

## NOTICE

Notice is hereby given that the 20th [Twentieth] Annual General Meeting of the Company will be held on 11.00 hours on 10th day of September, 2012 at the Registered Office of the Company situated at 2ND Floor 'Jain House', Opp. Vitthalwadi, Bhavnagar-364003 to transact the following business.

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March, 31, 2012 and the Profit and Loss Account for the Year ended on that date together with the Report of Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Hitesh Loonia, who retires by rotation and, being eligible, offers him for re-appointment.
3. To appoint Director in place of Mrs. Sangeeta Jain, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint M/s K Solanki & Co., Chartered Accountants, Ahmedabad, (Firm Registration Number 114694W) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting, on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and said Statutory Auditors;

### SPECIAL RESOLUTION

5. To consider and if thought fit, to pass with or without modification (s) if any, the following as an Ordinary Resolution:
 

**"RESOLVED THAT** in accordance with the provisions of section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 (Including any statutory modification or re-enactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the Companies Act, 1956, and as requested by Shri Ajit Kumar Jain (**former Managing Director of the Company**) and approved by the Board of Directors in their meeting , the Company hereby vary / Cancel terms of Employment agreement dt 04th February, 2010 with Shri Ajit Kumar Jain, for the Post of Managing Director by accepting his change of Designation from the Post of Managing Director to Director "

**"RESOLVED FURTHER THAT** in accordance with the provisions of section 302 of Companies Act 1956, the Company hereby give notice of **Disclosure of Interest of Shri Ajit Kumar Jain** for Change of Designation from the Post of Managing Director to Director."
6. 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 198, 258, 269, 309, 310, 311, schedule XIII and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr. Manoj Kumar Jain as Managing Director of the Company for a period of Five years with effect from 20th July, 2012 , on remuneration of Rs.1,00,000/- Per Month.
7. To consider and if deemed fit, to pass with or without modification following resolution as an **ORDINARY RESOLUTION**

**"RESOLVED THAT** pursuant to the provision of Section-61 and other applicable provisions if any of the Companies Act, 1956 (including any amendment(s) to or re enactment (s) thereof), provisions of the Memorandum and Article of Association of the Company, Rules, Regulation, Guidelines of the Securities and Exchange Board of India ('SEBI') and other applicable provisions, if any subject to requisite approval, consents, permission and sanctions, if any, from the Government of India, SEBI, the Stock Exchanges, Institutions or bodies under applicable laws, rules, terms and conditions as may be prescribed, consent of the Company be and is hereby accorded to the Board of Directors to approve the variation of the Utilization of the proceeds of 'Initial Public Offer;' ('IPO') made in pursuance of the Prospectus dated 6th June, 2011 ('Prospectus') from the 'Object of the Issue' as mentioned in the Prospectus by including but not limited to rescheduling the Utilization towards the objects set out in the prospectus and /or increasing and / or decreasing expenditures (s) for any of the object mentioned in the prospectus as mentions in the Explanatory Statement hereto.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do, all such act, deeds, matters and things, deal with such matters as the Board may in its absolute discretion deem necessary, desirable or expedient and thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any other officer(s) authorized person of the Company to give effect to the aforesaid Resolution."

By Order of Board of Directors  
For: VMS INDUSTRIES LIMITED

Place : Bhavnagar  
Date : 20th July, 2012

Sd/-  
**Hemal Patel**  
Company Secretary



## VMS Industries Limited

### Notes:

- i) A member entitled to attend to vote at the meeting is entitled to appoint a proxy, to attend and vote on poll on his behalf and such a proxy need not be member of the Company, Proxies in order to be effective must be deposited at the Registered Office or with the Registrar and Share Transfer Agents of the Company, M/s Cameo Corporate Services Limited, not less than 48 hours before the meeting.
- ii) The Registrar of Members of the Company and the Share Transfer Registrar shall remain closed from Tuesday, 04th September, 2012 to Monday, 10th September 2012 (both days inclusive)
- iii) The members are requested to
  - a) Notify immediately any change in their address to the Company
  - b) Bring their copy of the Annual Report to the Annual General Meeting.
- iv) Explanatory Statements under Section 173(2) of the Companies Act, 1956 in respect of Item No.5 to 7 are annexed hereto.
- v) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their Demat accounts.
- vi) Brief profile of the Directors who are retiring by rotation and are eligible for re appointment as Directors at the ensuing Annual General Meeting are furnished with Notice of Annual General Meeting, which forms part of Annual Report.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

#### Item No.5

The Company had entered in to an agreement on Dt 04th February, 2010 with Ajit Kumar Jain to act as Managing Director of Company with effect from 15th February, 2010 for a tenure of 5 years i.e up to 15th February, 2015.

