postage & Telephone/Communications	1.21	2.44
2	Stationery & Printing	1.89	1.77
3	Travelling, Conveyance & Vehical Expenses Travelling & Conveyance Vehicle Expenses (Including Repairs & Fuel)	0.40 3.95	1.93 6.40
		4.35	8.33
4	Legal & Professional Charges	57.19	46.17
5	Rent, Rates & Taxes	117.80	434.01
6	Auditor's Remuneration Statutory Audit Fees Tax Audit Fees	0.95 0.23	0.83 0.23
		1.18	1.06
7	Insurance	3.43	3.47
8	Selling & Distribution Expenses Advertisement Expenses Transportation Expenses Commission on Sales	0.43 133.53 16.09	0.41 7.26 2.58
		150.05	10.25
9	Loss On Foreign Exchange Fluctuations	349.33	55.27
10	Security Expenses	21.10	-
11	Loss On Sale of Assets	4.92	-
12	Preliminary Expenses Written Off	-	13.36
13	Other Expenses	12.54	10.72
	TOTAL	1,005.57	743.65

NOTE NO. 32 CONTINGENET LIABILITIES

(₹ in Lacs)

SR. NO.	PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
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
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	19.27	19.27
VII.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2010-11	34.73	34.73
	TOTAL	568.15	545.63

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-19	FOR THE YEAR ENDED 31-Mar-18
Net Profit After Tax for the period	(A)	226.35	167.02
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)	1.37	1.01

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 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

(₹ in Lakhs)

Nature of Transaction	Name of the Party	2018-19	2017-18
Investment in Capital Account of Partnership Firm (Net)	Eternal Automobiles	NIL	493.59
Loans/Advances(Net)	Eternal Automobiles	5.00	114.34
	Hubilo Softech Private Limited	NIL	149.50
	Aditya Ultra Steel Limited	NIL	1,478.50
Corporate Guarantee to Banks/Financial Institutions	Eternal Automobiles	480.00	480.00
Share of Profit In Partnership Firm	Eternal Automobiles	1.41	1.22
Sales of Goods (Net)	Aditya Ultra Steel Limited	14,130.59	1,455.28
Purchase of Goods (Net)	Aditya Ultra Steel Limited	1,132.37	332.36
Interest Received	Eternal Automobiles	55.47	101.44
	Hubilo Softech Private Limited	NIL	5.74
	Aditya Ultra Steel Limited	26.85	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	3.57	3.25
	Mr. Hemal Pankajkumar Patel	5.20	4.55
Outstanding Balances as at the year end- Sale of Goods	Aditya Ultra Steel Private Limited	1,188.74 (Dr.)	477.97 (Dr.)
Outstanding Balances as at the year end- Loans & Advances	Eternal Automobiles	NIL	694.45 (Dr.)
Outstanding Balances as at the year end- Investment in Partnership Firm	Eternal Automobiles	310.12 (Dr.)	1,026.12 (Dr.)

c) Financial Instruments and Related Disclosures:

Financial Risk Management:

The Group company activities are exposed various financial risks: credit risk, liquidity risk and foreign exchange fluctuation risk. Each 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:

Each 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 Group 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.

- e) In the opinion of the Board of Directors of the Holding Company, the 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 consolidated balance sheet. In the opinion of the Board of Directors of the Holding Company, 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 respective company in the group 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 Financial Statements were authorised for issue by the Board of Directors of respective company on 28th May, 2019.
- h) 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

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board

VMS Industries Limited

Manoj Kumar Jain

Managing Director
DIN: 02190018

Himanshu Shah

Chief Financial Officer

Place : Ahmedabad
Date : 28th May, 2019

Sangeeta Jain

Director
DIN: 00125273

Hemal Patel

Company Secretary



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

27TH 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 Monday, 30TH day of September, 2019 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]

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Email: info@vmsil.com web site: www.vmsil.com Phone : 079-40320484 Fax: 079-40320484

PROXY FORM

27th 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 Monday, the 30th September, 2019 at 11.00A.M.at808/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
ORDINARY BUSINESS			
1.	Adoption of Audited Standalone Financial Statement together with the reports of the Directors' and the Auditors thereon for the year ended 31 st March, 2019		
2.	Adoption of Audited Consolidated Financial Statement together with Auditors thereon for the year ended 31 st March, 2019		
3.	Re-appointment of Mrs. Sangeeta Jain, Whole - Time Director retire by rotation.		
4.	Re-appointment of Statutory Auditors M/s. S N Shah & Associates, Chartered Accountant		
SPECIAL BUSINESS			
5.	Re-appointment and Increasing remuneration of Mr. Manojkumar Jain, Managing Director.		
6.	Re-appointment and Increasing remuneration of Mr. Sangeeta Jain, Whole - Time Director.		
7.	Approval of transaction u/s. 188 of the Companies Act, 2013 with M/s. Aditya Ultra Steel Limited		
8.	Consider the appointment of Cost Auditor M/s A.G.Tulsian & Co., Cost Accountants		
9.	Re-appointment of Mr. Hitesh Loonia as an Independent Director		
10.	Re-appointment of Mr. Bakul Kishanlal Shah as an Independent Director		
11.	Re-appointment of Mr. Pranavkumar Vinaykant Parikh as an Independent Director		

Signed this _____ day of _____ 2019

Signature of Shareholder _____

Signature of Proxy holder (s) _____

Affix ₹ 1 revenue stamp

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.



