



VMS INDUSTRIES LIMITED



Annual Report
2023-2024



BOARD OF DIRECTORS

Manoj Kumar Jain Managing Director
Sangeeta M Jain Whole Time Director
Bakul Mehta Non Executive Independent Director
Pranav Parikh Non Executive Independent Director
Murari Agarwal Non Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Amit Mandaliya

SECRETARIAL AUDITOR

K Jatin & Co.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Hemal Patel

REGISTERED OFFICE

808-C, Pinnacle Business Park, Corporate Road,
Prahladnagar, Ahmedabad-380015 Gujarat (India)
Telefax No. (079) 40320484
Website : www.vmsil.in
[email : info@vmsil.in](mailto:info@vmsil.in)
L74140GJ1991PLC016714

WORK SHOP

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

REGISTRARS & SHARE TRANSFER AGENTS FOR ELECTRONIC SHARES

Cameo Corporate Services Limited
'Subramanian Building',
No. 1 Club House Road, Chennai – 600 002
Tel: +91-44-28460390/28460425

MAIN BANKERS

Bank of Baroda

STATUTORY AUDITORS

S. N. Shah & Associates,
Chartered Accountants.
Sapan House, 10/B, Government Servent Co. Op. Housing Society,
Opposite Municipal Market, Navrangpura,,
Ahmedabad-380009

| No. | Contents | Pg. No. |
|------------|--|----------------|
| 1 | Notice of AGM | 01 |
| 2 | Directors' Report | 10 |
| 3 | Independent Auditors' Report | 37 |
| 4 | Balance Sheet | 48 |
| 5 | Statement of Profit & Loss | 49 |
| 6 | Cash Flow Statement | 51 |
| 7 | Notes Forming Part of the Accounts | 52 |



NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the members of M/s VMS Industries Limited ("the Company") will be held at 03.00 P.M. on Monday September, 30, 2024 at the Registered Office via Video Conferencing Mode of the Company at 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for Financial Year ended at 31st March, 2024 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 33rd Annual General Meeting of the Company to be held in year 2025 to examine and audit the accounts of the Company for the Financial Year 2024-25 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 a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; and pursuant to the revised Regulation 27(2)(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company to enter into related party transaction(s) including material related party transactions with M/s Aditya Ultra Steel Limited ("AUSL") for sale, purchase, transfer or receipt of products, goods, materials, assets or services for an estimated amount of up to ₹ 100 crores (Rupees One Hundred Crores) for the financial year 2024-25 and onward provided, however that contract(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business, on such terms and conditions as may be mutually agreed upon between the Company and AUSL."

"RESOLVED FURTHER THAT the Board of Directors or Managing Director be and is hereby authorized to decide upon the nature and value of the products, goods, materials, assets or services to be transacted with AUSL within the aforesaid limits."

"RESOLVED FURTHER THAT Mr. Manojkumar Jain, (DIN: 02190018), Managing Director or Company of the Company be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts and things as may be considered necessary and expedient for the purpose of giving effect to this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

5. To consider and, if thought fit, to pass , with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; and pursuant to the revised Regulation 27(2)(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company to enter into related party transaction(s) including material related party transactions with M/s VMS TMT LIMITED ("VTL") for sale, purchase, transfer or receipt of products, goods, materials, assets or services for an estimated amount of up to ₹ 100 crores (Rupees One Hundred Crores) for the financial year 2024-25 and onward provided, however that contract(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business, on such terms and conditions as may be mutually agreed upon between the Company and VTL.

"RESOLVED FURTHER THAT the Board of Directors or Managing Director be and is hereby authorized to decide upon the nature and value of the products, goods, materials, assets or services to be transacted with VTL within the aforesaid limits."

“RESOLVED FURTHER THAT Mr. Manojkumar Jain, (DIN: 02190018), Managing Director or Company of the Company be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts and things as may be considered necessary and expedient for the purpose of giving effect to this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

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 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 2024-25 to M/s Anuj Aggarwal & Co, Cost Accountants, Ahmedabad having Firm Registration No.102409 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2024-25, 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.”

7. To consider and, if thought fit to pass with or without modification(s), the following resolutions Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c), read with rules made thereunder, and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to borrow money , from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall, outstanding at any time, not at any time exceed ₹ 500 crores.”

“RESOLVED FURTHER THAT, the Directors of the Company, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including filing of the necessary forms with the Registrar of Companies, Gujarat at Ahmedabad and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company.”

8. To consider and, if thought fit to pass with or without modification(s), the following resolutions Special Resolution:

“RESOLVED THAT, pursuant to Section 180 (1) (a), read with rules made thereunder, and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the company be and is hereby accorded to the board of directors of the company to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings including but not limited to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, outstanding at any time exceed ₹.500 crores (Rupees Five Hundred Crores Only) or the aggregate of the paid up capital, free reserves and security premium of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 Mr. Vinod Kanubhai Rana, (DIN:08160972) Independent Non Executive Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 02rd September, 2024 up to 01st September, 2029.”



10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an special Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 Ms. Khyati Shah (DIN:09430457), Non Executive Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 02nd September, 2024 up to 01st September, 2029.”

By Order of Board of Directors
For: VMS INDUSTRIESLIMITED

Place:-Ahmedabad
Date :- 27.08.2023

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 32nd AGM of the Company is being held through VC/OAVM on Monday, September 30, 2024 at 3.00 PM (IST). The deemed venue for the 32th 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 to 10 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 AGM 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 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 32nd 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. 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 23th September, 2024 to 29th September, 2024 (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 – “240824015” 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 full fill the 10 character requirements.) in the PAN field. No special characters will be taken from the name.

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through NSDL / CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders



for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through NSDL / CDSL platform.

(viii) Click on the relevant EVSN on which you choose to vote.

(ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

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

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

14. The voting period begins on 27th September, 2024 (9.00 a.m.) and ends on 29th September, 2024 (5.00 p.m.) During these period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2024, 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 20th September, 2024.
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, Smart phones, 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 32nd 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 Thursday, September 26, 2024. 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 September 24, 2024 (9.00 a.m.) and September 27, 2024 (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 INDUSTRIES LIMITED**

Place: Ahmedabad
Date : 05th September, 2024

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

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

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

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

Accordingly, on recommendation of Audit Committee, Board of Directors of the Company has in its meeting held on August 11, 2023 approved related party transaction and now seek approval of the Shareholders by way of special Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following Related Party Transaction in one or more tranches. The transaction under consideration is proposed to be enter is in the ordinary course of business and at arm length basis.

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

The Company envisages that the transaction(s) entered into with M/s. Aditya Ultra Steel Limited whether individually and/or in aggregate would exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited and financial statements of the Company during a financial year of the Company. The Company therefore requires approval of the shareholders through a Special Resolution for entering into contract(s)/ arrangement (s)/ transaction(s) with M/s. Aditya Ultra Steel Limited upto a maximum amount as mentioned in the respective resolutions from the financial year 2024-25 and onward.

