



VMS Industries Limited

Green Ship Recycling

CIN : L74140GJ1991PLC016714

808-C, Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad - 380015, Gujarat (INDIA)
Tele/fax : 079 - 40320484 Tele : 48901470 • E-mail : info@vmsil.in, vmsind@gmail.com • Web.: www.vmsil.in

Date: 03/09/2020

To,

BSE Limited

Corporate Relations Department,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400001

Dear Sir,

Script Code- 533427

Subject: Submission of Annual Report for Financial Year 2019-20 of VMS Industries Limited ('Company')

Please find attached herewith the Annual Report of VMS Industries Limited for the financial year 2019-20 along with the Notice of 28th Annual General Meeting (AGM) of the Company. The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

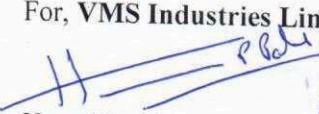
This is submitted pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records.

Thanking you,

Yours faithfully,

For, **VMS Industries Limited**


Hemal Patel
Company Secretary



Encl: As Above

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

Company ISO & Class Certified

An ISO 9001: 2015
ISO 14001: 2015
ISO 45001: 2018

BUREAU VERITAS
Certification



RINA SERVICES

HKC, EU:SRR COMPLIANCE

HKC



ANNUAL REPORT

2019-2020



VMS INDUSTRIES LIMITED

BOARD OF DIRECTORS



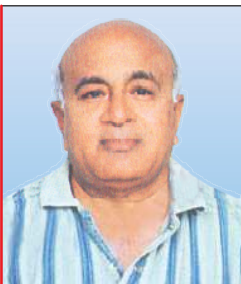
Manoj Kumar Jain
Managing Director



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. Arun P Barot

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
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 28th Annual General Meeting of the members of M/s VMS Industries Limited (“the Company”) will be held on Wednesday, 30th day of September, 2020 at 3.00 P.M. via two-way Video Conferencing (‘VC’) facility or other audio visual means (‘OAVM’) 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, 2020 together with the reports of the Directors’ and the Auditors thereon.
2. 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.
3. To appoint the Auditor and to fix their remuneration and in this regards pass with or without modification(s) the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** pursuant to 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 29th Annual General Meeting of the Company to be held in year 2021 to examine and audit the accounts of the Company for the Financial Year 2020-21 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:

4. 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 2020-21 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 2020-21, 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.”

By Order of Board of Directors
For: VMS INDUSTRIESLIMITED

Date: September 01, 2020
Place: Ahmedabad

Hemal Patel
Company Secretary

NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI') vide its Circular dated May 12, 2020 ('SEBI Circular') has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 28th AGM of the Company is being held through VC/OAVM on Wednesday, September 30, 2020 at 3.00 PM (IST). The deemed venue for the 28th AGM will be 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 Gujarat, India.
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
3. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 4 of the Notice is annexed hereto.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the Central Depository Services (India) Limited ('CDSL') e-Voting website at www.evotingindia.com . The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
5. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to on to <https://www.evotingindia.com> 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.
6. The attendance of the Members attending the AG M through VC/OA VM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members

whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 28th AGM has been uploaded on the website of the Company at www.vmsil.in and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.nseindia.com. The Notice is also available on the website of CDSL at www.evotingindia.com.

8. Pursuant to the provision of Section 91 of the Companies Act , 2013 the registered of members and share transfer books of the company will remain closed from Thursday 24th September, 2020 to Tuesday 29th September, 2020 (both day inclusive).
9. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agent, Cameo Corporate Services Limited ('Registrar').
10. Nomination facility: As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14.
11. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to info@vmsil.in by mentioning their DP ID & Client ID/Physical Folio Number.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
13. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.

The instructions for e-voting are as under:

- (A) In case a Member receives an email from NSDL/ CDSL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) If you are holding shares in Demat form and had logged on to www.evotingindia.com 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 – “200826002” along with “COMPANY NAME” (VMS Industries Limited) from the drop down menu and click on “SUBMIT”.
- (v) Now, fill up the following details in the appropriate boxes :

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

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

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through NSDL / CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through NSDL / CDSL platform.
- (viii) Click on the relevant EVSN on which you choose to vote.
- (ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

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

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

14. The voting period begins on 26th September, 2020 (9.00 a.m.) and ends on 29th September, 2020 (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 23rd September, 2020, 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.

15. 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.

16. 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 23rd September, 2020.

17. 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.

18. 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

19. 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.

20. 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.

21. Instructions for attending the AGM through VC/OAVM

- Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

- Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 28th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at info@vmsil.in before 3.00 p.m. on Saturday, September 26, 2020. Such questions by the Members shall be suitably replied by the Company.
- Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at info@vmsil.in between Thursday, September 24, 2020 (9.00 a.m.) and Saturday, September 26, 2020 (5.00 p.m.). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**By Order of Board of Directors
For: VMS INDUSTRIESLIMITED**

**Place:-Ahmedabad
Date :- September 01, 2020**

**Hemal Patel
Company Secretary**

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESSES

Item No. 4:

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, 2021 at a remuneration as mutually decided between the board and Cost Auditor as applicable at its meeting held on September 01, 2020. 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

The Board commends the Ordinary Resolution set out at Item No. 4 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. 4 of the Notice.

**By Order of Board of Directors
For: VMS INDUSTRIESLIMITED**

**Place:- Ahmedabad
Date :- September 01, 2020**

**Hemal Patel
Company Secretary**

BOARD'S REPORT

TO THE MEMBERS OF VMS INDUSTRIES LIMITED,

Your Directors present herewith their 28th (Twentieth Eight) Annual Report of your Company together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2020.

FINANCIAL RESULTS

The financial performance of the Company for the Year ended 31st March, 2020 is summarized as below:-

Rs. In Lakhs

Particulars	STANDALONE	
	Year Ended on 31.03.2020	Year Ended on 31.03.2019
Income / Receipts from Operations	17,641.33	17,750.40
Other Income	491.22	250.23
Total Income	18,132.55	18,000.63
Earning Before Financial Charges, Depreciation, and Taxation (EBITDA)	368.90	326.04
Financial Charges	190.02	81.37
Depreciation	46.08	46.97
Profit Before Tax (PBT)	132.80	283.04
Less: Provision for Taxation including Deferred	12.00	85.34
Profit After Tax (PAT)	120.80	197.70
Profit Brought Forward from Previous Year	1,417.51	1,219.81
Profit Available for Appropriation	1,538.31	1,417.51
Balance Carried to Balance Sheet	1,538.31	1,417.51

OPERATIONS REVIEW

During the year, under review, the revenue from operations amounted to Rs. 17,641.33 Lakhs (as against the previous year figure of Rs. 17,750.40 Lakhs. In spite of overall slowdown in the economy, the Company was able to generate Net Profit After Tax amounted to Rs.120.80 Lakhs as against the previous year figure of Rs.197.70 lakhs.

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 2019-20.

COVID-19 PANDEMIC

The Covid-19 pandemic is the defining global health crisis of our time and is spreading very fast across the continents. But it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. Though the long-term directional priorities of the Company remain firm, in light of Covid-19 and its expected impact on the operating environment, the key priorities of the Company would be to closely monitor supply chain, conserve cash and control fixed costs.

The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19. Towards the end of the quarter ended March 2020, the operations were disrupted at Ship Breaking site facilities of the Company.

In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of all its employees at all its plant locations, various branch offices and the head office. The Company observed all the government advisories and guidelines thoroughly and in good faith.

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.

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2019-20 in the Retained Earnings.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

CREDIT RATINGS

Company has obtained the credit rating from CARE are as follow

Facilities	Amount (Rs. In Crore)	Ratings	Rating Action
Long Term/Short Term Bank Facilities	110.00	CARE BBB-; Stable/CARE A3 (Triple B Minus; Outlook: Stable/A Three)	Reaffirmed
Short Term Bank Facilities	5.50	CARE A3 (A Three)	Reaffirmed
Total	115.50		

SUBSIDIARY COMPANIES AND JOINT VENTURES

The Company has one subsidiaries company M/s VMS TMT PVT LTD till 30th August, 2020 and there is no joint venture with the Company.

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.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2019-20 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the financial year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is separately attached herewith in **Annexure-II**.

The details of the transactions with related parties are also provided in the accompanying Financial Statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report as **Annexure - III**. As required under the provisions of the Listing Regulations, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended March 31, 2020.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has adopted a Whistle blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee.

No personnel of the Company has been denied access to the Audit Committee. The Whistle blower Policy and Vigil Mechanism ensures that strict confidentiality is maintained in such cases and no unfair treatment is meted

out to a Whistle blower. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle blowers.

The Policy is also posted on the website of the Company at:

<http://www.vmsil.in/uploads/2/8/8/8/28880383/whistle-blower-policy-.pdf>

PREVENTION OF SEXUAL HARASSMENT ('POSH')

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There was no case of sexual harassment reported during the year under review.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders were passed by the regulators or the courts or tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

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 2020 are given in **Annexure - IV** attached hereto and forming part of this report.

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, 2020 is annexed as **Annexure-V** to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company Mrs. Sangeeta Jain (DIN:00125273), Whole time Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself 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.

Independent Directors

In terms of Section 149 of the Act, Mr. Bakul Mehta, Mr. Pranav Parikh and Mr. Hitesh Loonia, are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and regulation 16(1) (b) of the Listing Regulations and are independent from the management. The Independent Director of the Company holds office for the term of five years. In terms of the provision of Companies Act, 2013 the independent Directors are not liable to retire by rotation.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of Finance and taxation, technology, digitalisation, human resources, strategy, auditing, tax corporate governance, etc. and that they hold highest standards of integrity.

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.

Key Managerial Personnel ('KMP')

In terms of the provisions of Section 2(51) and Section 203 of the Act, the following are the KMP of the Company:

- Mr. Manojkumar Jain, Managing Director (MD)
- Mrs. Sangeeta Jain, Whole Time Director (WTD)
- Mr. Hemal Patel, Company Secretary (CS)
- Mr. Arun Barot, Chief Financial Officer (CFO)

During the financial year 2019-20 Mr. Himanshu Shah placed his resignation from the post of Chief Financial officer of the Company. The Board places on record its appreciation for their invaluable contribution and

guidance during his tenure as Chief Financial officer.

As per recommendation of Nomination and Remuneration Committee, the board appointed Mr. Arun Barot as Chief Financial officer of the Company.