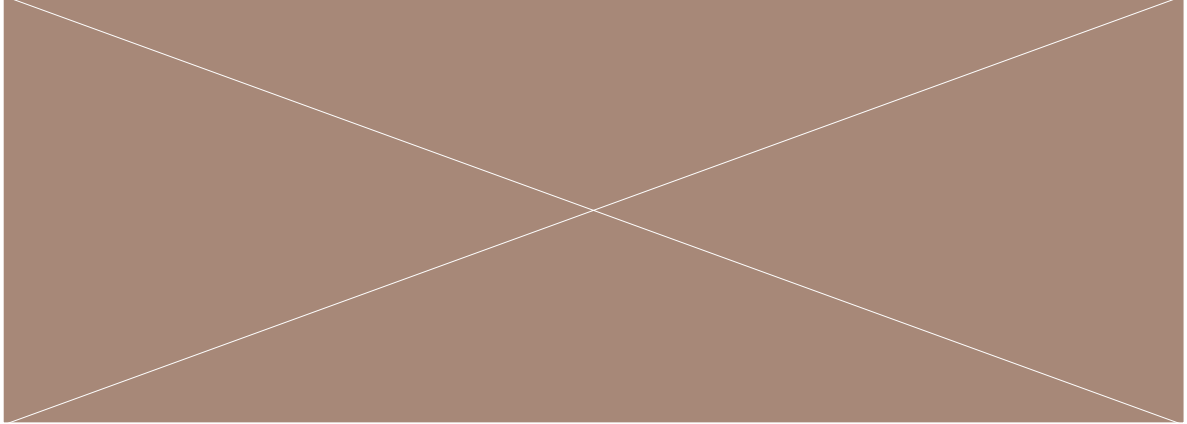
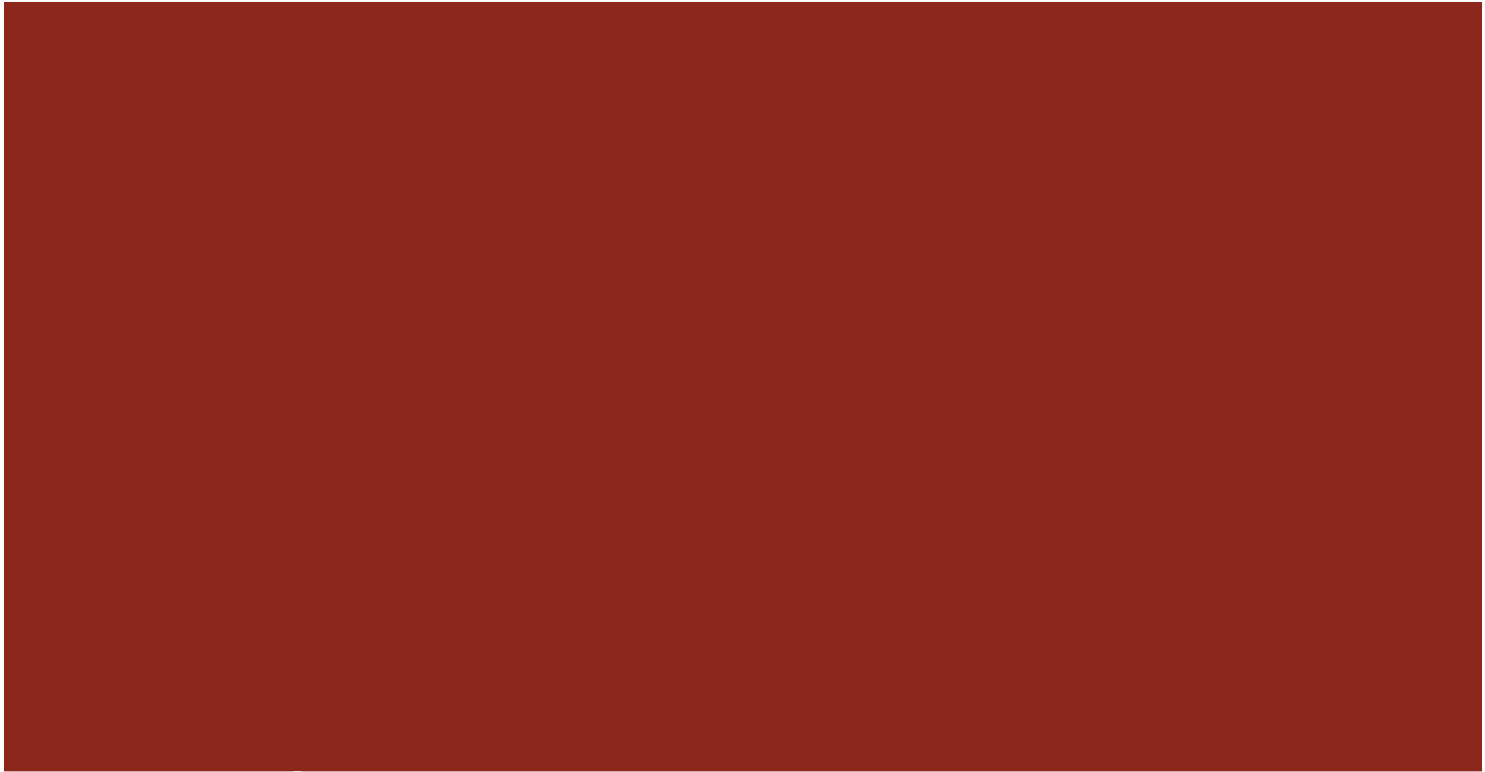
ROUTE MAP to the Venue of the 27th Annual General Meeting

Venue: 808/c Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015

Landmark: Auda Garden, Prahladnagar







VMS INDUSTRIES LIMITED

Registered Office : 808-C, Pinnacle Business Park,
Corporate Road, Prahladnagar,
Ahmedabad-380015 Gujarat (India)
CIN NO. : L74140GJ1991PLC016714