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

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

| Sr No | Particulars | Details |
|-------|--|---|
| 1 | Name of related parties | M/s. Aditya Ultra Steel Limited |
| 2 | Name of Director or KMP who is related | Mr. Manojkumar Jain Managing Director & Mrs. Sangeeta Jain Whole Time Director and Mr. Ajit Jain, Director of the Company are interested in the proposed resolution. |
| 3 | Nature of relationship | Mr. Manojkumar Jain Managing Director & Mrs. Sangeeta Jain Whole Time Director are father Mother of Varun Jain who is Director of M/s Aditya Ultra Steel Private Limited |
| 4 | Monetary value | The estimated aggregate contract value for the matters proposed in the resolution shall not exceed ₹.100 crore annually for each of M/s Aditya Ultra Steel Limited |
| 5 | Nature, material terms and particulars of arrangement | Purchase / Sale of material / Services by the Company from and the Purchase / sale / services / Loan and advances of Company’s product(s) to these companies are dependent on the requirement of the Company for its products from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm’s lengths basis and in the ordinary course of the Company’s business. |
| 6 | Any advance paid or received for the arrangement, If any | Nil. |

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

Item No.5

VMS TMT LIMITED (“VMSTMT”) is a ‘Related Party’ within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (“Listing Regulations”)



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

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

Accordingly, on recommendation of Audit Committee, Board of Directors of the Company has in its meeting held on August 11, 2023 approved related party transaction and now seek approval of the Shareholders by way of special Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following Related Party Transaction in one or more tranches. The transaction under consideration is proposed to be enter is in the ordinary course of business and at arm length basis.

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

The Company envisages that the transaction(s) entered into with M/s. VMS TMT Limited whether individually and/or in aggregate would exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited and financial statements of the Company during a financial year of the Company. The Company therefore requires approval of the shareholders through a Special Resolution for entering into contract(s)/ arrangement (s)/ transaction(s) with M/s. VMS TMT LIMITED upto a maximum amount as mentioned in the respective resolutions from the financial year 2024-25 and onward.

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

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

| Sr No. | Particulars | Details |
|--------|--|---|
| 1 | Name of related parties | M/s. VMS TMT LIMITED |
| 2 | Name of Director or KMP who is related | Mr. Manojkumar Jain Managing Director & Mrs. Sangeeta Jain Whole Time Director of the Company are interested in the proposed resolution. |
| 3 | Nature of relationship | Mr. Manojkumar Jain Managing Director his son Varun Jain are Directors of M/s VMS TMT LIMITED |
| 4 | Monetary value | The estimated aggregate contract value for the matters proposed in the resolution shall not exceed ₹. 100 crore annually for each of M/s VMS TMT LIMITED |
| 5 | Nature, material terms and particulars of arrangement | Purchase / Sale of material / Services by the Company from and the Purchase / sale / services / Loan and advances of Company's product(s) to these companies are dependent on the requirement of the Company for its products from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm's lengths basis and in the ordinary course of the Company's business. |
| 6 | Any advance paid or received for the arrangement, If any | Nil. |

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

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

Item No. 6:

The Board of Directors of the Company, upon the recommendation of the Audit Committee, has approved the appointment of M/s Anuj Aggarwal & Co, Cost Accountants, Ahmedabad to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025 at a remuneration as mutually decided between the board and Cost Auditor as applicable at its meeting held on 01st July, 2024. 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2025.

The Board commends the Ordinary Resolution set out at Item No.6 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. 6 of the Notice.

Item No. 7 & 8:

Under the provisions of Section 180(1)(c) of the Act, the powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution when borrowing is exceeding sum of paid-up capital, free reserves and security premium of the Company. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the paid-up capital, free reserves and security premium of the Company.

Taking into consideration the growth in the business operations and foreseeable future plan of the company, it would be in the best interest of the Company to enhance the borrowing limits for the Board and authorise the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company, its free reserves and securities premium but that shall not to exceed ₹.500 Crores (Rupees Five Hundred Crores Only).

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s). This may enable to board to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings as they may think fit whenever necessary in the interest of the company.

The mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/agent(s)/trustees. Further, the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013. Hence it shall be necessary to obtain approval for the same from the Shareholders.

The Board of Directors recommend for Shareholders approval through Special resolutions.

None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

Item No. 9 & 10

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Vinod Kanubhai Rana (DIN: 08160972) & Ms. Khyati Shah (DIN:09430457) as Independent Directors of the Company up to 5 (five) consecutive years up to 30th September 2029. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors:

A brief profile along with other details of the Independent Directors are as follows:

| Name of Director | Mr. Vinod Kanubhai Rana | Ms. Khyati shah |
|-------------------------------------|-------------------------|-------------------|
| Date of Birth | 11/01/1991 | 30.09.1990 |
| DIN | 08160972 | 09430457 |
| Nationality | Indian | Indian |
| Date of Appointment on Board | 02.09.2024 | 02.09.2024 |
| Qualification | ACS, B.Com | B.com, ACS |
| Experience Area | Legal and Finance | Legal and Finance |
| Shareholding in Company | Nil | Nil |
| List of Directorship held in listed | 3 | 5 |
| Committee Membership | 3 | 3 |

Mr. Vinod Kaubhai Rana (DIN: 08160972) and Ms. Khyati Shah (DIN:09430457) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, who has signified his consent to act as an 'Non Executive Independent Director in terms of the Companies Act, 2013 and submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act.



Mr. Vinod Kaubhai Rana (DIN: 08160972) and Ms. Khyati Shah (DIN:09430457) are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as Director (in the category of Independent Director). Mr. Vinod Kaubhai Rana (DIN: 08160972) and Ms. Khyati Shah (DIN:09430457) are proficient in Corporate & Allied Laws, and has immense knowledge and experience in the field of Finance and corporate law. hence the Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Vinod Kaubhai Rana (DIN: 08160972) and Ms. Khyati Shah (DIN:09430457) as an Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Vinod Kaubhai Rana (DIN: 08160972) and Ms. Khyati Shah (DIN:09430457) as 'Non-executive Independent Director' for a term up to 5 (five) consecutive years commencing from 01st October, 2024 TO 30TH September 2029 (both inclusive). Accordingly, the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution.

Save and except Mr. Vinod Kaubhai Rana (DIN: 08160972) and Ms. Khyati Shah (DIN:09430457), Independent Directors, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

By Order of Board of Directors
For: VMS INDUSTRIES LIMITED

Place:-Ahmedabad
Date : 05th September, 2024

Hemal Patel



BOARD'S REPORT

TO THE MEMBERS OF VMS INDUSTRIES LIMITED,

Your directors present herewith their 32nd Annual Report of your Company together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2024

FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance of the Company for the Year ended 31st March, 2024 is summarized as below: -

₹. In Lakhs

| Particulars | STANDALONE | |
|---|-----------------------------|-----------------------------|
| | Year Ended on 31.03.2024 | Year Ended on 31.03.2023 |
| Income / Receipts from Operations | 26637.28 | 14038.87 |
| Other Income | 447.03 | 537.42 |
| Total Income | 27084.31 | 14576.29 |
| Earning Before Financial Charges, Depreciation, and Taxation (EBITDA) | 1054.19 | 501.67 |
| Financial Charges | 164.37 | 164.96 |
| Depreciation | 45.18 | 38.36 |
| Profit Before Tax (PBT) | 844.64 | 298.35 |
| Less: Provision for Taxation including Deferred | 213.11 | 48.60 |
| Profit After Tax (PAT) | 631.53 | 249.75 |
| Profit Brought Forward from Previous Year | 2021.52 | 1771.77 |
| Profit Available for Appropriation | 2653.05 | 2021.52 |
| Balance Carried to Balance Sheet | 2653.05 | 2021.52 |
| Earnings Per Share (EPS) | | |
| Basic | 3.83 | 1.52 |
| Diluted | 3.83 | 1.52 |

OPERATIONS REVIEW

During the year, under review, the revenue from operations amounted to ₹.26637.28 Lakhs (as against the previous year figure of ₹.14038.87 Lakhs). The Company was able to generate Net Profit After Tax amounted to ₹.631.53 Lakhs as against the previous year figure of ₹.249.75 lakhs.