Board Evaluation

The Board has carried out the annual evaluation of its own performance and that of its Committees and individual Directors for the year pursuant to the provisions of the Act and the corporate governance requirements prescribed under the Listing Regulations.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Committees was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as structure and composition of committees, effectiveness of committee meetings, etc.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2020:

- (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.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are enclosed as **Annexure-VI** to this report.

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.

Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly it has made and maintained such cost accounts and records. The Board on the recommendation of the Audit Committee has appointed M/s. A.G. Tulsian & Co. Cost Accountants (Firm Registration No. 100629) as the Cost Auditors of the Company for FY 2020-21 under Section 148 and all other applicable provisions of the Act.

M/s. A.G. Tulsian & Co. have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to M/s. A.G. Tulsian & Co. is included at Item No. 4 of the Notice convening the AGM.

Secretarial Auditor

In terms of Section 204 of the Act and Rules made thereunder, M/s. K. Jatin & Co., Practicing Company Secretaries, have been appointed as Secretarial Auditors of the Company to carry out the secretarial audit for FY 2020-21. The report of the Secretarial Auditors for FY 2019-20 is enclosed as **Annexure VII** to this Report.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in their Report.

CORPORATE GOVERNANCE AND COMPLIANCE

The Secretarial and Legal functions of the Company ensure maintenance of good governance within the organisation. They assist the business in functioning smoothly by being compliant at all times and providing strategic business partnership in the areas including legislative expertise, corporate restructuring, regulatory changes and governance.

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- VIII**. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached.

INSURANCE

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

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.in. 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.

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.

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 overseas 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.

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 2020-21.

DEMATERIALISATION OF SHARES:

The ISIN for the Equity shares is INE932K01015. As on 31st March, 2020 total 1,64,73,255 equity shares of the Company have been Dematerialized. Members of the Company are requested to dematerialize their shares.

SECRETARIAL STANDARDS

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

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.

On behalf of the Board of Directors

Date: September 01, 2020
Place: Ahmedabad

Manojkumar Jain
Managing Director

Sangeeta Jain
Whole Time 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- Not Applicable

Name of Subsidiary	
Reporting period of the subsidiary concerned, if different from the holding Company’s reporting period	
Reporting Currency	
Share Capital	
Reserves and Surplus	
Total Assets	
Total Liabilities (Excluding Share Capital & Reserve and Surplus)	
Investment (Other than Subsidiary)	
Turnover (Including other Income)	
Profit Before Taxation	
Provision for Taxation	
Profit After Taxation	
Proposed Dividend	
% of Shareholding	

Notes:

1. There is no subsidiary company which has been liquidated or sold during the year.
2. M/s VMS TMT Private Limited ceased to be a subsidiary company of M/s VMS Industries Limited

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

On behalf of the Board of Directors

Date: September 01, 2020

Place: Ahmedabad

Manojkumar Jain

Managing Director

Sangeeta Jain

Whole Time Director

Annexure-II
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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date of approval by the Board
- (g) Amount paid as advances, if any:
- (h) 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	Aditya Ultra Steel Limited Relation- Director Relatives are interested
(b)	Nature of contracts/arrangements/transactions	Sales of Goods Purchase of Goods
(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	Sales of Goods (Net)- Rs. 2,21,40,208 Purchase of Goods (Net)- Rs. 3,00,900
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	Date of approval by the Board	28/05/2019
(g)	Amount paid as advances, if any:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	30/09/2019

On behalf of the Board of Directors

Date: September 01, 2020

Place:- Ahmedabad

Manojkumar Jain
Managing Director

Sangeeta Jain
Whole Time Director

ANNEXURE – III
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 Private Limited” 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 Private Limited”. 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 34(Thirty four) ships for our ship recycling activities till date, whose details are as under:-

SR.NO	NAME OF THE SHIP	WEIGHT (MT)
1	LORETTA D	6,150
2	COLOMOBO STAR II	5,850
3	MADRE	8,150
4	VENUS GAS	3,912
5	WINCO	2,987
6	MT MAR	9,653

7	LIBRA GAS II	3,126
8	ANNOULA	9,749
9	KAPADOKIA	11,432
10	M V GREEN NEPTUNIC	2,420
11	JAMAIMA	6,522
12	KINGSWAY	16,691
13	THERESA LEPOARD	10,730
14	MV OCEAN	9,890
15	BLU	7,426
16	SHAN	14,850
17	INTERBOARD	9,040
18	HACI ALI SARI	5,203
19	MV ABM PIONEER	6,862
20	M.V NOA	16,809
21	ARMIA KRAJOWA	13,575
22	M.V.HANJI	18,650
23	M.V. MASUREN	11,282
24	M.V. COMMODORE	12,658
25	M.V. BALEEN	9,497
26	M.V. ESPINA	11,610
27	M.V. OPUS	17,059
28	M.V. LISSY SCHULTE-I	7,710
29	M.V. HILLA	2,770
30	M.V BRITANNIA	16,567
31	M.V VARDHAN	5,922
32	M.V DWAJ	17,117
33	M.V DEN	28,000
34	M.V DYNAMIC	21,820

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) at Bhavnagar.
- M/s Yohaan Enterprise at Ahmedabad

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.

CERTIFICATES AND ACHIEVEMENTS

- The company marked its presence at the award ceremony of "Financial Times" by being one of the High-Growth Companies Asia-Pacific 2020.

- The company is certified with ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 and ISO 30000:2009 from BUREAU OF VERITAS CERTIFICATION for Ship Relying Activities & Sale of Recyclable Material such as Steel, Equipment, Machinery and Sales of Other Materials obtained from Ship.
- The Company is Certified with ISO 30000:2009 and Statement of Compliance” for engaging in ship recycling at the facility in accordance of IMO Resolution MPEC. 210(63) -2012 guidelines for Safe and Environmentally sound ship recycling by the independent verifier RINA INDIA PVT LTD.
- The Company is also certified from NIPPON KAIJI KYOKAI (Class NK) for Statement of Compliance for Firm Engaged in Ship Recycling.

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, 2020 is 22.

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.

On behalf of the Board of Directors

Date: September 01, 2020

Place: Ahmedabad

Manojkumar Jain

Managing Director

Sangeeta Jain

Whole Time Director

**Annexure- IV
TO BOARD'S 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 2020.

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: Rs. 7830.94 Lakhs

On behalf of the Board of Directors

**Date: September 01, 2020
Place: Ahmedabad**

**Manojkumar Jain
Managing Director**

**Sangeeta Jain
Whole Time Director**

ANNEXURE- V

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[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 LIMITED
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 Private Limited	U27204GJ2013PTC074403	Subsidiary till 30.08.2020	80.13%	2(87)
2.	VMS TMT Private Limited	U27204GJ2013PTC074403	Associates till 29.11.2020	23.69%	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 01.04.2019				No. of Shares held at the end of the year at 31.03.2020				% Change During Year
	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.	809502	-	809502	4.91	801372	-	801372	4.86	-0.05	
(i) Indian	-	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	468261	136	468397	2.84	662498	136	662634	4.02	1.18	
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	5386063	-	5386063	32.70	5218893	-	5218893	31.68	-1.02	
c) Others (Clearing Members)	860	-	860	0.01	101	-	101	0.00	-0.01	
d) HUF	479088	-	479088	2.91	460410	-	460410	2.79	-0.12	

e) None Resident Indian	4317	-	4317	0.03	4817	-	4817	0.03	0.00
Sub-total(B)(2)	7148091	136	7148227	43.39	7148091	136	7148227	43.39	
Total Public Shareholding (B)=(B (1)+(B)(2)	7148091	136	7148227	43.39	7148091	136	7148227	43.39	
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 / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumb er red 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	-
Total		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.	Particulars	Shareholding at the beginning of the year April 1, 2019		Cumulative Shareholding during the year March 31, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	93,25,164	56.61	93,25,164	56.61
2	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
3	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 April 1, 2019		Shareholding at the end of the year March 31, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SUVARNA NANDKUMAR GOPALE	2,98,000	1.81	2,98,000	1.81
2	NANDKUMAR MARUTI GOPALE	3,50,000	2.12	3,49,777	2.12
3	SIDHARTH RATANLAL BAFNA	2,12,063	1.28	2,12,063	1.28
4	RAJENDRA KANOONGO	4,99,990	3.04	5,00,120	3.04
5	ABHINANDAN JAIN	2,00,600	1.22	2,00,600	1.22

6	C UMAMAHESWARI	7,45,885	4.53	7,45,885	4.53
7	K CHANDRA PRAKASH	3,25,500	1.98	3,25,500	1.98
8	PURNIMA SUNIL SINGHI	3,00,000	1.82	3,00,000	1.82
9	R CHANDRASEKAR	1,96,100	1.19	1,96,100	1.19
10	MANJU SURANA	0	0	1,96,715	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 April 1, 2019		Shareholding at the end of the year March 31, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Manojkumar 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

INDEBTEDNESS

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

(Rs. In Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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	Nil	Nil	Nil	Nil
Total (i+ii+iii)	1,635.98	Nil	Nil	1,635.98

Change in Indebtedness during the financial year				
- Addition	1,596.23	Nil	Nil	1,596.23
- Reduction	Nil	Nil	Nil	Nil
Net Change	1,596.23	Nil	Nil	1,596.23
Indebtedness at the end of the financial year				
i. Principal Amount	3232.21			3232.21
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	3,232.21	Nil	Nil	3,232.21

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. Manojkumar Jain	Mrs. Sangeeta Jain
1	Gross Salary (per annum) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	34.00	34.00
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - As % of profit - Other	-	-
5	Other	-	-
	Total (A)	34.00	34.00

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Director	Total Amount
	Independent Directors - Fees for attending board/committee Meetings - Commission - Others, please specify	NOT APPLICABLE	
	Total (1)		
	Other Non-Executive Director - Fees 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)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1	Gross Salary	6.47	3.48	9.95

VII. PENALTIES/PUNISHMENT/COMPOUNDING 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	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT

Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					

On behalf of the Board of Directors

Date: September 01, 2020

Place: Ahmedabad

Manojkumar Jain
Managing Director

Sangeeta Jain
Whole Time Director

Annexure-VI
PARTICULARS OF EMPLOYEE

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

- Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2020

Sr. No.	Name of Director	Remuneration per annum (Rs. In Lakhs)	Median Remuneration per annum (Rs. In Lakhs)	Ratio
1.	Mr. Manojkumar Jain	34.00	1.45	23.49
2.	Mrs. Sangeeta Jain	34.00	1.45	23.49

- There was increase in the remuneration of the Directors.
- Percentage increase in median remuneration of employees in the financial year 5%
- The number of permanent employees on the rolls of the company as on 31 March, 2020 is 22.
- The explanation on the relationship between average increase in remuneration and company performance

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Total Revenue	18,171.27	18,000.63
EBIDTA	368.88	258.40
EBIDTA as a % of total Income	2.03	1.81
Profit before tax	132.80	283.04
PBT as a % of total Income	0.73	1.57

- 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.
- None of employee received highest remuneration than that of Director

On behalf of the Board of Directors

Date: September 01, 2020
Place: Ahmedabad

Manojkumar Jain
Managing Director

Sangeeta Jain
Whole Time Director

Annexure- VII
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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:-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (vi) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- c) 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;
- d) The Factories Act, 1948;
- e) The Employee's Provident Fund and Miscellaneous Provision Act, 1952;
- f) The Contract Labour (Regulation & Abolition) Act, 1970;
- g) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013
- h) The Water (Prevention and Control of Pollution) Act, 1974;
- i) Payment of Gratuity Act, 1972;
- j) 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: A026725B000526807)

Date: July 30, 2020
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.