However Mr Ajit Kumar Jain has shown his unwillingness to act as Managing Director of the Company and given his resignation letter to the Board of Directors on dt. 16th May, 2012. Further he has given his consent to act as Director of the Company.

The Board proposes / accepts his resignation from the office of Place of Managing Director subject to the approval of Members in its Annual General Meeting.

Your Board of Directors seeks your approval for this resolution.

None of Directors Expect Ajit Kumar Jain, Mr. Manoj Kumar Jain, Mrs. Sangeeta Jain are interested on above resolution.

#### Item No.6

Mr. Manoj Kumar Jain was appointed as Director of Company on 1st April, 2008. The Company has received requisite notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Manoj Kumar Jain to the office of Managing Director. Mr. Manoj Kumar Jain is also a Member of ICAI. He is having over 10 years of experience in various fields such as finance, taxation consultancy and ship recycling and off shore Industrial and other business activities. He is examining and advising on Purchase of Old ships and finalizes the deals with the suppliers. He is also guiding on off shore activities and is arranging finance for the business of the company. He plays a major role in providing strategic guidance to our Company. He will be supervising the functional heads and responsible for the overall operation and growth of our Company.

The Board of Directors of the company at their meeting held on 20th July, 2012 and as per Remuneration Committee Meeting held on 19th July, 2012 appointed him as Managing Director for the period of five years with effect from 20th July, 2012 on remuneration and perquisites as set out at the resolution no.6 of the notice of the meeting subject to approval of shareholders. An Abstract of the terms of appointment of the Managing Director and a Memorandum as to concern or interest of the directors in said appointment as required under Section 302, of the Companies Act, 1956 was sent to the Members on 20th July, 2012. The appointment and remuneration are within the guidelines laid down in Schedule XIII to the Companies Act, 1956 and require the approval of Shareholders. Brief resume of the Managing Director as under;

Name of the Director	Mr. Manoj Kumar Jain
Date of Birth	18th December, 1961
Qualification	B. Com, Chartered Accountant
Experience in specific functional areas	He is having over 10 years of experience in various fields such as finance, taxation consultancy and ship recycling and off shore Industrial and other business activities. He is examining and advising on Purchase of Old ships and finalizes the deals with the suppliers. He is also guiding on off shore activities and is arranging finance for the business of the company
List of other Companies in which Directorship is held	Nil
Chairman / Member of the Committees of the Board of other Companies in which he is a Director	Nil

None of the Directors, except Mr. Manoj Kumar Jain, Sangeeta Jain, Ajit Kumar Jain are concerned or interested in the resolution

**Item No.7**

The Members of the Company, at the Extraordinary General Meeting of the Company held on 03rd February, 2010 had approved the Initial 'Public Offer' ('IPO') of the Equity Shares of the Company.

On 10th June, 2011 the Company has by way of IPO Placement, allotted 64,38,227 equity shares to investor for an aggregate consideration of 25,75,29,080/- at a subscription price of Rs.40/- per Equity Share including Premium. Further, pursuant to the prospectus date 6th June, 2011 the Company has issued and allotted 64,38,227 Equity Shares to Investors

In the Prospectus dated 6th June, 2011, the company has specified certain business plans and requirements of funds for the same along with the utilization of the IPO Proceeds under the section titled "Object of the Issue" on **Page no.55**.

(Rs. In Lacs)

SNo	Particulars	Amount	Amount
1	Modernization of our Ship Recycling Plot		<b>558.00</b>
2	Setting up of Corporate Office at Ahmedabad - Office Premises - Furniture and Fixtures	<b>45.00</b> <b>65.00</b>	<b>110.00</b>
3	Long-term Working Capital Requirement		<b>1740.20</b>
4	Issue Expenses		<b>184.80</b>
	TOTAL		<b>2593.00</b>

Further, as disclosed in the Prospectus on **Page No.56**

In case of any variations in the actual utilization of funds earmarked for the objects set forth above, increased fund requirement for a particular object may be met with by surplus funds, if any available in respect of the other object for which the funds are being raised in the Issue, subject to applicable law, and/or our Company's internal accruals, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions. In the event of any shortfall in the Issue proceeds, the requirement shall be satisfied from internal accruals.