SHARE CAPITAL:

(Amount in INR Lakhs)

| Year | Authorised Capital | | Issued Capital | | Subscribed Capital & Paid-Up Capital | |
|------------------|--------------------|---------|----------------|---------|--------------------------------------|---------|
| | Shares | ₹. | Shares | ₹. | Shares | ₹. |
| 2023-24 [C.F.Y.] | 260.00 | 2600.00 | 164.734 | 1647.34 | 164.734 | 1647.34 |
| 2022-23 [P.F.Y.] | 260.00 | 2600.00 | 164.734 | 1647.34 | 164.734 | 1647.34 |

The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. No disclosure is required under Section 67(3)(c) of Companies Act, 2013 in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

TRANSFER TO RESERVE:

The Company does not propose to transfer any amount to reserves of the Company. However, during the year net profit of ₹. 631.53 Lakhs was carried forward to retained earnings and not transferred to free reserves under the head reserves and surplus

DIVIDEND

During the Year under review, the turnover and profitability of the Company has grown sufficiently, However, your directors, in order to conserve the resources and recognizing the need for conserving cash to augment its working capital to continue the growth momentum, it would be prudent to plough back the profits for the year for the operations and do not recommend any dividend for the year 2023-24 under review

**DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL APPOINTED/ RESIGNED:****Retirement by Rotation:**

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Sangeeta Jain (DIN: 00125273) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Your directors recommend her re-appointment for approval of the members and the brief details as required under regulation 36(3) of SEBI Listing obligations and Disclosure requirement, Regulations 2015, read with secretarial standard, is provided as Annexure to the notice of the Annual general meeting

Appointment:

During the financial year under review, following directors were appointed by the board as an additional director in the board meeting held on 13/02/2024 with immediate effect:

| Name of Directors | Designation | DIN |
|-------------------|----------------------|----------|
| Mr Murari Agarwal | Independent Director | 10433524 |

Cessation:

During the year under review, following directors have resigned;

| Name of Directors | Designation | Date | DIN |
|---------------------|----------------------|------------|----------|
| Mr. Hitesh Loonia | Independent Director | 13/02/2024 | 01010325 |
| Mr. Ajit Kumar Jain | Director | 15/10/2024 | 00114766 |

During F Y 2023-24 there is sad dismiss of One of Director Shri Ajitkumar Jain (DIN: 00114766), Director of the Company on 15th October 2023.

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. Amit Mandaia Chief Financial Officer (CFO)

The Company has complied with the requirements of having Key Managerial Personnel as per provisions of Section 203 of the Companies Act, 2013.

DETAILS OF HOLDING /SUBSIDIARY COMPANIES:

The Company don't have any Holding/ Subsidiary/ Joint Ventures/ Associate Companies at the beginning of the year, during the year or at the end of the year and hence there is no requirement of giving the statement containing the salient feature of the financial statement of the Company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures.

DEPOSIT:

The Company has not invited/ accepted any deposit within the meaning of Chapter V other than the exempted deposit as prescribed under the provision of the Companies Act, 2013 and the rules framed there under, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8 (5)(v) and (vi) of Companies (Accounts) Rules, 2014.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS:

During the year under review there were no significant and material orders passed by any Regulators or Court or Tribunals which may have impact on the going concern status or which may have impact on the Company's operation in future.

INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

CONSERVATION OF ENERGY, 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 2024 are given in Annexure - III attached hereto and forming part of this report.

PERSONNEL:

There was no employee drawing remuneration requiring disclosure under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDITORS AND THEIR REPORTS:

(A) STATUTORY AUDITORS:

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.

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The report does not contain any qualification, reservation or adverse remark.

(B) SECRETARIAL AUDITORS:

The Board of Directors of the Company has, in compliance with the provisions of Section 204(1) of the Companies Act, 2013 and rules made in this behalf, appointed M/s K Jatin & Co, Company Secretaries to carry out Secretarial Audit of the Company for the Financial Year 2023-24. The Report of the Secretarial Auditor is annexed to this Report as "Annexure- V" which is self-explanatory and gives complete information.

There is no qualification or remark in secretarial auditor's report.

(C) INTERNAL AUDITORS:

The Board of Directors has appointed M/s. SNDK & Associates LLP, Chartered Accountants, as Internal Auditors of the Company to carry out Internal Audit of the Company for the Financial Year 2023-24. The Audit Committee of the Board of Directors in consultation with the Internal Auditors, formulate the scope, functioning periodicity and methodology for conducting the Internal Audit.

(D) COST RECORDS AND 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 Anuj Aggarwal & Co, Cost Accountants, Ahmedabad having Firm Registration No.102409M/s. A.G. Tulsian & Co. Cost Accountants (Firm Registration No. 100629) as the Cost Auditors of the Company for FY 2023-24 under Section 148 and all other applicable provisions of the Act.

[E] EVENT OCCURED AFTER BALANCE SHEET DATE BEFORE APPROVAL OF ACCOUNTS:

Our Company has made a Right issue of 80 Lakhs Equity shares of ₹.10 each @ rate of ₹.35 each (₹.10/- Nominal Value and ₹.25 Premium per Shares) on 22.05.2024 amounting to total of ₹.28 Crores to Existing shareholder. Details of Right issue is available at the company website: www.vmsil.in link <https://www.vmsil.in/right-issue.html>.

Auditor of Company also mention the same in their Auditor's Report as per Ind As-24.

DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

There was no employee drawing remuneration requiring disclosure under section 197(12) and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Required details are annexed to this Report as "Annexure IV"

LISTING OF SHARES:

The Equity Shares of the Company are listed on the Bombay Stock Exchange with security ID/symbol of VMS.

The Company confirms that the Annual Listing Fees of Bombay Stock Exchange is paid for the year 2023-24.

DIRECTORS RESPONSIBLITY STATEMENT:

As required under the provisions of Section 134 of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

- (a) In the preparation of the annual accounts for the year ended 2023-24, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors have 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 2023-24 and of the profits of the Company for that period.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls as required by Explanation to Section 134(5)(e) of the Act) to be followed by the Company and such internal financial controls are adequate and are operating effectively.



(f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the financial year under review as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as "Annexure-II".

COMPLIANCE WITH THE SECRETARIAL STANDARD:

The Company has complied with all the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered during the year 2023-24 under report were on an arm's length basis and in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company during the year which may have potential conflict with the interest of the Company hence, there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The details of the Related Party Transactions are provided in the notes to the accounts i.e., other Notes (b). Members are requested to refer the same. AOC-2 Annexure-I

PARTICULARS OF LOANS / GUARANTEES / INVESTMENT:

The Particulars of investment and loans, made under Section 186 of the Companies Act, 2013 are furnished in the Notes No. 3, 4 & 10 to the Financial Statements for the year ended 31st March 2024.

The Company has not provided any guarantee or security to companies, firms, limited liability partnerships or other parties.

RISK MANAGEMENT POLICY

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. It is dealt with in greater details in the management discussion and analysis section. During the year, there were no elements of risk, which in the opinion of the Board may threaten the existence of the company.

DECLARATION BY INDEPENDENT DIRECTORS:

In terms of Section 149 of the Act, Mr. Bakul Mehta, Mr. Pranav Parikh and Mr. Murari Agarwal, 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 they 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.

DISCLOSURE UNDER SECTION 164(2) OF THE COMPANIES ACT, 2013:

The Company has received the disclosure in Form DIR - 8 from its Directors being appointed or re-appointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

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, 2024 is available at Company's Website: www.vmsil.in.