To,
The Members
VMS Industries Limited
Ahmedabad

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For k. Jatin & Co.
(Company Secretary)
(UCN: A026725B000526807)

Date: July 30, 2020
Place: Ahmedabad

Jatin Kapadia
Company Secretary
COP: 12043

Annexure – VII to the Directors' Report
CORPORATE GOVERNANCE REPORT
COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES
(As per SEBI (LODR) Regulation, 2015)

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015).

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 Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board is totally committed to the best practices for effective Corporate Governance. The Board regularly reviews and updates Corporate Governance practices to accommodate developments within the market place in general and the business in particular.

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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015).

a) Composition of Board

The present strength of the Board is six (6) Directors, comprising of One 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 Director	Designation and Category of Director	Number Of Directorship(s) in other Public Limited Company	Number of committee positions held in other public limited companies
1.	Manojkumar Jain	Managing Director and Executive, Non-Independent Director	NIL	NIL
2.	Sangeeta Jain	Whole Time Director and Executive, Non Independent Director	NIL	NIL
3.	Ajitkumar Bhajanlal Jain	Non-Executive, Non Independent Director	NIL	NIL
4.	Bakul Kishanlal Mehta	Non-Executive Independent Director	NIL	NIL
5.	Pranavkumar Vinaykant Parikh	Non-Executive Independent Director	NIL	NIL
6.	Hitesh Loonia	Non-Executive Independent Director	NIL	NIL

b) Board Meetings and Attendance of Directors

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

Name of the Directors	April 11, 2019	May 28, 2019	June 22, 2019	July 22, 2019	Aug 14, 2019	Sept 18, 2019	Oct, 24, 2019	Nov 14, 2019	Dec 16, 2019	Feb 13, 2020	March 19, 2020	No. of meetings attended
Mr. Manojkumar Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11
Mrs. Sangeeta Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11
Mr. Ajit Bhajanlal Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	LOA	Yes	LOA	09
Mr. Bakul Kishanlal Mehta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11
Mr. Pranavkumar Vinaykant Parikh	Yes	Yes	LOA	LOA	Yes	Yes	LOA	Yes	LOA	Yes	LOA	06
Mr. Hitesh Loonia	Yes	Yes	Yes	Yes	Yes	LOA	Yes	Yes	Yes	Yes	Yes	10

LOA- Leave of Absence

During the year under review, the Board elected Mr. Manojkumar Jain as Chairman for each of the above meetings of the Board.

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.

Attendance of Annual General Meeting of Last year

Date of AGM	Name of Directors					
	Mr. Manojkumar Jain	Mrs. Sangeeta Jain	Mr. Ajit Bhajanlal Jain	Mr. Bakul Kishanlal Mehta	Mr. Pranavkumar Vinaykant Parikh	Mr. Hitesh Loonia
September 30, 2019	Yes	Yes	No	Yes	No	Yes

c) Relationships between Directors and Shares/Convertible Instruments held by Independent Directors:

Mr. Manojkumar Jain is husband of Mrs. Sangeeta Jain and son of Mr. Ajit Bhajanlal Jain. Except this, there are no other relationships between the directors.

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

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

Name of Director	No. of Equity Shares held as on March 31, 2020
Mr. Hitesh Loonia	2,505

e) Skills/expertise/competencies of the Board of Directors

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise, special skills, nationality and geography.

Given the Company's size, scale and diversified nature of its businesses, the Directors should possess one or more of the following skills, expertise and competencies:

1. Finance and Taxation

Our directors have 360 degree experience in the industry and are capable of running giant co-operation. Their insight over taxations and finance are impeccable. Our directors are ready to face the new challenges and are risk takers.

Ability to appreciate key risks impacting the Company's businesses and contribute towards development of systems and controls for risk mitigation & compliance management and review and refine the same periodically.

2. Organisational Purpose

Ability to comprehend the socio-economic, political, regulatory and competitive environment, both domestic and global, in which the Company is operating and insight to identify opportunities and threats for the Company's businesses.

Ability to contribute towards creating an inspiring Vision for the Company with superordinate societal goals and appreciate the Company's triple bottom line philosophy of building synergy between serving the society and creating economic value for the Company.

3. Culture Building

Ability to contribute to the Board's role towards promoting an ethical organisational culture, eliminating conflict of interest, and setting & upholding the highest standards of ethics, integrity and organisational conduct.

4. Safety and Corporate Social Responsibility

Directors have relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including Environment, Sustainability, Community and Values as well as Experience in Human Resources and Communication.

5. Technology/Digital

Board has expertise in the field of technology given the Company's focus on Research and Innovation as well as knowledge in the field of Information Technology and Digitalisation

6. Organisational Capacity Building

Ability to understand the talent market and the Company's talent quotient so as to help fine-tune strategies to attract, retain and nurture competitively superior talent.

In the table below, the specific areas of focus or expertise of individual board members have been

highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills:

Name of Directors	Area of Expertise					
	Finance and Taxation	Organisational Purpose	Culture Building	Safety and Corporate Social Responsibility	Technology/Digital	Organisational Capacity Building
Mr. Manojkumar Jain	✓	✓	✓	✓	✓	✓
Mrs. Sangeeta Jain		✓	✓	✓	✓	✓
Mr. Ajit Bhajanlal Jain		✓	✓	✓	✓	✓
Mr. Bakul Kishanlal Mehta	✓	✓	✓	✓	✓	✓
Mr. Pranavkumar Vinaykant Parikh		✓	✓	✓	✓	✓
Mr. Hitesh Loonia	✓	✓	✓	✓	✓	✓

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

The Audit Committee's role is to assist the Board fulfill its corporate governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions.

Meeting Held

During financial year 2019-20, four (4) meetings of the Audit Committee were held on May 28, 2019, August 14, 2019, November 14, 2019 and February 13, 2020.

The gap between two meetings did not exceed one hundred and twenty days.

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, 2020 is as follows:-

Name of the Members	Position	Category	No. of meetings attended
Mr. Bakul Kishanlal Mehta	Chairman	Independent & Non-Executive Director	4
Mr. Pranavkumar Vinaykant Parikh	Member	Independent & Non-Executive Director	4
Mr. Ajit Bhajanlal Jain	Member	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.

Mr. Bakul Kishanlal Mehta, Chairman of the Audit Committee, was present at the last AGM held on September 30, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee ('NRC') is to oversee the selection of Directors

and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The NRC evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. NRC also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company.

Meeting Held

During financial year 2019-20, two (2) meetings of the Audit Committee were held on August 14, 2019 and November 14, 2019.

a) Composition & Attendance:-

The Nomination and Remuneration Committee as on 31st March 2020 comprises of three members who are Independent & Non-Executive Directors. The composition of Remuneration Committee as on 31st March, 2020 is as follows:

Name of Members	Position	Category	No. of meetings attended
Mr. Pranavkumar Vinaykant Parikh	Chairman	Independent & Non-Executive Director	2
Mr. Bakul Kishanlal Mehta	Member	Independent & Non-Executive Director	2
Mr. Ajit Bhajanlal Jain	Member	Non-Executive Director	2

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 Managing Director and Whole Time Directors to determine and recommend to the Board compensation payable to Managing Director and 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) Board and Director Evaluation

In terms of the requirement of the Act and the Listing Regulations, during the year under review, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The exercise was led by the Chairperson of the NRC along with the Chairperson elected for each Meeting of the Board.

d) Criteria for Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, its committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as

prescribed by Listing Regulations. The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India and pursuant to amendments to the Listing Regulations.

The NRC has defined the evaluation criteria, procedure and time schedule for the performance evaluation process of the Board, its Committees and Directors. The criteria for Board Evaluation was based on the Guidance Note issued by SEBI which, inter alia, included questions on the following:

e) 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 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.

i. Board Evaluation

- Board Diversity and Board Structure - qualifications, experience and competencies
- Meetings – regularity, frequency, agenda, discussion and recording of minutes
- Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest, review of TBEM findings and monitoring action plans
- Independence of management from the Board, access of Board and management to each other
- Succession plan and professional development

ii. Evaluation of Individual Directors

- Professional qualifications and their experience
- Knowledge, skills and competencies of Director
- Fulfilment of functions, ability to function as a team
- Attendance and regularity
- Commitment, contribution, integrity and independence

iii. Committee Evaluation

- Mandate and composition
- Effectiveness of the Committee
- Structure of the Committee
- Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes
- Independence of the Committee from the Board and contribution to decisions of the Board

5. REMUNERATION OF DIRECTORS

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

Name of Director	Designation	Remuneration/Salary (Rs. In Lakhs)
Mr. Manojkumar Jain	Managing Director	34.00
Mrs. Sangeeta Jain	Whole Time Director	34.00

a) Pecuniary relationship or transaction of Non-executive Director

Not applicable

b) Payments to Non-Executive Directors

Not applicable

6. STAKEHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE:

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders and debenture holders. During the year under review, the terms of reference of the SRC were amended to align the role of the Committee with amendments to the Listing Regulations.