Therefore it is proposed to utilize the balance amount which could not be utilized in the above manner by including but not limited to rescheduling and utilization towards the object set out in the Prospectus and / or increasing and /or decreasing expenditure (s) for any of the object mentioned in the prospectus, towards inorganic growth of the Company's business and for General Company Purposes.

Accordingly, it is proposed to modify the aforesaid utilization schedule for financing the object as set forth below. (Rs. In Lacs)

SNo	Particulars	Amount	Amount
1	Modernization of our Ship Recycling Plot		<b>599.39</b>
2	Setting up of Corporate Office at Ahmedabad - Office Premises - Furniture and Fixtures	<b>42.00</b> <b>29.29</b>	<b>71.29</b>
3	Long-term Working Capital Requirement		<b>1746.20</b>
4	Issue Expenses		<b>158.12</b>
	TOTAL		<b>2575.00</b>

Pursuant to the provision of section 61 of the Companies Act, 1956, a Company can vary the terms referred to in the Prospectus only with approval of the Members. The Board accordingly recommends the Ordinary Resolution as set out at Item No.7 of the accompanying notice for approval of the Members.

The Directors of the Company may be deemed to be interested in this resolution to the extent of their respective holdings in the equity shares of the Company.

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

Sd/-  
**Hemal Patel**  
Company Secretary

Place : Bhavnagar  
Date : 20th July, 2012



## VMS Industries Limited

### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to registered e-mail address, in respect of electronic holding with the Depository through their concerned Depository Participants.

### Details of Directors seeking reappointment in Annual General Meeting (in pursuant of Clause 49 of Listing Agreement)

Name of Director	Mr. Hitesh Loonia	Sangeeta Jain
Date of Birth	22/09/1984	22/01/1968
Nationality	Indian	Indian
Date of Appointment on the Board	30.12.2009	02.12.1991
Qualification	B.com, ACA, CS, CWA	B.A .M.A
Experience of functional area	Business	Business
Shareholding in the Company	5000	2292264
List of Directorship held in other Companies	NIL	NIL
Committee Membership	2	1

To,  
**The Members of VMS INDUSTRIES LIMITED,**  
**ABSTRACT UNDER SECTION 302 OF THE COMPANIES ACT, 1956**

1. Variation of the terms of contract of former Managing Director, Shri Ajit Kumar Jain and Nature of concern or interest of directors;

Shri Ajit Kumar Jain was appointed as Managing Director of the Company for a period of 5 years with effect from 15th February, 2010. The appointment was approved by the Shareholders at an Extraordinary General Meeting held on 13th February, 2010.

As required under section 302 of the Companies Act, 1956 take notice that Shri Ajit Kumar has resigned from the position of Managing Director of the Company with effect from 20th July, 2012 to focus on wider responsibilities of the VMS INDUSTRIES LIMITED.

At a meeting of the Board of Directors of the Company held on 20th July, 2012 the change in position of Shri Ajit Kumar Jain as Director was approved and he was assigned the newly created role of Director.

Except Shri Ajit Kumar Jain, Director, Mr Manoj Kumar Jain, Managing Director and Smt Sangeeta Jain, Whole time Director of the Company, none of the other directors of the Company is, in any way, concerned or interested in the contract.

2. Abstract of the terms of appointment of Shri Manoj Kumar Jain as Managing Director and the notice of such concern or interest of directors in the appointment

The Board of Directors of the Company at their meeting held on 20th July, 2012 appointed Shri Manoj Kumar Jain as Managing Director of the Company for a period of five years with effect from 20th July, 2012 subject to approval of Shareholders of the Company in 20th Annual General Meeting.

Mr. Manoj Kumar Jain was appointed as Director of Company on 1st April, 2008 as the Director of the Company. The Company has received requisite notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Manoj Kumar Jain to the office of Managing Director. Mr Manoj Kumar Jain is a Member of ICAI. He is having over 10 years of experience in various fields such as finance, taxation consultancy and ship recycling and off shore Industrial and other business activities. He is examining and advising on Purchase of Old ships and finalizes the deals with the suppliers. He is also guiding on off shore activities and is arranging finance for the business of the company. He plays a major role in providing strategic guidance to our Company. He will be supervising the functional heads and responsible for the overall operation and growth of our Company.