NUMBER OF BOARD MEETINGS:

The calendar of meetings to be held in a year is decided in advance by the Board and circulated to the Directors. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Companies Act, 2013

Twelve (12) Meetings of the Board were held during the financial year 2023-24 on following dates:

| Date of Board Meeting | MANOJKUMAR JAIN | SANGEETA JAIN | AJITKUMAR JAIN | BAKULBHAI MEHTA | PRANAV PARIKH | MURARI AGARWAL | HITESH LOONIA |
|-----------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|---------------|
| 05-04-2023 | YES | YES | LOA | YES | LOA | N.A | YES |
| 29-05-2023 | YES | YES | YES | YES | YES | N.A | LOA |
| 22-06-2023 | YES | YES | YES | LOA | YES | N.A | YES |
| 20-07-2023 | YES | YES | YES | LOA | YES | N.A | YES |
| 11-08-2023 | YES | YES | LOA | YES | YES | N.A | YES |
| 01-09-2023 | YES | YES | LOA | YES | YES | N.A | YES |
| 25-10-2023 | YES | YES | N.A | YES | YES | N.A | YES |
| 11-11-2023 | YES | YES | N.A | YES | YES | N.A | YES |
| 29-11-2023 | YES | YES | N.A | YES | YES | N.A | YES |
| 18-01-2024 | YES | YES | N.A | YES | YES | N.A | YES |
| 31-01-2024 | YES | YES | N.A | YES | YES | N.A | YES |
| 13-02-2024 | YES | YES | N.A | YES | LOA | N.A | YES |
| ATTENDED | 12 | 12 | 3 | 10 | 10 | 0 | 11 |

Mr. Murari Agarwal appointed on Board on 13.02.2024 and Hitesh Loonia Resign from Company on 13.02.2024

CORPORATE SOCIAL RESPONSIBILITY:

The Provision of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility is not applicable to the Company.

REPORTING OF FRAUD:

During the year under review, there was no instance of any fraud which has been reported by any Auditor to the Audit Committee or the Board.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

During the Financial Year 2023-24, the Company has not received any complaint of sexual harassment.

ANNUAL PERFORMANCE 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.

CREDIT RATINGS

Company has obtained the credit rating from CARE are as follow

| Facilities | Amount (₹. In Crore) | Ratings | Rating Action |
|--------------------------------------|----------------------|---|---------------|
| Long Term/Short Term Bank Facilities | 138.00 | 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 | 143.50 | | |



VIGIL MECHANISM:

Pursuant to Section 177(9) of the Companies Act, 2013, the company has adopted Whistle Blower Policy to deal with any instance of fraud and mismanagement. The employees of the company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern.

POLICIES:

In accordance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has framed the following policies:

1. Materiality of Information Policy
2. Policy for Preservation of Documents
3. Code for Fair Disclosure of UPSI
4. Person Authorized for determining the materiality of any event or transaction or information
5. Whistle Blower Policy
6. Nomination & Remuneration Policy
7. Code of Conduct
8. Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information (UPSI)
9. Policy for Determination of Legitimate purpose for Disclosures of Unpublished Price Sensitive Information (UPSI)

All the above policies have been displayed on the website of the www.vmsil.in.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, the provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in last Eight years so the Company was not required to transfer any amount to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to the provision of Section 125 (e) of the Companies Act, 2013 as there is no amount unclaimed for a period of 7 years from the date it became due for repayment.

MATERIAL CHANGES AND COMMITMENTS IF ANY AFTER BALANCE SHEET DATE:

Our Company has made a Right issue of 80 Lakhs Equity shares of ₹.10 each @ rate of ₹.35 each (₹.10/- Nominal Value and ₹.25 Premium per Shares) on 22.05.2024 amounting to total of ₹.28 Crores to Existing shareholder. Details of Right issue is available at the company website: www.vmsil.in link <https://www.vmsil.in/right-issue.html>.

CHANGE IN NATURE OF BUSINESS:

During the year under review, there is no change in the nature of Company's Business.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, there were no applications made or proceedings pending in the name of Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT & VALUATION WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

During the year under review, there has been no one time settlement of loans taken from the Banks or Financial Institutions.

APPRECIATION:

Your directors would like to express their sincere appreciation for the co-operation and assistance received from the Banker, Regulatory Bodies and other Business associates who have extended their valuable sustained support and encouragement during the year under review.

Your directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executive officers and staff at all levels of the Company. We look forward for the continued support of all stakeholders in the future and we are very thankful for the confidence shown in the Company.

On behalf of the Board of Directors of
VMS Industries Limited

Date: 13th August, 2024
Place: Ahmedabad

Manojkumar Jain
Managing Director
(DIN: 02190018)

Sangeeta Jain
Whole Time Director
(DIN: 00125273)



Annexure-I

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 | Rent Received (Net)- ₹. 60,000/- Advance Given and Received Back ₹.99 Lakhs |
| (e) | Justification for entering into such contracts or arrangements or transactions | NA |
| (f) | Date of approval by the Board | 03.05.2024 |
| (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 | 30-09-2024 |

On behalf of the Board of Directors of

Date: 13th August, 2024
Place: Ahmedabad

Manojkumar Jain
Managing Director
(DIN: 02190018)

Sangeeta Jain
Whole Time Director
(DIN: 00125273)



Annexure-I

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 | VMS TMT LIMITED Relation- Director Relatives are interested |
| (b) | Nature of contracts/arrangements/transactions | Sales of Services 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 | Rent Received (Net)- Rs. 7.20 Lakhs Interest Received Rs.238.24 Lakhs |
| (e) | Justification for entering into such contracts or arrangements or transactions | NA |
| (f) | Date of approval by the Board | 03.05.2024 |
| (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 | 30-09-2024 |

On behalf of the Board of Directors of

Date: 13th August, 2024
Place: Ahmedabad

Manojkumar Jain
Managing Director
(DIN: 02190018)

Sangeeta Jain
Whole Time Director
(DIN: 00125273)



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 37(Thirty Seven) 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 |
| 35 | M.V COSMOS ACE | 12,783 |
| 36 | M.V THERAS TIGA | 5,969 |
| 37 | M.V MELATI SATU | 10050 |

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 favourable 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, 2024 is 40.

INTERNAL CONTROL

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

CAUTIONARY STATEMENT

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

On behalf of the Board of Directors of

Date: 13th August, 2024
Place: Ahmedabad

Manojkumar Jain
Managing Director
(DIN: 02190018)

Sangeeta Jain
Whole Time Director
(DIN: 00125273)



Annexure- III

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 2024.

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: ₹.NIL

On behalf of the Board of Directors of

Date: 13th August, 2024
Place: Ahmedabad

Manojkumar Jain
Managing Director
(DIN: 02190018)

Sangeeta Jain
Whole Time Director
(DIN: 00125273)



Annexure-IV

PARTICULARS OF EMPLOYEE

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

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2023

| Sr. No. | Name of Director | Remuneration per annum (₹. In Lakhs) | Median Remuneration per annum (₹. In Lakhs) | Ratio |
|---------|---------------------|--------------------------------------|---|-------|
| 1. | Mr. Manojkumar Jain | NIL | 1.50 | N. A |
| 2. | Mrs. Sangeeta Jain | 13.20 | 1.50 | 23.49 |

2. There was increase in the remuneration of the Directors.

3. Percentage increase in median remuneration of employees in the financial year 5%

4. The number of permanent employees on the rolls of the company as on 31 March, 2024 is 22.

5. The explanation on the relationship between average increase in remuneration and company performance

(₹. In Lakhs)

| Particulars | 2023-24 | 2022-23 |
|-------------------------------|----------|----------|
| Total Revenue | 27084.30 | 14576.29 |
| EBIDTA | 1054.19 | 501.67 |
| EBIDTA as a % of total Income | 3.89 | 3.44 |
| Profit before tax | 631.53 | 298.35 |
| PBT as a % of total Income | 2.33 | 2.05 |

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration is as per the remuneration policy of the Company.