Meeting Held

During financial year 2019-20, one (1) meetings of the Audit Committee were held on March 09, 2020.

a) Composition and attendance:-

The Board has delegated the powers to approve transfer of shares etc. to this Committee of Three (3) Directors. The composition of Shareholders' / Investors' Grievance Committee as on 31st March, 2020 is as follows:-

Name of Members	Position	Category	No. of meetings attended
Mr. Hitesh Loonia	Chairman	Independent and Non-Executive Director	1
Mr. Bakul Kishanlal Mehta	Member	Independent and Non-Executive Director	1
Mrs. Sangeeta Jain	Member	Whole Time Director	1

b) Terms of Reference

The terms of reference of the SRC are as under:

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

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) Status of Investor Complaints

The status of Investor Complaints as on March 31, 2020 as reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints as on April 1, 2019	0
Received during the year	0
Resolved during the year	0
Pending as on March 31, 2020	0

d) Name, designation and address of the Compliance Officer

Mr. Hemal Patel
 Company Secretary cum Compliance officer
 808/C Pinnacle Business Park, Corporate Road,
 Prahladnagar, Ahmedabad-380015
 Tel. No. 079-40320484
 Email: info@vmsil.in

7. General Body Meetings

Day, date and time of AGMs held during the last 3 years and Special Resolutions passed are given as below:

Financial Year	Day and Date	Time	Venue	No. of Special Resolution Passed
2016-17	September 29, 2017	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	0
2017-18	September 30, 2018	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	0
2018-19	September 30, 2019	11.00 AM	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015	6

Details of Special Resolutions Passed in the respective Financial Year 2018-19 are as under:

Financial Year	Special Resolution Passed
2018-19	<ol style="list-style-type: none"> 1. Re-appointment and Increasing in remuneration of Mr. Manojkumar Jain, Managing Director of the Company 2. Re-appointment and Increasing in remuneration of Mrs Sangeeta Jain, Whole Time Director of the Company 3. Approval of Transaction u/s 188 of the Companies Act, 2013 with related party M/s Aditya Ultra Steel Limited 4. Re-appointment of Mr. Hitesh Loonia as an Independent Director 5. Re-appointment of Mr. Bakul Kishanlal Mehta as an Independent Director 6. Re-appointment of Mr. Pranav Vinaykant Parikh as an Independent Director

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

The Company has not held any Extra-Ordinary General Meeting was during the financial year 2019-20;

None of the businesses proposed to be transacted requires the passing of a Special Resolution by way of Postal Ballot.

During FY 2019-20, the Company did not pass any Special Resolution through Postal Ballot.

8. SUBSIDIARY COMPANY(IES):-

The Company does not have any material subsidiary as on March 31, 2020.

VMS TMT Private Limited ceased to be subsidiary company of VMS Industries Limited on August 30, 2019 in term of SEBI (Listing obligation & Disclosure Requirements) Regulation, 2015.

9. 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.in
- The company's website www.vmsil.in 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.

10. GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74140GJ1991PLC016714.

a) 28th Annual General Meeting:-

Date	30 th September, 2020
Day & Time	Wednesday, 3.00 PM
Venue	In accordance with the General Circular issued by the MCA on May 5, 2020, the AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') only
Financial Year	April 1 to March 31

b) Financial Calendar :-

For the Financial Year 2020-21, Financial Results will be announced as per the following tentative schedule:-

1 st Quarter ending June, 2020	By 15 th September, 2020 (Extended)
2 nd Quarter & Half Year ending September, 2020	By 14 th November, 2020
3 rd Quarter ending December, 2020	By 14 th February, 2021
4 th Quarter / year ending March, 2021	Within 60 days from 31 st March, 2020
Annual General Meeting	By September 2021

c) Book Closure & Dividend:-

Date of Book Closure - Thursday 24th September, 2020 to Tuesday 29th September, 2020 (both day inclusive).

Dividend- No Dividend has been declared by the Company.

d) Listing:-

The Company's Ordinary Shares are listed on Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

e) Listing Fees to Stock Exchange:-

The Company has paid the Listing Fees for the year 2020-21 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 2019-20

Market price data - monthly high/low, no. of shares traded, value of shares traded and number of trades of BSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder:

Month	Open	High	Low	Close	No. of Shares	No. of Trades
Apr-19	17.80	19.95	14.20	17.50	10,813	123
May-19	16.00	18.90	14.40	17.90	32,534	73
Jun-19	18.00	18.45	15.00	18.45	5,424	21
Jul-19	19.25	19.25	16.20	16.20	1,768	11
Aug-19	15.40	15.40	13.30	15.00	14,404	37
Sep-19	15.00	18.90	15.00	18.00	3,08,298	31
Oct-19	18.00	18.00	17.00	17.85	1,31,812	16
Nov-19	18.50	19.15	18.00	18.00	4,293	10
Dec-19	18.00	18.00	17.10	17.10	3,011	3
Jan-20	17.90	17.90	17.00	17.00	56	3
Feb-20	16.15	16.15	13.25	13.25	70	8
Mar-20	12.59	12.59	7.98	7.98	1,329	23

[Source: This information is compiled from the data available on the websites of BSE]

h) Performance of the Company's average monthly share price data in comparison to broad-based indices like BSE Sensex Financial year 2019-20

Month	VMS IND Share Price	BSE Sensex
Apr-19	17.50	38,861.48
May-19	17.90	38,574.60
Jun-19	18.45	39,538.37
Jul-19	16.20	38,649.97
Aug-19	15.00	37,149.35
Sep-19	18.00	37,545.06
Oct-19	17.85	38,741.85
Nov-19	18.00	40,513.09
Dec-19	17.10	41,054.45
Jan-20	17.00	41,360.95
Feb-20	13.25	40,674.32
Mar-20	07.98	32,254.45

[Source: This information is compiled from the data available on the websites of BSE]

i) 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

j) Share Transfer Process

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. This will, inter alia, bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will lead to ease, convenience and safety of transactions for investors.

The Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. During the year, the Company accepted those transfer requests pertaining to securities held in physical form which were lodged for transfer before April 1, 2019 and were returned due to discrepancies.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

k) Secretarial Audit

Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Mr. Jatin Kapadia of M/s. K. Jatin & Co., Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2019-20. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

l) Certificate from Practising Company Secretary

Mr. Jatin Kapadia of M/s. K. Jatin & Co., Practising Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/MCA or any such statutory authority.

m) Distribution of Shareholding as on March 31, 2020

SL NO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF STOTAL
1	between 1 and 1000	796	79.7595	1,58,969	0.9650
2	between 1001 and 5000	103	10.3206	2,41,434	1.4655
3	between 5001 and 10000	18	1.8036	1,39,626	0.8475
4	between 10001 and 20000	20	2.0040	3,00,454	1.8238
5	between 20001 and 30000	11	1.1022	2,70,762	1.6436
6	between 30001 and 40000	7	0.7014	2,56,030	1.5542
7	between 40001 and 50000	9	0.9018	4,23,104	2.5684
8	between 50001 and 100000	8	0.8016	5,42,795	3.2949
9	> 100000	26	2.6052	1,41,40,217	85.8367
	Total	998	100.0000	1,64,73,391	100.0000

n) Categories of Shareholders as on March 31, 2020 :-

Category	No. of Shares held	% of Shares held	No. of Shareholder	% of Shareholder
Promoters and Promoter Group	93,25,164	56.61	4	0.40
Public Shareholding	63,46,855	38.53	944	96.23
Bodies Corporate	8,01,372	4.86	33	3.37
TOTAL	1,64,73,391	100	981	100

o) Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. NSDL and CDSL.

(In %)

Shares held in	2019-20	2018-19	2017-18
Physical form	0.3006	0.0008	0.3456
Electronic form with NSDL	47.4950	55.7004	50.9456
Electronic form with CDSL	52.2044	44.2988	48.6998

The Company's Ordinary Shares are regularly traded on the BSE.

p) Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

Not Applicable

q) commodity price risk or foreign exchange risk and hedging activities;

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 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 scraps price and accordingly decides its policy regarding purchase of ships and sale of scrap.

r) Plant Location/Workshop:-

Ship Recycling Yard

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

s) Address for Correspondence

VMS Industries Limited
 808/c Pinnacle Business Park,
 Corporate Road, Prahladnagar,
 Ahmedabad-380015, Gujarat
 Tel No. 079-40320484
 Email- info@vmsil.in
 Website- www.vmsil.in

t) Credit Ratings

Company has obtained the credit rating from CARE are as follow

Facilities	Amount (Rs. Crore)	Ratings	Rating Action
Long Term/Short Term Bank Facilities	110.00	CARE BBB-; Stable/CARE A3 (Triple B Minus; Outlook: Stable/A Three)	Reaffirmed
Short Term Bank Facilities	5.50	CARE A3 (A Three)	Reaffirmed
Total	115.50		

11. OTHER DISCLOSURES

a) Related Party Transactions

All related party transactions that were entered into during FY 2019-20 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large.

b) Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets. During the last three years, no penalties or strictures have been imposed on the Company by these authorities. None of the Company's listed securities is suspended from trading.

c) Whistle blower Policy and Vigil Mechanism

The Company has adopted a Whistle blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee.

No personnel of the Company has been denied access to the Audit Committee. The Whistle blower Policy and Vigil Mechanism ensures that strict confidentiality is maintained in such cases and no unfair treatment is meted out to a Whistle blower. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle blowers.

Mode of communication

Communication may be made in writing through a letter or through email. Employees of VIL may send their communications to any one of the following members:

Name	Mr. Manoj Kumar Jain
Designation	Managing Director
Address	VMS Industries Ltd, 808/c Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015
Email	vmsind@gmail.com

Name	Mrs. Sangeeta Jain
Designation	Whole Time Director
Address	VMS Industries Ltd, 808/c Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015
Email	info@vmsil.in

The Whistle blower Policy as adopted by the Company is available on the Company's website at <http://www.vmsil.in/uploads/2/8/8/8/28880383/whistle-blower-policy-.pdf>

d) Accounting Treatment in preparation of Financial Statements

The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

e) Details of utilisation of funds raised through preferential allotment or qualified institutions placement:

Not Applicable

f) Acceptance of recommendations of Committees by the Board of Directors

In terms of the Listing Regulations, there have been no instances during the year when the recommendations of any of the Committees were not accepted by the Board.

g) Fees paid to S.N. SHAH & Associates, Statutory Auditors

During FY 2019-20, a total fee of Rs 1.04 Lakhs was paid by the Company for all services to S.N. SHAH & Associates, Statutory Auditors.

h) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There was no case of sexual harassment reported during the year under review.

i) Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

j) Non-Mandatory Requirements

The Company has complied with the following non mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations is as under:

- During the year under review, there was no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

12. 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, Manojkumar Jain, Managing Director of VMS Industries Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended March 31, 2020.