As required under section 302 of the Companies Act, 1956 an abstract of the terms of appointment of Shri Manoj Kumar as Managing Director and payment of remuneration thereof and memorandum of concern or interest of the directors in such appointment is set out herein below:

Designation : Managing Director

Terms of appointment : For a period of 5 years

Salary : 1,00,000/- Per Month

Remuneration during his tenure in office, may be further increased by the Board / Remuneration Committee, from time to time, based on the performance of the Company and his individual performance.

In the event of termination of employment, except in circumstances of fraud or gross misconduct on his part, he will be entitled to be paid remuneration for a maximum period of three months.

Subject as aforesaid, he shall be governed by such of the existing service rules of the Company as may be in force from time to time.

So long as he functions as the Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

Memorandum of concern or interest

Except Shri Manoj Kumar Jain, Managing Director of the Company, Shri Ajit Kumar Jain, Director and Smt Sangeeta Jain who is concerned / interested in the appointment and the remuneration payable, none of the other directors of the Company is, in any way, concerned or interested in the appointment and the remuneration payable.

Copy of the resolutions passed by the Board of Directors on 20th July, 2012 is available for inspection at the registered office of the Company during business hours on all working days

By Order of Board of Director of  
**VMS INDUSTRIES LIMITED**

Sd/-  
**HEMAL PATEL**  
 COMPANY SECRETARY



## VMS Industries Limited

### NOTICE

Notice is hereby given pursuant to the provisions of Sections 16,17,146(2) read with Section 192A of the Companies Act, 1956, and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the consent of the Members of **VMS INDUSTRIES LIMITED** for the proposed resolution set out below, which consent is sought to be obtained by means of Postal Ballot. The explanatory statement stating all material facts and the reasons for the proposal is also appended hereto for your consideration.

You are requested to carefully read the instructions printed in the Postal Ballot Form (appended hereto) and return the form duly completed in the attached self addressed postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours on or before 05th September, 2012. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. No other forms or photo copies thereof is permitted.

The Scrutinizer will submit his report to the Chairman or any Director of the Company after completion of the scrutiny and the result of the voting by Postal Ballot will be announced by the Chairman or any Director of the Company on 10th September, 2012 at 11.00 hours at the Registered Office of the Company at 2nd Floor 'Jain House', Opp. Vitthalwadi, Bhavnagar-364003. Members of the Company, who wish to be present at the time of declaration of results, may be present at the above venue.

### SPECIAL RESOLUTION

#### 1. Shifting of Registered Office from Bhavnagar to Ahmadabad

"RESOLVED THAT pursuant to the provision of Section 17, 146, 192A and other applicable provision if any of the Companies Act, 1956, Registered office of the Company be changed/ Shifted from 2nd Floor Jain House, Opp. Vitthalwadi, Bhavnagar-364001(Gujarat) to 808/ C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 (Gujarat) which fall within the State of Gujarat but outside the local limits of the City of Bhavnagar.

"RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to make an application with Registrar of Companies seeking its confirmation and to do all such acts, deeds, matters and things as may be necessary in connection therewith or incidental or ancillary thereto.

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

*Sd/-*  
**Hemal Patel**  
*Company Secretary*

Place : Bhavnagar  
Date : 20th July, 2012

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

#### Item No.1 Shifting of Registered Office

Your Directors believe that not only the Company's Business but it would be more economical and more efficient to manage the entire operations if the registered office is situated at Ahmedabad (Gujarat). Since it is the major Business Center of Gujarat.

Section 146(2) of the Companies Act, 1956 (the "Act") provides that the registered office of the Company shall not be removed outside the local limits of any city, town or village except with the authority of a special resolution passed by the shareholders Section 192A of the Act read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 provides that change in place of registered office outside the local limits of any city, town or village as specified in sub-section (2) of section 146 shall be passed through postal ballot.

The change in registered office within the State of Gujarat but outside the local limits of the City of Bhavnagar does not result in change in jurisdiction of the Registrar of Companies.

Your Directors recommend the Special Resolution for your approval.

None of the Directors is concerned or interested in the said resolution.

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

*Sd/-*  
**Hemal Patel**  
*Company Secretary*

Place : Bhavnagar  
Date : 20th July, 2012