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

On behalf of the Board of Directors of

Manojkumar Jain
Managing Director
(DIN: 02190018)

Sangeeta Jain
Whole Time Director
(DIN: 00125273)

Date: 13th August, 2024

Place: Ahmedabad



Annexure- V
FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2024

[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 there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (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)
(UDIN: F011418F000480634)

Date: 29.05.2024
Place: Ahmedabad

Jatin Kapadia
Company Secretary
COP: 12043

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

'Annexure -1'

To,
The Members
VMS Industries Limited
Ahmedabad

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

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

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

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

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

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For K. Jatin & Co.
(Company Secretary)
(UDIN: F011418F000480634)

Date: 29.05.2024
Place: Ahmedabad

Jatin Kapadia
Company Secretary
COP:



Annexure – VI 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 |
| 7. | MURARI AGARWAL | Non-Executive Independent Director | NIL | NIL |

b) Board Meetings and Attendance of Directors

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

| Date of Board Meeting | MANOJKUMAR JAIN | SANGEETA JAIN | AJITKUMAR JAIN | BAKULBHAI MEHTA | PRANAV PARIKH | MURARI AGARWAL | HITESH LOONIA |
|-----------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|---------------|
| 05-04-2023 | YES | YES | LOA | YES | LOA | N.A | YES |
| 29-05-2023 | YES | YES | YES | YES | YES | N.A | LOA |
| 22-06-2023 | YES | YES | YES | LOA | YES | N.A | YES |
| 20-07-2023 | YES | YES | YES | LOA | YES | N.A | YES |
| 11-08-2023 | YES | YES | LOA | YES | YES | N.A | YES |
| 01-09-2023 | YES | YES | LOA | YES | YES | N.A | YES |

| Date of Board Meeting | MANOJKUMAR JAIN | SANGEETA JAIN | AJITKUMAR JAIN | BAKULBHAI MEHTA | PRANAV PARIKH | MURARI AGARWAL | HITESH LOONIA |
|-----------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|---------------|
| 25-10-2023 | YES | YES | N.A | YES | YES | N.A | YES |
| 11-11-2023 | YES | YES | N.A | YES | YES | N.A | YES |
| 29-11-2023 | YES | YES | N.A | YES | YES | N.A | YES |
| 18-01-2024 | YES | YES | N.A | YES | YES | N.A | YES |
| 31-01-2024 | YES | YES | N.A | YES | YES | N.A | YES |
| 13-02-2024 | YES | YES | N.A | YES | LOA | N.A | YES |
| ATTENDED | 12 | 12 | 3 | 10 | 10 | 0 | 11 |

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. AjitBhajanlal Jain | Mr. Bakul Kishanalal Mehta | Mr. Pranavkumar Vinaykant Parikh | Mr. Hitesh Loonia |
| September 30, 2023 | Yes | Yes | No. | Yes | No | No. |

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

There is no relationship between Directors and Independent Directors.

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

No shares hold by Independent & Non-Executive Directors

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 joint 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

12046. 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. AjitBhajanlal Jain | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Bakul Kishanlal Mehta | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Pranavkumar Vinaykant Parikh | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Hitesh Loonia | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Murari Agarwal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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 | M.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 2023-24, four (5) meetings of the Audit Committee were held on 29-05-2023, 11-08-2023, 11-11-2023, 29-11-2023, 13-02-2024

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, 2023 is as follows:-

| Name of the Members | Position | Category | No. of meetings attended |
|----------------------------------|----------|--------------------------------------|--------------------------|
| Mr. Bakul Kishanlal Mehta | Chairman | Independent & Non-Executive Director | 5 |
| Mr. Pranavkumar Vinaykant Parikh | Member | Independent & Non-Executive Director | 5 |
| Mr. AjitBhajanlal Jain | Member | Non-Executive Director | 2 |
| Mr. Manojkumar Jain | Member | Managing Director | 2 |
| Mr. Murari Agarwal | Member | Independent & Non-Executive Director | 1 |

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, 2024.

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 2023-24, two (3) meetings of the Audit Committee were held on 28-05-2023, 27-07-2023, 28-10-2023.

a) Composition & Attendance: -

The Nomination and Remuneration Committee as on 31st March 2024 comprises of three members who are Independent & Non-Executive Directors. The composition of Remuneration Committee as on 31st March, 2024 is as follows:

| Name of Members | Position | Category | No. of meetings attended |
|----------------------------------|----------|--------------------------------------|--------------------------|
| Mr. Pranavkumar Vinaykant Parikh | Chairman | Independent & Non-Executive Director | 3 |
| Mr. Bakul Kishanlal Mehta | Member | Independent & Non-Executive Director | 3 |
| Mr. AjitBhajanlal Jain | Member | Non-Executive Director | 2 |
| Mr. Murari Agarwal | Member | Independent & Non-Executive Director | 0 |
| Mr. Hitesh Loonia | Member | Independent & Non-Executive Director | 1 |

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 (₹. In Lakhs) |
|---------------------|---------------------|-----------------------------------|
| Mr. Manojkumar Jain | Managing Director | Nil |
| Mrs. Sangeeta Jain | Whole Time Director | 13.20 |

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 2023-24, one (1) meetings of the Committee were held on 29-03-2024.

a) Composition and attendance:-

The Board has delegated the powers to approve transfer of shares etc. to this Committee of One (1) Directors. The composition of Shareholders' / Investors' Grievance Committee as on 31st March, 2024 is as follows:-

| Name of Members | Position | Category | No. of meetings attended |
|---------------------------|----------|--|--------------------------|
| Mr. Murari Agarwal | Chairman | Independent and Non-Executive Director | 0 |
| Mr. Bakul Kishanlal Mehta | Member | Independent and Non-Executive Director | 1 |
| Mrs. Sangeeta Jain | Member | Whole Time Director | 1 |
| Mr. Hitesh Loonia | Member | Independent and Non-Executive 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, 2024 as reported under Regulation 13(3) of the Listing Regulations is as under:

| | |
|--------------------------------|---|
| Complaints as on April 1, 2023 | 0 |
| Received during the year | 0 |
| Resolved during the year | 0 |
| Pending as on March 31, 2024 | 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 |
|----------------|--------------------|----------|---|----------------------------------|
| 2020-21 | September 30, 2021 | 03.00 PM | 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 | 0 |
| 2021-22 | September 30, 2022 | 11.00 AM | 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 AND VC | 5 |
| 2022-23 | September, 30 2023 | 03.00 PM | 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 AND VC | 6 |
| 2023-24 EGM | March, 13 2024 | 03.00 PM | 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 AND VC | 4 |

Details of Special Resolutions Passed in the respective Financial Year 2021-22 are as under:

| Financial Year | Special Resolution Passed |
|----------------|---|
| 2021-2022 | <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. Approval of Transaction u/s 188 of the Companies Act, 2013 with related party M/s VMS TMT PRIVATE LIMITED 5. Appointment of Cost Auditor |
| 2022-23 | <ol style="list-style-type: none"> 1. Approval of Transaction u/s 188 of the Companies Act, 2013 with related party M/s Aditya Ultra Steel Limited 2. Approval of Transaction u/s 188 of the Companies Act, 2013 with related party M/s VMS TMT PRIVATE LIMITED 3. Appointment of Cost Auditor |
| 2023-24 EGM | <ol style="list-style-type: none"> 1. Increase in Authorised Capital to ₹.26 Crores divided on 2.60 Crores Shares of ₹.10 each. 2. Alteration of MOA of Company for Capital Clause. 3. Appointment of Mr. Murari Agarwal DIN: 10433524 as Independent Director for Five years. |

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

The Company has held any Extra-Ordinary General Meeting was during the financial year 2023-24;

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

During FY 2023-24, the Company did not pass any Special Resolution through evoting for EGM dated 13.03.2024.

8. SUBSIDIARY COMPANY(IES):-

The Company does not have any material subsidiary as on March 31, 2024.