For VMS Industries Limited

Date: September 01, 2020

Place: Ahmedabad

**Manojkumar Jain
Managing Director**

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
VMS INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by VMS INDUSTRIES LIMITED, for the year ended on 31st March, 2020, 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.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

According to the information and explanations given to us and the representations provided by the Management of the company and in our opinion and to the best of our information, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2020.

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 : 28TH JULY, 2020
UDIN: 20126770AAAACW6839**

**S. N. SHAH
PARTNER
M. No. 126770**

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, 2020 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: A026725B000526807)

Date: July 30, 2020
Place: Ahmedabad

Jatin Kapadia
Company Secretary
COP: 12043

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, 2020, 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, 2020, 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.

EMPHASIS OF MATTERS

We draw attention to:

- i. Note No. 29(g) to the standalone financial statements describing effects of outbreak of Covid-19 pandemic on the company’s business operations including effects of fluctuations in foreign exchange rates.
- ii. Note No. 29(h) on Company opting for “Direct Tax Vivad Se Vishwas Tax Act, 2020” in respect of disputed Income Tax Liabilities and its impact on the standalone financial statement of the company for the year.

Our opinion is not modified in respect of these matters.

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)

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 as contingent liabilities in the 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 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.

- 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 AND BOARD OF DIRECTOR'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 scepticism 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 except Ind-As-19 "Employee Benefits", 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on

March 31, 2020, 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.

(Rs. In Lakhs)

SR. NO.	NAME OF THE PARTY/DEPARTMENT	BRIEF FACTS OF THE CASE	FINANCIAL IMPACT
1.	Honourable ITAT, Ahmedabad	Disputed Income Tax Demand for A.Y. 2014-15	8.28
2.	Commissioner of Income Tax (Appeals), Ahmedabad	Disputed Income Tax Demand for A.Y. 2015-16	14.24
3.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar	Disputed VAT Liabilities for F.Y. 2009-10	19.28
4.	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, 2020 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 JULY, 2020
UDIN: 20126770AAAACW6839**

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, 2020:

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 and to the best of our knowledge and belief, 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.
- 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. To the best of our knowledge and, 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 as applicable to it. According to the information and explanations given to us, no undisputed statutory liabilities were outstanding for more than six months as at 31st March, 2020 from the date they were due for payment.
- 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, 2020 which have not been deposited on account of any dispute except the following disputed dues.

(Rs. In Lakhs)

Sr. No.	Name of the Act	Nature of Dues	Amount (Rs.)	Period to Which Amount Relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	8.28	A.Y. 2014-15	Ho'nable ITAT, Ahmedabad
2.	Income Tax Act, 1961	Income Tax Demand	14.24	A.Y. 2015-16	CIT-(Appeals)-8, Ahmedabad
3.	Value Added Tax Laws	VAT	19.28	F.Y. 2009-10	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar
4.	Value Added Tax Laws	VAT	34.72	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.

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.

- ix. 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.
- x. 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.

- xi. 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.
- xii. 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.
- xiii. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of The Companies (Auditor's Report) Order, 2016 is not applicable to it for the year.
- xiv. 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.
- xv. 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**

**PLACE: AHMEDABAD
DATED: 28TH JULY, 2020
UDIN: 20126770AAAACW6839**

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

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 2020**

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, 2020 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, 2020, 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 JULY, 2020
UDIN: 20126770AAAACW6839**

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

VMS INDUSTRIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(Amount Rs. In Lakhs)

NO.	PARTICULARS	NO.	31-Mar-20		31-Mar-19	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
A.	ASSETS:					
I.	NON-CURRENT ASSETS					
1	Property, Plant and Equipment	2	555.27		597.47	
				555.27		597.47
2	FINANCIAL ASSETS					
	(i) Investments	3	254.36		817.42	
	(ii) Loans & Advances	4	7.10		254.10	
				261.46		1,071.52
3	OTHER NON-CURRENT ASSETS	5		16.63		32.16
	TOTAL [I]			833.36		1,701.15
II	CURRENT ASSETS					
1	INVENTORIES	6	7,958.29		9,604.63	
2	FINANCIAL ASSETS					
	(i) Trade Receivables	7	4,629.66		808.62	
	(ii) Cash & Cash Equivalents	8	1,905.01		1,862.04	
	(iii) Loans & Advances	9	2,295.07		998.10	
			8,829.74		3668.76	
3	CURRENT TAX ASSETS [NET]	10	19.56		-	
4	OTHER CURRENT ASSETS	11	24.19		115.82	
	TOTAL [II]			16,831.77		13,389.21
	TOTAL ASSETS			17,665.13		15,090.36
B.	EQUITY AND LIABILITIES:					
I.	EQUITY					
	Equity Share Capital	12	1,647.34		1,647.34	
	Other Equity		3,668.33		3,887.79	
	TOTAL [I]			5,315.67		5,535.13
II	NON-CURRENT LIABILITIES					
1	FINANCIAL LIABILITIES					
	(i) Borrowings	13	11.41		21.13	
			11.41		21.13	
2	DEFERRED TAX LIABILITIES [NET]	14	54.86		69.46	
	TOTAL [II]			66.27		90.59
III.	CURRENT LIABILITIES					
1	FINANCIAL LIABILITIES					
	(i) Borrowings	15	4,813.93		1602.86	
	(ii) Current Maturities of Long Term Borrowings	16	9.77		12.01	
	(iii) Trade Payables	17				
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises		0.69		-	
	- Total Outstanding Dues of Creditors Other Than Above		7,070.20		7585.76	
			11,894.59		9200.63	
2	OTHER CURRENT LIABILITIES	18	388.60		208.86	
3	CURRENT TAX LIABILITIES [NET]	19			55.15	
	TOTAL [III]			12,283.19		9,464.64
	TOTAL EQUITY AND LIABILITIES			17,665.13		15,090.36
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.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For, **S.N. SHAH & ASSOCIATES,**
CHARTERED ACCOUNTANTS,
FRN:109782W

S/D

FIROJ G. BODLA

M. NO. 126770

PLACE: AHMEDABAD

DATE: 28TH JULY, 2020

FOR AND ON BEHALF OF THE BOARD

MANOJKUMAR JAIN

MANAGING DIRECTOR (DIN-02190018)

SANGEETA JAIN

DIRECTOR (WTD) (DIN-00125273)

ARUN P. BAROT

CHIEF FINANCIAL OFFICER

HEMAL PATEL

COMPANY SECRETARY

PLACE: AHMEDABAD

DATE: 28TH JULY, 2020



VMS INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount Rs. In Lakhs)

NO.	PARTICULARS	NO.	31-Mar-20		31-Mar-19	
			AMOUNT	AMOUNT	AMOUNT	AMOUNT
I	INCOME:					
	Revenue From Operation	20	17,641.33		17,750.40	
	Other Income	21	529.94		250.24	
	TOTAL INCOME.....			18,171.27		18,000.64
II	EXPENSES					
	Cos of Raw Materials Consumed	22	9,386.64		10,797.65	
	Purchase of Stock in Trade	23	7,143.32		5,742.01	
	Employee Benefits Expense	24	198.28		194.37	
	Finance Costs	25	190.02		81.37	
	Depreciation and Amortisation Expenses	26	46.07		46.97	
	Other Expenses	27	1,074.15		855.23	
	TOTAL EXPENSES....			18,038.48		17,718.10
III	PROFIT BEFORE TAX [I-II]			132.79		283.04
IV	TAX EXPENSES					
	Current Tax		26.59		81.36	
	Tax Of Earlier Years		-		5.77	
	Deferred Tax		(14.60)		(1.79)	
				11.99		85.34
V	PROFIT (LOSS) AFTER TAX FOR THE YEAR [III-V]			120.80		197.70
VI	OTHER COMPREHENSIVE INCOME (OCI)					
	(A) (i) Items that will not be reclassified to Profit or Loss:					
	- Remeasurements of the defined benefit plans		21.68			
	'- Equity instruments through other comprehensive income		(5.63)			
	(ii) Income tax relating to items that will not be reclassified to profit or loss		16.05			
	(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]			16.05		-
VIII	TOTAL COMPREHENSIVE INCOME (NET OF TAX) [V+VII]			136.85		197.70
IX	EARNING PER EQUITY SHARE: (FACE VALUE OF RS. 10 EACH)					
	Basic			0.83		1.20
	Diluted			0.83		1.20

The accompanying notes 1 to 29 are an integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

For, S.N. SHAH & ASSOCIATES,
 CHARTERED ACCOUNTANTS,
 FRN:109782W
 S/D

FIROJ G. BODLA
 M. NO. 126770
 PLACE: AHMEDABAD
 DATE: 28TH JULY, 2020

FOR AND ON BEHALF OF THE BOARD

MANOJKUMAR JAIN MANAGING DIRECTOR (DIN-02190018)
SANGEETA JAIN DIRECTOR (WTD) (DIN-00125273)

ARUN P. BAROT CHIEF FINANCIAL OFFICER

HEMAL PATEL COMPANY SECRETARY
 PLACE: AHMEDABAD
 DATE: 28TH JULY, 2020



VMS INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY

EQUITY SHARE CAPITAL AND OTHER EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(Amount Rs in Lakhs)

SR. NO.	PARTICULARS	RESERVES & SURPLUS				OCI	TOTAL OTHER EQUITY
		EQUITY SHARE CAPITAL	SECURITIES PREMIUM	GENERAL RESERVE	RETAINED EARNINGS	RESERVE FOR EQUITY INSTRUMENTS THROUGH OCI	
I.	Balance As At 1st April, 2019	1,647.34	2,505.97	46.28	1,335.53	-	3,887.78
II.	ADDITIONS						
	Profit For The Year				120.80		120.80
	Excess Provision for Income Tax of Earlier Years				-		-
	Other Comprehensive Income For The Year					16.04	16.04
III.	Total Comprehensive Income For The Year [I+II]	1,647.34	2,505.97	46.28	1,456.33	16.04	4,024.62
IV.	DEDUCTIONS						
	Changes in Accounting Policies & Prior Period Errors				(88.28)		(88.28)
	Vivad Se Vishwas Tax (Income Tax Earlier Years) Payable				(252.48)		(252.48)
	1/10th of Public Issue Expenses Written Off		(15.53)	-	-		(15.53)
	Deduction/Adjustments to Total Comprehensive Income For the Year	-	(15.53)	-	(340.76)	-	(356.29)
V.	Balance As At 31st March, 2020 [III-IV]	1,647.34	2,490.44	46.28	1,115.57	16.04	3,668.33

FOR THE YEAR ENDED MARCH 31, 2019

(Amount Rs 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	2,521.51	46.28	1,137.79	-	3,705.58
II.	ADDITIONS						
	Profit For The Year				197.70		197.70
	Other Comprehensive Income For The Year				0.03	-	0.03
III.	Total Comprehensive Income For The Year [I+II]	1,647.34	2,521.51	46.28	1,335.52	-	3,903.31
IV.	DEDUCTIONS						
	1/10th of Public Issue Expenses Written Off		(15.52)		-		(15.52)
	Deduction/Adjustments to Total Comprehensive Income For the Year	-	(15.52)	-	-	-	(15.52)
V.	Balance As At 31st March, 2019[III-IV]	1,647.34	2,505.99	46.28	1,335.52	-	3,887.79

The accompanying notes 1 to 29 are an integral part of the Financial Statements.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For, S.N. SHAH & ASSOCIATES,

CHARTERED ACCOUNTANTS,

FRN:109782W

S/D

FIROJ G. BODLA

M. NO. 126770

PLACE: AHMEDABAD

DATE: 28TH JULY, 2020

FOR AND ON BEHALF OF THE BOARD

MANOJKUMAR JAIN

MANAGING DIRECTOR (DIN-02190018)

SANGEETA JAIN

DIRECTOR (WTD) (DIN 00125273)

ARUN P. BAROT

CHIEF FINANCIAL OFFICER

HEMAL PATEL

COMPANY SECRETARY

PLACE: AHMEDABAD

DATE: 28TH JULY, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount Rs In Lakhs)

PARTICULARS	FOR HALF YEAR ENDED 31-Mar-20		FOR THE YEAR ENDED 31-Mar-19	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
I. PROFIT BEFORE TAX		132.79		283.04
ADJUSTMENTS FOR:				
Depreciation and Amortization Expense	46.07		46.97	
Finance Cost	190.02		81.37	
Interest Income	(489.13)		(246.13)	
Rent Income	(1.41)		(1.20)	
Profit on Sale of Shares	(38.73)		-	
Prior Period Expenses/(Income) (Net)	(88.28)		-	
Income Tax Payable (Vivad Se Vishawas Tax-Earlier Years)	(252.48)		-	
Loss On Sale of Vehicle	-		4.92	
Share of Profit From Partnership Firm	(0.67)		(1.41)	
		(634.61)		(115.48)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(501.82)		167.56
ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:				
Inventories	1,646.35		(6,910.84)	
Trade Receivables	(3,821.04)		1,842.16	
Non-Current Loans & Advances	247.00		255.00	
Other Current Assets, Current Loans & Advances	(1,205.37)		75.54	
Trade Payables	(514.87)		3,095.47	
Other Current Liabilities	179.74		201.02	
Current Provisions	-		(31.10)	
		(3,468.19)		(1,472.75)
CASH GENERATED FROM OPERATIONS		(3,970.01)		(1,305.19)
Income Tax Paid		(101.30)		(31.98)
NET CASH FROM OPERATING ACTIVITIES		(4,071.31)		(1,337.17)
II. CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(3.87)		(6.98)	
Sale of Property, Plant and Equipment	-		2.00	
Sale of Non-Current/Current Investments	617.83		717.22	
Rent Received	1.41		1.20	
Interest Received	489.13		246.13	
Share Of Profit From Partnership Firm	0.67		1.41	
NET CASH FROM/(USED) IN INVESTING ACTIVITIES		1,105.17		960.98
III. CASHFLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) Of Non-Current Borrowings [Net]	(11.94)		(16.82)	
Proceeds/(Repayment) Of Current Borrowings	3,211.07		179.43	
Finance Cost	(190.02)		(81.36)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		3,009.11		81.25
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [I+II+III]		42.97		(294.94)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		1,862.04		2,156.98
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		1,905.01		1,862.04

[REFER TO NOTE NO. 1(q)]

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".
- Direct Taxes Paid are treated as arising from Operating Activities without their bifurcation into Investing and Financing Activities.
- 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.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For, **S.N. SHAH & ASSOCIATES,**
 CHARTERED ACCOUNTANTS,
 FRN:109782W
 S/D
FIROJ G. BODLA
 M. NO. 126770
 PLACE: AHMEDABAD
 DATE: 28TH JULY, 2020

FOR AND ON BEHALF OF THE BOARD

MANOJKUMAR JAIN MANAGING DIRECTOR (DIN-02190018)
SANGEETA JAIN DIRECTOR (WTD) (DIN 00125273)

ARUN P. BAROT CHIEF FINANCIAL OFFICER

HEMAL PATEL COMPANY SECRETARY
 PLACE: AHMEDABAD
 DATE: 28TH JULY, 2020

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 had one subsidiary M/s. VMS TMT Private Limited in which the company held 80.13% shareholding upto 30th August, 2019. The subsidiary company carried out trading activities in Ferrous and Non-Ferrous Metals. The company liquidated its investment in subsidiary company during the year by 61.17% and hence the company ceased to be holding company of VMS TMT Private Limited. The company holds 18.95% shareholding in VMS TMT Private Limited as at the end of the financial year.

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.

The company has also investment of 10.00% share in partnership firm M/s. Yohaan Enterprises, which is engaged in the business of Trading and Restaurant.

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 and cash flows 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 matters/transactions/procedures to which the estimates relate.

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

The Company had applied for the one-time transition exemption of considering the carrying cost on

the transition date i.e. 1st April, 2017 as the deemed cost under IND AS, regarded thereafter as historical cost.

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 prices including freight, duties, taxes or levies, directly attributable cost of bringing the assets to their working conditions for their intended use. 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.

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.

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 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 their present values.

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 which are 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 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, Investments 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 then such 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 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. 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 at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

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

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

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

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

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

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

r) Operating Cycle:

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

s) Significant Influence:

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

If an entity holds, directly or indirectly (e g through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e g through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated.

As at the reporting date, the company held less than 20 per cent of voting power of the investees.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways:

- (a) representation on the board of directors or equivalent governing body of the investee;
- (b) participation in policy-making processes, including participation in decisions about dividends or other distributions
- (c) material transactions between the entity and its investee;
- (d) interchange of managerial personnel; or
- (e) provision of essential technical information.

The company has neither appointed nor has entered into an agreement with any of the investees to appoint any director or representative on the Board of Director or equivalent governing body of the investees as representative of the company. The policy making decisions of company including participation in decisions about dividends or other distributions if any are taken by the board of directors of company irrespective of the policy decisions by the investees. The company did not have material transactions with investees with regard to business operations i.e. sale/purchase of goods or provision of services. There has been no interchange of managerial personnel or provision of essential technical information between the company and its investees during the year. Accordingly, the company has not identified any investee as associate.

NOTE NO. 2
PROPERTY, PLANT & EQUIPMENT

Amount Rs in Lakhs

SR. NO	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS AT 1ST APRIL, 2019	ADDITIONS DURING THE YEAR	AS AT 31ST MARCH 2020	ADJUSTMENTS/ ADJUSTMENTS/S ALE DURING THE YEAR	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2020	AS AT 31ST MARCH, 2019	
1	Building	39.64	2.29	41.93	1.47	3.71	38.22	37.40	
2	Corporate Office	42.01	-	42.01	0.67	9.22	32.79	33.46	
3	Plant & Machinery	0.71	-	0.71	0.07	0.55	0.16	0.23	
4	Furniture & Fixtures	41.38	-	41.38	3.94	37.20	4.18	8.12	
5	Air Conditioner	1.85	0.81	2.66	0.50	1.23	1.43	1.12	
6	Weigh Bridge	6.21	-	6.21	0.58	4.72	1.49	2.07	
7	Winch	190.89	-	190.89	5.91	54.65	136.24	142.15	
8	Wire Rope	23.58	-	23.58	1.86	12.71	10.87	12.73	
9	Crane	289.90	-	289.90	10.19	95.62	194.28	204.47	
10	Oxygen Cylinders & Tank	137.94	-	137.94	3.70	72.15	65.79	69.49	
11	DG Sets	1.66	-	1.66	0.11	0.83	0.83	0.94	
12	Office Equipments	2.06	-	2.06	0.07	0.90	1.16	1.23	
13	C.C.TV Camera	1.21	0.51	1.72	0.27	0.82	0.90	0.66	
14	EPBX	0.57	-	0.57	0.11	0.39	0.18	0.29	
15	Water Filter	0.12	-	0.12	0.02	0.10	0.02	0.04	
16	Godrege RHINO Safe	0.11	-	0.11	0.02	0.09	0.02	0.04	
17	Vehicles	160.09	-	160.09	16.54	93.90	66.19	82.73	
18	Computers	5.05	0.06	5.11	0.01	4.81	0.30	0.25	
19	Printers	0.42	0.20	0.62	0.03	0.40	0.22	0.05	
	TOTAL	945.40	3.87	949.27	46.07	394.00	555.27	597.47	
	PREVIOUS YEAR	945.01	16.00	945.45	46.97	347.99	597.46	635.35	

NOTE NO.3
NON-CURRENT FINANCIAL ASSET: INVESTMENTS

(Rs In Lakhs)

SR NO	PARTICULARS	Face Value/ Paid Up Value	No. Shares	AS AT 31-Mar-20	AS AT 31-Mar-19
A	INVESTMENTS IN SUBSIDIARY AT COST				
	VMS TMT Private Limited				507.30
B	INVESTMENT MEASURED AT FIAR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)				
	VMS TMT Private Limited	10.00	12,00,000.00	136.04	
C	INVESTMENT IN PARTNERSHIP AT COST				
I	Eternal Automobiles (Profit Sharing Ratio 10.00%)			118.32	310.12
	Details of Other Partner in the Firm				
	Manoj Kumar Jain Profit Shareing Ration 15%				
	Smt. Sangeeta Jain Profit Shareing Ration 15%				
	Other Individual Profit Shareing Ration 60%				
	TOTAL			254.36	817.42