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) 32nd Annual General Meeting: -

Date 30th September, 2024

Day & Time Monday, 03.00 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 2024-25, Financial Results will be announced as per the following tentative schedule:-

| | |
|--|--------------------------------------|
| 1st Quarter ending June, 2024 | By 14th August, 2024 |
| 2nd Quarter & Half Year ending September, 2024 | By 14th November, 2024 |
| 3rd Quarter ending December, 2024 | By 14th February, 2025 |
| 4th Quarter / year ending March, 2024 | Within 60 days from 31st March, 2025 |
| Annual General Meeting | By September 2025 |

c) Book Closure & Dividend:-

Date of Book Closure - 23th September, 2023 to 29th September, 2023 (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 2024-25 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 2023-24

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 Price | High Price | Low Price | Close Price | No.of Shares | No. of Trades |
|--------|------------|------------|-----------|-------------|--------------|---------------|
| Apr-23 | 12.40 | 14.30 | 11.75 | 13.48 | 123071 | 576 |
| May-23 | 13.48 | 15.98 | 13.07 | 14.67 | 97704 | 644 |
| Jun-23 | 15.25 | 17.69 | 13.20 | 15.61 | 526233 | 1955 |
| Jul-23 | 15.50 | 17.95 | 13.16 | 17.00 | 897166 | 2908 |
| Aug-23 | 16.99 | 23.00 | 16.02 | 20.90 | 2396064 | 4830 |
| Sep-23 | 21.29 | 35.80 | 20.77 | 30.95 | 2819708 | 9768 |
| Oct-23 | 32.48 | 34.74 | 29.26 | 29.26 | 548987 | 1619 |
| Nov-23 | 28.68 | 38.72 | 27.95 | 38.72 | 522919 | 1332 |
| Dec-23 | 39.49 | 42.60 | 37.00 | 38.14 | 373960 | 810 |
| Jan-24 | 40.04 | 53.19 | 40.04 | 46.85 | 836217 | 2932 |
| Feb-24 | 47.00 | 52.85 | 44.59 | 50.14 | 455865 | 1457 |
| Mar-24 | 51.98 | 61.94 | 38.61 | 42.71 | 1227833 | 4730 |

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

h) Registrar and Share Transfer Agents:-

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

Cameo Corporate Services Limited

'Subramanian Building', No. 1 Club House Road, Chennai- 600 002 Phone: (O) 91-44-28460390/2846 0425, Fax: 91-44-28460129

Email: vmsipo@cameoindia.com

i) Share Transfer 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.

j) 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 2023-24. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

k) Certificate from Practising Company Secretary

Mr. Jatin Kapadia of M/s. K. Jatin & Co., Practicing 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.

l) Distribution of Shareholding as on March 31, 2024

| HOLDING | NUMBER | % OF TOTAL | SHARES | % OF STOTAL |
|--------------------------|-------------|---------------|------------------|---------------|
| between 10 and 5000 | 3265 | 80.18 | 3530530 | 2.14 |
| between 5001 and 10000 | 319 | 7.83 | 2736590 | 1.66 |
| between 10001 and 20000 | 195 | 4.79 | 3007320 | 1.83 |
| between 20001 and 30000 | 74 | 1.82 | 1899730 | 1.15 |
| between 30001 and 40000 | 29 | 0.71 | 1082630 | 0.66 |
| between 40001 and 50000 | 44 | 1.08 | 2089800 | 1.27 |
| between 50001 and 100000 | 57 | 1.40 | 4454160 | 2.70 |
| > 100000 | 89 | 2.19 | 145933150 | 88.59 |
| Total | 4072 | 100.00 | 164733910 | 100.00 |

| Category | No. of Shares held | % of Shares held | No. of Shareholder | % of Shareholder |
|------------------------------|--------------------|------------------|--------------------|------------------|
| Promoters and Promoter Group | 93,25,164 | 56.61 | 4 | 0.17 |
| Public Shareholding | 62,30,342 | 37.82 | 3965 | 92.49 |
| Bodies Corporate | 9,17,885 | 5.57 | 26 | 7.34 |
| TOTAL | 16473391 | 100 | 3995 | 100 |

m) 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.

| Shares held in | No. Of Shares | | |
|---------------------------|-----------------|-----------------|-----------------|
| | 2023-24 | 2021-22 | 2020-21 |
| Physical form | 126 | 136 | 136 |
| Electronic form with NSDL | 8886237 | 8703391 | 8871672 |
| Electronic form with CDSL | 7587028 | 7769864 | 7601583 |
| Total | 16473391 | 16473391 | 16473391 |

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

n) 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

o) 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.

p) Plant Location/Workshop:-

Ship Recycling Yard

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

q) 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

r) Credit Ratings

Company has obtained the credit rating from CARE are as follow

| Facilities | Amount (₹. In Crore) | Ratings | Rating Action |
|--------------------------------------|----------------------|---|---------------|
| Long Term/Short Term Bank Facilities | 138.00 | 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 | 143.50 | | |

11. OTHER DISCLOSURES

a) Related Party Transactions

All related party transactions that were entered into during FY 2023-24 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 2023-24, a total fee of Rs 75,600/- 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 Redressed) 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, 2022.

For VMS Industries Limited

Manojkumar Jain
Managing Director
(DIN 02190018)

Date: 13.08.2024
Place: Ahmedabad



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, 2024 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 |
| 07 | Murari Agarwal | 10433524 | 13/02/2024 |

(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)
(UDIN: F011418F000480634)

Jatin Kapadia
Company Secretary
COP: 12043

Date: 29.05.2024
Place: Ahmedabad



INDEPENDENT AUDITOR'S REPORT

To the Members of
VMS INDUSTRIES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS:

OPINION

We have audited the standalone financial statements of VMS INDUSTRIES LIMITED (“the Company”), which comprise the Standalone Balance Sheet as at March 31, 2024, 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, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS OF OPINION

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

KEY AUDIT MATTERS

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

Description of Key Audit Matters:

| The Key Audit Matter | How the matter was addressed in our audit |
|---|--|
| 1. Litigations and Claims (Refer to Note No. 27 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. | <ul style="list-style-type: none"> • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. • Obtained the summary of Company’s legal and tax cases and critically assessed management’s position through discussions with the Legal Counsel, appropriate senior management and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Assessed management’s estimate of the possible outcome of the litigations, the relevant disclosures made within the financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards. |

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

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

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

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

MANAGEMENT'S 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 skepticism throughout the audit. We also:

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by The Companies (Auditor's Report) Order, 2020 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 to this report;
 - 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 lakh)

| Sr. No. | Name of The Party/Department | Brief Facts of the Case | Financial Impact |
|---------|---|---|------------------|
| 1. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2014-15 Order U/s. 143(3) of Income Tax Act, 1961 | Disputed Income Tax Demand for A.Y. 2014-15 | 8.28 |
| 2. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2015-16 Order U/s. 143(3) of Income Tax Act, 1961 | Disputed Income Tax Demand for A.Y. 2015-16 | 14.23 |
| 4. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2011-12 Order U/s. 271(1)(c) of Income Tax Act, 1961 | Disputed Income Tax Demand for A.Y. 2011-12 | 2.47 |
| 5. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2019-20 Order U/s. 69C of Income Tax Act, 1961 | Disputed Income Tax Demand for A.Y. 2019-20 | 99.48 |
| 6. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2014-15 Order U/s. 147 of Income Tax Act, 1961 | Disputed Income Tax Demand for A.Y. 2014-15 | 12.25 |

- 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, 2024 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. Management Representation:
 - a. The Management of the Company has represented to us that to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies),



including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The management of the Company has represented, that, to the best of it’s knowledge and belief no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) Companies (Audit and Auditors) Rules, 2014 (as amended) and provided in clauses (a) and (b) above contain any material mis-statement.

v. The company has not declared or paid any dividend during the year.

vi. Based on our examination of books of account which included test checks, the company has used an accounting software for maintaining its book of account which has a feature of recording audit trail (edit log) facility and the same has been operational for the financial year 2023-24 for all relevant transactions recorded in the software. Further based on test check basis of transactions during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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
UDIN: 24126770BKAGWZ8797

PLACE: AHMEDABAD
DATED: 3RD MAY, 2024

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, 2024:

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 Property, Plant & Equipment:
 - 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, 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 disclosed in the financial statements as part of property, plant & equipment are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
 - e) According to the information and explanations given to us no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of its Inventories:
 - a) As explained to us, the inventories have been physically verified by the management of the company during the year at reasonable intervals. In our opinion, the coverage and procedure of such verification by the Management of the company is appropriate having regard to the size of the Company and the nature of its operations. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
 - b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹. 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising of stock statements filed by the company with such banks for quarter ended 30th June, 2023, 30th September, 2023 and 31st December, 2023 are generally in agreement with unaudited books of accounts of the Company of respective quarters. In our opinion and according to the information and explanations given to us, the revised quarterly returns and revised statements comprising of stock statements filed by the company with such banks for quarter ended 31st March, 2024 are generally in agreement with audited books of accounts of the Company of the quarter ended 31st March, 2024.
- iii. Investments/Guarantee/Security/Loans/Advances Granted:

As informed to us, during the year the company has granted unsecured loans to companies re-payable on demand, the details of which are given below.

- a) As informed to us, during the year the Company has granted unsecured loans to companies re-payable on demand, the details of which are given below:

(Amount ₹. In Crores)

| Sr. No. | Particulars | Investments | Loans | Guarantee |
|---------|---|-------------|--------|-----------|
| A. | Aggregate Amount Granted/Provided during the year: | | | |
| - | Related Parties | NIL | 116.06 | NIL |
| - | Others | NIL | 14.50 | NIL |
| B. | Balance Outstanding As At Balance Sheet Date in Respect of Above Cases (Including Outstanding Against Opening Balances): | | | |
| - | Related Parties | NIL | 27.93 | NIL |
| - | Others | NIL | NIL | NIL |

According to the information and explanations given to us, the company has not provided any guarantee or security to companies, firms, limited liability partnerships or other parties during the year.

- b) According to the information and explanations given to us, the company has not stipulated any specific terms or conditions as to the loans granted to the above parties. According to the information and explanations given to us and in our opinion the terms and conditions of grant of loans given during the year, are prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us, the company has not stipulated any schedule for repayment of the loans. As informed to us, the repayment of loan and was received as and when demands were raised. According to the information and explanations given to us, the payment of interest has been regular where loans and advance in the nature of loans have been given on interest. As informed to us, there is no default in repayment of loan and payment of interest by the party.
- d) According to the information and explanations given to us, in respect of loans granted and advances in the nature of loans provided by the Company, there was no overdue amount remaining outstanding as at the balance sheet date.
- e) According to the information and explanations given to us, the company has not stipulated any schedule for repayment of the loans. However, as explained to us, no loan or advances in the nature of loan granted by the Company against which demand was made from any party, has been renewed or extended or fresh loans were granted to settle the amounts against which demands were made from the same party.
- f) According to the information and explanations given to us, the company has not stipulated any specific terms or conditions and stipulated any schedule for repayment of the loans as to the loans granted to the above parties. The aggregate amount of such loans or advances in the nature of loans granted during the year to other parties was ₹. 14.50 crores and ₹. 116.06 crores to related parties referred as defined in clause (76) of section 2 of the Companies Act, 2013.
- 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, Professional Tax, 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, 2024 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 for more than six months as at 31st March, 2024 which have not been deposited on account of any dispute except the following disputed dues.

(Rs. in lakh)

| Sr. No. | Name of the Act | Nature of Dues | Amount (₹.) | Period to Which Amount Relates | Forum where dispute is pending |
|---------|----------------------|-------------------|-------------|--------------------------------|--|
| 1. | Income Tax Act, 1961 | Income Tax Demand | 8.28 | A.Y. 2014-15 | CIT-(Appeals), NFAC, Income Tax Department |
| 2. | Income Tax Act, 1961 | Income Tax Demand | 14.23 | A.Y. 2015-16 | CIT-(Appeals), NFAC, Income Tax Department |
| 3. | Income Tax Act, 1961 | Income Tax Demand | 2.47 | A.Y. 2010-11 | CIT-(Appeals), NFAC, Income Tax Department |
| 4. | Income Tax Act, 1961 | Income Tax Demand | 99.48 | A.Y. 2019-20 | CIT-(Appeals), NFAC, Income Tax Department |
| 5. | Income Tax Act, 1961 | Income Tax Demand | 12.25 | A.Y. 2014-15 | CIT-(Appeals), NFAC, Income Tax Department |

- viii. According to the information and explanations given to us and so far as appears from our examination of books of account and other records as applicable, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix. In respect of Loans & Other Borrowings:
- a) According to the information and explanations given to us, the company has repaid the principal amount and made payment of interest on loans or borrowings taken by it from banks.
 - b) According to the information and explanations given to us so far as appears from our examination of relevant records, we are of the opinion that the company has not been declared willful defaulter by any bank or financial institution or any other lender.
 - c) In our opinion and according to the information and explanations given to us, the company has applied term loan obtained during the year for the purpose for which it has been obtained.
 - d) According to the information and explanations given to us, and the audit procedures performed by us, and on an overall examination of the financial statements of the company for the year, we are of the opinion that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the company.
 - e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds during the year from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if any and hence reporting under clause 3(ix)(e) of the Order is not applicable.
 - f) According to the information and explanations given to us and audit procedures performed by us, we report that the company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if any and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. In respect of moneys raised by issue of securities:
- a) 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) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. In respect of Frauds and Whistle Blower Complaints:
- a) According to the information and explanations given to us and to the best of our knowledge, no material fraud by the Company or on the Company has been noticed or reported to us by the management during the year.
 - b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints from any party during the year.
- xii. As the company is not the Nidhi Company, clause (xii) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable to it.
- xiii. According to the information and explanations given to us, the company is in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013, where applicable, for related party transactions and the details of related party transactions have been disclosed in the Notes to the Financial Statements in accordance with the applicable Ind AS.
- xiv. In respect of Internal Audit:
- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have held discussions with the internal auditor of the Company for the year under audit and considered their opinion in determining the nature, timing and extent of our audit procedure.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or persons connected with them and hence clause (xv) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable to it during the year.
- xvi. In respect of Registration Under Section 45-IA of the Reserve Bank of India Act, 1934/CIC
- a) As the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), clause (xvi) (a) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable to it.



- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year and clause (xvi)(b) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable to it.
- c) As the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, clause (xvi)(c) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable to it.
- d) According to the information and explanations given to us, the company has no Core Investment Company (CIC) as part of its group, clause (xvi)(c) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable to it.
- xvii. The Company has not incurred cash losses in the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and hence reporting under clause (xviii) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As the company does not fall in any of the criteria specified under section 135 of the Companies Act, 2013 in the financial year covered by audit, reporting as per clauses (xx)(a) & (b) of paragraph 3 of The Companies (Auditor's Report) Order, 2020 is not applicable to it.

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

PLACE: AHMEDABAD
DATED: 3RD MAY, 2024

FIROJ G. BODLA
PARTNER
M. No. 126770
UDIN: 24126770BKAGWZ8797



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 2024

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, 2024 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”) issued by the Institute of Chartered Accountants of India 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, 2024, 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: 3RD MAY, 2024

FIROJ G. BODLA
PARTNER
M. No. 126770
UDIN: 24126770BKAGWZ8797



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, 2024, 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, 2024.