NOTE NO. 4
NON-CURRENT FINANCIAL ASSETS: LOANS & ADVANCES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I.	Unsecured but Considered Good DEPOSITS				
	SHIP RECYCLING INDUSTRIES ASSOCIATION (DEPOSIT)	2.00		4.00	
	TELEPHONE DEPOSIT	-		0.00	
	SECURITY DEPOSITE (GMB PLOT RENEWAL)	5.00		5.00	
	PGVCL DEPOSIT	0.10		0.10	
			7.10		9.10
II.	LOANS & ADVANCES				
	Loans and Advances to Others		-		245.00
	TOTAL		7.10		254.10

NOTE NO. 5
OTHER NON-CURRENT ASSETS

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I	Share Issue Expenses		16.63		32.16
	TOTAL		16.63		32.16

NOTE NO. 6
INVENTORIES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I	-Inventories taken as Physically Verified, Valued and Certified by the management of the company				
1	Raw Materials-Uncut Ship		7,958.29		9,604.63
	TOTAL		7,958.29		9,604.63

NOTE NO. 7
CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
1	Unsecured But Considered Good				
	-Outstanding for a period Exceeding Six Months	-		-	
	(From the date from which they became due for payment)				
	-Others	4,629.66		808.62	
			4,629.66		808.62
	Due by Companies in which Directors are Director/Interested	-		-	
	Due by Others	4,629.66		808.62	
	TOTAL		4,629.66		808.62

NOTE NO. 8
CURRENT FINANCIAL ASSETS: CASH & BANK BALANCES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I	Balance with Banks				
	In Current Accounts	11.74		123.01	
	Fixed Deposits	1,885.43		1,724.98	
			1,897.17		1,847.99
II	Cash on Hand		7.84		14.05
	TOTAL		1,905.01		1,862.04

NOTE NO. 9
CURRENT FINANCIAL ASSETS: LOANS & ADVANCES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I.	Unsecured but Considered Good				
	Loans and Advances to Related Parties	-		700.14	
	Loans and Advances to Others	2,244.97		200.57	
	Balance With Government Authorities Self Assessment/Advance Tax/TDS Receivable	27.29		68.90	
			2,272.26		969.61
II.	Interest Accrued On Bank FDR		22.81		28.49
	TOTAL		2,295.07		998.10

NOTE NO. 10
CURRENT TAX ASSETS [NET]

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I.	CURRENT TAX ASSETS				
	Advance Tax Paid A.Y. 2020-21	5.00		-	
	TDS Receivable For The A.Y. 2020-21	41.15		-	
	Less: Provision For Income Tax [Current]	(26.59)		-	
			19.56		-
	TOTAL		19.56		-

NOTE NO. 11
OTHER CURRENT ASSETS

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I.	ADVANCES				
	1 Advances to Suppliers for Goods	-		42.69	
	2 Advances for Expenses & Other Debit Balances	2.38		23.72	
	3 Short Term Deposit-Rent Deposit		2.38		66.41
II.	Prepaid Expenses		21.80		49.41
	TOTAL		24.18		115.82

NOTE NO.12
EQUITY SHARE CAPITAL

SR NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
		No. of Shares	Amount	No. of Shares	Amount
I	EQUITY SHARES				
	AUTHORISED				
	Equity shares of Rs.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 Rs.10/- Each 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

Sr No.	PARTICULARS	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	-	-	-	-
	TOTAL	1,64,73,391.00	16,47,33,910.00	1,64,73,391.00	16,47,33,910.00

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

SR NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
		No. of Shares	% of Total Holding	No. of Shares	% of Total Holding
1	Manoj Kumar Jain	61,68,100	37.44%	61,68,100	37.44%
2	Sangeeta Jain	22,92,264	13.91%	22,92,264.00	13.91%

NOTE NO. 13
NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I.	SECURED				
	VEHICLE LOANS				
	ICICI Car Loan-INNOVA		-		2.22
	BOB Car Loan-BALENO DELTA		0.63		2.04
	BOB Car Loan-SWIFT VDI MARUTI		0.67		2.25
	BOB Car Loan-CRETA		6.90		9.06
	BOB Car Loan-CELERIO		-		0.83
	BOB Car Loan-CIAZ		3.21		4.73
	TOTAL		11.41		21.13

NOTE NO. 14
DEFERRED TAX LIABILITIES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
	OPENING BALANCE	69.46		71.25	
	DEFERRED TAX LIABILITIES/(ASSETS) RELATING TO Unabsorbed Capital Losses	(17.21)		-	
	Property, Plant and Equipments, Intangible Assets & Investment Properties	2.61		(1.79)	
			54.86		69.46
	TOTAL		54.86		69.46

NOTE NO. 15
CURRENT FINANCIAL LIABILITIES: SHORT TERM BORROWINGS

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT 31-Mar-20		AS AT 31-Mar-19	
I.	SECURED				
	Loans repayable on Demand				
	Working Capital				
	From Banks				
A	CASH CREDIT*				
	From Bank of Baroda		2,350.14		1,406.73
B	LC **				
	BOB Inland LC		2,463.79		196.13
	TOTAL		4,813.93		1,602.86

I NATURE OF SECURITY:
A Primary Security

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

B Collateral Security

1 Equitable Mortgage of Immovable Properties.

II GUARANTEE:

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

1 Shri Manoj Kunar Jain-Director

2 Smt. Sangeeta Jain-Director

3 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

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT	
		31-Mar-20	31-Mar-19
A.	SECURED*		
	VEHICLE LOANS		
	ICICI Car Loan-VOLVO	-	0.53
	ICICI Car Loan-INNOVA	2.22	3.53
	BOB Car Loan-BALENO DELTA	1.43	1.30
	BOB Car Loan-SWIFT VDI MARUTI	1.61	1.45
	BOB Car Loan-CRETA	2.19	2.01
	BOB Car Loan-CELERIO	0.84	1.35
	BOB Car Loan-CIAZ	1.48	1.84
	TOTAL	9.77	12.01

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

NOTE NO. 17
CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT	
		31-Mar-20	31-Mar-19
I	Sundry Creditors for Goods		
	-Micro & Small Enterprises	-	-
	-Others	7,049.45	7,571.63
II	Sundry Creditors for Other Expenses		
	-Micro & Small Enterprises	0.69	-
	-Others	20.75	14.13
	TOTAL	7,070.89	7,585.76

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-20	31-Mar-19	
I	The principal amount remaining unpaid to any supplier at the end of the year.		0.69	-
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		0.69	-

NOTE NO. 18
OTHER CURRENT LIABILITIES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT		
		31-Mar-20	31-Mar-19	
I	Advances from Customers/Sundry Credit Balances		82.65	200.00
II	Other Payables		34.19	1.21
III	Other Payables-Statutory Liabilities			
	Provident Fund	1.55	0.73	
	Employee State Insurance Fund	0.28	0.19	
	Professional Tax	0.15	0.09	
	T.D.S./T.C.S. Payable	16.89	6.58	
	Vivad Se Vishwas Tax (Income Tax Earlier Years) Payable	252.48	-	
	GST Payable	0.41	0.06	
			271.76	7.65
	TOTAL		388.60	208.86

NOTE NO. 19
CURRENT TAX LIABILITIES [NET]

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT		
		31-Mar-20	31-Mar-19	
	Current Income Tax Liabilities			
	Provision for Current Year		-	81.36
	Less: Advance Tax Paid		-	(10.00)
	Less: TDS/TCS Receivable		-	(16.21)
	TOTAL		-	55.15

NOTE NO. 20
REVENUE FROM OPERATIONS

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED	
		31-Mar-20	31-Mar-19
A.	SALE OF PRODUCTS		
	Sales Of Manufacturing Goods-Ship Breaking (Inclusive of GST Collected On Sales)	10,328.58	11,974.19
	Sales Of Trading Goods (Inclusive of GST Collected On Sales)	7,312.75	5,776.21
		17,641.33	17,750.40
	TOTAL	17,641.33	17,750.40

NOTE NO. 21
OTHER INCOME

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-20		31-Mar-19	
1	INTEREST INCOME				
	From Current Investments/Advances/Others				
	Interest on Fixed Deposits With Banks	107.14		137.12	
	Interest on Loans & Advances (Net of Interest Paid)	167.55		51.48	
	Interest From Partnership Firm on Capital With Firm	214.44		55.48	
	Interest On Income Tax Refund	-		2.05	
			489.13		246.13
2	Share of Profit From Partnership Firm		0.67		1.41
3	Other Non-Operating Income (Net of Related Expenses)				
	Rent Income	1.41		1.20	
	Profit on Sale of Shares	38.73		-	
	Other Income	-		1.50	
			40.14		2.70
	TOTAL		529.94		250.24

NOTE NO. 22
COST OF MATERIALS CONSUMED

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-20		31-Mar-19	
I.	RAW MATERIALS CONSUMED:				
A.	Opening Stock	9,604.65		2,693.80	
	Add : Purchases (Inclusive of GST On Purchases)	7,523.99		17,215.01	
	Add:Freight, Custom Duty, Clearing & Forwarding Charges	216.29		493.48	
	Less : Closing Stocks	(7,958.29)		(9,604.64)	
			9,386.64		10,797.65
	TOTAL		9,386.64		10,797.65

NOTE NO. 23
PURCHASE STOCK IN TRADE

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-20		31-Mar-19	
-	Purchases Stock in Trade		7,143.32		5,742.01
	(Inclusive of GST On Purchases & LC Charges)				
	TOTAL		7,143.32		5,742.01

NOTE NO. 24
EMPLOYEE BENEFIT EXPENSES

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-20		31-Mar-19	
1	Salaries, Wages & Labour Charges				
	-To Directors-Remuneration	68.00		48.00	
	-To Others	93.73		101.24	
			161.73		149.24
2	Company Contribution to Provident Fund		18		20
3	Company Contribution to ESIC		3.69		5.98
4	Professional Tax of Employees		0.91		1.00
5	Bonus & Exgratia		14.15		18.38
	TOTAL		198.28		194.37

NOTE NO. 25
FINANCE COST

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-20		31-Mar-19	
1	Bank & Other Financial Charges		51.99		9.16
2	Interest				
	To Bank	130.53		64.37	
	On Vehicle Loans	2.46		3.37	
	On Income Tax	5.04		4.46	
	On TDS	-		0.01	
			138.03		72.21
	TOTAL		190.02		81.37

NOTE NO. 26
DEPRECIATION AND AMORTISATION EXPENSES

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-20		31-Mar-19	
1	Depreciation on Property, Plant & Equipments		46.07		46.97
	TOTAL		46.07		46.97

NOTE NO. 27
OTHER EXPENSES

(Rs In Lakhs)

SR. NO.	PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31-Mar-20		31-Mar-19	
I.	MANUFACTURING EXPENSES				
1	Stores & Spares Consumed:	22.14		22.35	
2	Power, Fuel & Utilities :				
	Diesel, Gases & Carbide	101.64		164.38	
3	Repairs & Maintenance:	3.18		1.90	
4	Transportation Inward	-		0.90	
5	GMB Plot Rent/Development & Other Charges	39.84		82.67	
6	Pollution Control Expenses	3.06		2.76	
7	Other Manufacturing Expenses	10.19		5.31	
			180.05		280.27
II.	ADMINISTRATIVE, SELLING AND OTHER EXPENSES				
1	Postage & Telephone/Communications		1.58		1.21
2	Stationery & Printing		1.49		1.86
3	Travelling, Conveyance & Vehical Expenses				
	Travelling & Conveyance	-		0.40	
	Vehicle Expenses (Including Repairs & Fuel)	6.58		3.96	
			6.58		4.36
4	Legal & Professional Charges		57.25		50.77
5	Rent, Rates & Taxes		136.03		117.63
6	Auditor's Remuneration				
	Statutory Audit Fees	0.70		0.82	
	Tax Audit Fees	0.15		0.18	
			0.85		1.00
7	Insurance		3.02		3.43
8	Selling & Distribution Expenses				
	Advertisement Expenses	0.46		0.43	
	Transportation Expenses	-		0.43	
	Commission on Sales	13.27		11.55	
			13.73		12.41
9	Loss On Foreign Exchange Fluctuations		653.51		349.34
10	Security Expenses		13.04		21.09
11	Loss On Sale of Assets		-		4.92
12	Other Expenses		7.02		6.94
	TOTAL		1,074.15		855.23

NOTE NO. 28
CONTINGENT LIABILITIES

(Rs In Lakhs)

SR. NO.	PARTICULARS	AS AT	
		31-Mar-20	31-Mar-19
I.	Corporate Guarantee in Favour Standard Chartered Bank, Mumabi Branch and Oriental Bank of Commerce, Bhavanagar for Working Capital Loan Availed by M/s. Eternal Automobiles. The Outstanding Balance of Loan As At 31.03.2020 was Rs. 3,52,84,473 to Standard Chartered Bank and Rs. 59,63,273 to Oriental Bank of Commerce and Rs. 3,09,52,267 to Standard Chartered Bank and Rs. 57,58,070 to Oriental Bank of Commerce As At 31.03.2019.	430.00	480.00
II.	Ho'nable ITAT, Ahmedabad, A.Y. 2014-15	8.28	8.28
III.	Commissioner Of Income Tax (Appeals)-8, Ahmedabad, A.Y. 2015-16	14.24	14.23
IV.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2009-10	19.28	19.28
V.	Deputy Commissioner of Commercial Tax-Appeal, Division-9, Bhavnagar F.Y. 2010-11	34.72	34.72
	TOTAL	506.52	556.51

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.

Particulars	For the year ended	
	31 st March, 2020	31 st March, 2019
Total Comprehensive Income After Tax for the period (A)	1,36,85,155	1,97,70,090
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)	0.83	1.20

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 (Upto 30 th August, 2019) Associate Company (From 31 st August, 2019 to 29 th November, 2019)	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 (Upto 13/11/2019)	Yes
vi.	Mr. Arun P. Barot	CFO (From 14/11/2019)	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
x.	Aditya Ultra Steel Limited	Company in Which Relative of Directors is Director and have substantial shareholding	Yes
xi.	Yohaana Enterprises	Partnership Firm in which the Company is Partner	Yes

B. Transaction with Related Parties
(Amount Rs In Lakhs)

Nature of Transaction	Name of the Party	2019-20	2018-19	
Investment in Capital Account of Partnership Firm (Net)	Eternal Automobiles	Capital Introduced	1169.23	2264.01
		Lees: Capital Withdrawn	(1169.23)	(2264.01)
		Net Capital Introduced	NIL	NIL
	Yohaan Enterprises	Capital Introduced	2997.98	NIL
		Less: Capital Withdrawn	(2997.98)	NIL
		Net Capital Introduced	NIL	NIL
	Advances Given	VMS TMT Private Limited	550.90*	3038.00
	*From 1 st April, 2019 to 29 th November, 2019			
	Advances Received Back	VMS TMT Private Limited	675.00*	2383.00
*From 1 st April, 2019 to 29 th November, 2019				
Loans Taken	Aditya Ultra Steel Limited	3552.22	NIL	
Loans Repaid	Aditya Ultra Steel Limited	3552.22	NIL	
Corporate Guarantee to Banks/Financial Institutions	Eternal Automobiles	430	480	
Rent Income	VMS TMT Private Limited	0.41*	0.71	
	Aditya Ultra Steel Limited	0.71	0.71	
*From 1 st April, 2019 to 29 th November, 2019				
Sales of Goods (Net)	VMS TMT Private Limited	NIL	713.67	
	Yohaan Enterprises	864.43	NIL	
	Aditya Ultra Steel Limited	221.40	2695.29	

Purchase of Goods (Net)	Aditya Ultra Steel Limited	3.00	NIL
Share of Profit In Partnership Firm			
	Eternal Automobiles	0.21	1.41
	Yohaan Enterprises	0.45	NIL
Interest Received			
	Eternal Automobiles	86.43	55.47
	VMS TMT Private Limited	91.82	50.16
	Yohaan Enterprises	128.01	NIL
Interest Paid			
	Aditya Ultra Steel Limited	107.15	NIL
Director/Key Managerial Personnel /CFO/Company Secretary Remuneration			
	Mr. Manoj Kumar Jain	34.00	24.00
	Mrs. Sangeeta Jain	34.00	24.00
	Mr. Himanshu Surendrabhai Shah	2.93	3.58
	Mr. Arun P. Barot	0.55	NIL
	Mr. Hemal Pankajkumar Patel	6.47	5.20
Outstanding Balances as at the year end- Investment in Partnership Firm			
	Eternal Automobiles	118.32 (Dr.)	310.12 (Dr.)
Outstanding Balances as at the year end- Advance Given			
	VMS TMT Private Limited	NIL	700.14 (Dr.)
Outstanding Balances as at the year end- Investment in Subsidiary Company			
	VMS TMT Private Limited	NIL	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 July, 2020.
- g** The outbreak of COVID-19 pandemic across the globe and in India led to nation-wide lockdown impacting the business operations of the company for some time. The management of the company has assessed the impact of COVID-19 pandemic and subsequent lockdown on its business activities including effect of fluctuations in foreign exchange rates based on internal and external information, general economic trend in the county and the probable impact of government measures to revive the economy and business activities. As per management’s current assessment, the outbreak of COVID-19 pandemic and subsequent lockdown had no significant impact on the carrying values of current and non-current assets and liabilities as at the reporting date of the financial statements and hence required no adjustments in the carrying value. The management of the company will continue to assess the impact of health pandemic on its business activities and will reassess the carrying values of its current and non-current assets and liabilities whenever there is possibility of significant impact on the carrying value. The impact of health pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company’s financial statements, which may differ from that considered as at the date of approval of these financials statements. However, the Company does not anticipate any adverse effect on its ability to continue as going concern or meeting its financial obligations.

- h** The management of the company has decided to file applications under “The Direct Tax Vivad Se Vishwas Act, 2020” in respect of following disputed Income Tax Liabilities which the company is expected to pay on approval of the applications by the Income Tax Authorities.

Sr. No.	Assessment Year	Amount (Rs.)
1.	2005-06	111.69 Lakhs
2.	2007-08	140.78 Lakhs
3.	TOTAL	252.47 Lakhs

The above disputed Income Tax Liabilities pertain to period prior to earliest reporting date i.e. 1st April, 2018 and accordingly they have been adjusted to the carried forward balance of retained earnings for the financial year 2019-20. Further, adjustments, if any, will be made to the reported amounts of liabilities in the year in which applications will be approved by the Income Tax Authorities.

- i) 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'

FOR AND ON BEHALF OF THE BOARD

For, S.N. SHAH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FRN:109782W

MANOJKUMAR JAIN
MANAGING DIRECTOR
(DIN-02190018)

SANGEETA JAIN
DIRECTOR(WTD)
(DIN-00125273)

FIROJ G. BODLA
M. NO. 126770

ARUN P. BAROT
CFO

HEMAL PATEL
COMPANY SECRETARY

PLACE: AHMEDABAD
DATE: 28TH JULY, 2020

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DATE: 28TH JULY, 2020



**VMS INDUSTRIES
LIMITED**

[CIN:L74140GJ1991PLC016714]

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

PROXY FORM
28th ANNUAL GENERAL
MEETING

Name of the Member (s) : _____

RegisteredAddress : _____

E-mailId : _____

Folio / DP ID Client ID No.: _____

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

(1) Name : _____ Address: _____

EmailID: _____ Signature: _____ or
failing him /her:

(2) Name : _____ Address: _____

EmailID: _____ Signature: _____ or
failing him /her:

(3) Name : _____ Address: _____

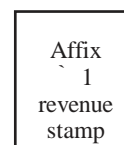
EmailID: _____ Signature: _____

as my /our proxy to attend and vote for my / our behalf at the Annual General Meeting to be held on Wednesday, the 30th September, 2020 at 03.00 P.M. via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') 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, 2020		
2.	Re-appointment of Mrs. Sangeeta Jain, Whole - Time Director retire by rotation.		
3.	Re-appointment of Statutory Auditors M/s. S N Shah & Associates, Chartered Accountant		
SPECIAL BUSINESS			
4.	Consider the appointment of Cost Auditor M/s A.G.Tulsian & Co., Cost Accountants		

Signed this _____ day of _____ 2020 Signature of Shareholder _____

Signature of Proxy holder(s) _____



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.