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

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

FIROJ G. BODLA
PARTNER
M. No. 126770

UDIN: 24126770BKAGWZ8797

PLACE: AHMEDABAD
DATED: 3RD MAY, 2024



BALANCE SHEET AS AT MARCH 31, 2024

(₹ in Lacs)

| NO. | PARTICULARS | NO. | 31-Mar-24 | | 31-Mar-23 | |
|-----------|---|----------|------------------|------------------|-----------------|-----------------|
| | | | AMOUNT | AMOUNT | AMOUNT | AMOUNT |
| A. | ASSETS: | | | | | |
| | I. NON-CURRENT ASSETS | | | | | |
| | 1 Property, Plant and Equipment | 2 | 630.95 | | 487.18 | |
| | 2 FINANCIAL ASSETS | | | | | |
| | (i) Other Financial Assets | 3 | 7.80 | | 7.30 | |
| | | | | 7.80 | | 7.30 |
| | 3 OTHER NON-CURRENT ASSETS | 4 | | 3.60 | | - |
| | TOTAL [I] | | | 642.35 | | 494.48 |
| | II. CURRENT ASSETS | | | | | |
| | 1 INVENTORIES | 5 | 4,089.90 | | 204.55 | |
| | 2 FINANCIAL ASSETS | | | | | |
| | (i) Trade Receivables | 6 | 3,339.32 | | 2,571.22 | |
| | (ii) Cash & Cash Equivalents | 7 | 5,930.04 | | 1,863.47 | |
| | (iii) Loans & Advances | 8 | 2,886.61 | | 3,538.57 | |
| | (iv) Other Financial Assets | 9 | 0.90 | | 22.66 | |
| | | | 12,156.88 | | 7,995.92 | |
| | 3 OTHER CURRENT ASSETS | 10 | 290.04 | | 60.95 | |
| | TOTAL [II] | | | 16,536.82 | | 8,261.42 |
| | 4 INTER UNIT BALANCES | | | - | | - |
| | TOTAL ASSETS | | | 17,179.17 | | 8,755.90 |
| B. | EQUITY AND LIABILITIES: | | | | | |
| | I. EQUITY | | | | | |
| | 1 Equity Share Capital | 11 | 1,647.34 | | 1,647.34 | |
| | 2 Other Equity | | 4,745.99 | | 4,121.43 | |
| | TOTAL [I] | | | 6,393.33 | | 5,768.77 |
| | II. NON-CURRENT LIABILITIES | | | | | |
| | 1 FINANCIAL LIABILITIES | | | | | |
| | (i) Borrowings | 12 | 279.76 | | 310.75 | |
| | | | 279.76 | | 310.75 | |
| | 2 DEFERRED TAX LIABILITIES [NET] | 13 | 60.26 | | 59.88 | |
| | TOTAL [II] | | | 340.02 | | 370.63 |
| | III. CURRENT LIABILITIES | | | | | |
| | 1 FINANCIAL LIABILITIES | | | | | |
| | (i) Borrowings | 14 | 1,963.34 | | 2,593.50 | |
| | (ii) Trade Payables | 15 | | | | |
| | - Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 0.06 | | - | |
| | - Total Outstanding Dues of Creditors Other Than Above | | 8,275.79 | | 3.99 | |
| | | | 10,239.19 | | 2,597.49 | |
| | 2 OTHER CURRENT LIABILITIES | 16 | 121.23 | | 10.45 | |
| | 3 CURRENT TAX LIABILITIES [NET] | 17 | 85.40 | | 8.57 | |
| | TOTAL [III] | | | 10,445.82 | | 2,616.50 |
| | TOTAL EQUITY AND LIABILITIES | | | 17,179.17 | | 8,755.90 |
| C. | MATERIAL ACCOUNTING POLICIES | 1 | | | | |
| D. | CONTINGENT LIABILITIES | 27 | | | | |
| E. | NOTES TO THE FINANCIAL STATEMENTNS | 28 TO 31 | | | | |

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR, S.N. SHAH & ASSOCIATES,

Chartered Accountants

FRN: 109782W

FIROJ G. BODLA

Partner

M. NO. : 126770

For and on behalf of the Board

Mr. Manoj Kumar Jain

Managing Director

DIN: 02190018

Mr. Amit Mandaliya

Chief Financial Officer

Mrs. Sangeeta Jain

Director

DIN: 00125273

Mr. Hemal Patel

Company Secretary

Place : Ahmedabad

Date : 3rd May, 2024

Place : Ahmedabad

Date : 3rd May, 2024



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2024

(₹ in Lacs)

| NO. | PARTICULARS | NO. | FOR THE YEAR ENDED 31-Mar-24 | | FOR THE YEAR ENDED 31-Mar-23 | |
|--------------|---|-----|------------------------------|------------------|------------------------------|------------------|
| | | | AMOUNT | AMOUNT | AMOUNT | AMOUNT |
| I. | INCOME: | | | | | |
| | Revenue From Operations | 18 | 26,637.28 | | 14,038.87 | |
| | Other Income | 19 | 447.03 | | 537.42 | |
| | TOTAL INCOME | | | 27,084.31 | | 14,576.29 |
| II. | EXPENSES | | | | | |
| | Cost of Raw Materials Consumed | 20 | 14,362.87 | | 4,639.65 | |
| | Purchase of Stock-in-Trade | 21 | 10,986.13 | | 8,973.48 | |
| | Changes in Inventories of Finished Goods, Trading Goods & Work-in-Progress | 22 | (471.93) | | - | |
| | Employee Benefit Expense | 23 | 296.23 | | 100.71 | |
| | Finance Costs | 24 | 164.37 | | 164.96 | |
| | Depreciation and Amortisation Expense | 25 | 45.19 | | 38.36 | |
| | Other Expenses | 26 | 856.81 | | 360.79 | |
| | TOTAL EXPENSES | | | 26,239.67 | | 14,278.44 |
| III. | PROFIT BEFORE TAX[I-II] | | | 844.64 | | 298.35 |
| IV. | TAX EXPENSES | | | | | |
| | Current Tax | | 212.73 | | 46.15 | |
| | Deferred Tax | | (0.38) | | 2.44 | |
| | | | | 213.11 | | 48.60 |
| V. | PROFIT(LOSS) AFTER TAX FOR THE YEAR [III-IV] | | | 631.53 | | 249.75 |
| VI. | OTHER COMPREHENSIVE INCOME (OCI) | | | | | |
| | (A) (i) Items that will not be reclassified to Profit or Loss: | | | | | |
| | - Remeasurements of the defined benefit plans | | - | | - | |
| | - Equity instruments through other comprehensive income | | - | | - | |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | | - | |
| | | | - | | - | |
| | (B) (i) Items that will be reclassified to Profit or Loss: | | | | | |
| | - Effective portion of Gains/(Losses) on designated portion of hedging instruments in a cash flow hedge | | - | | - | |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | | - | |
| | | | - | | - | |
| VII. | TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX) [A+B] | | | - | | - |
| VIII. | TOTAL COMPREHENSIVE INCOME (NET OF TAX) [V+VII] | | | 631.53 | | 249.75 |
| IX. | EARNING PER EQUITY SHARE: (FACE VALUE OF ₹ 10 EACH) | | | | | |
| | Basic | | | 3.83 | | 1.52 |
| | Diluted | | | 3.83 | | 1.52 |

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

FIROJ G. BODLA
Partner
M. NO. : 126770

For and on behalf of the Board

Mr. Manoj Kumar Jain
Managing Director
DIN: 02190018

Mr. Amit Mandaliya
Chief Financial Officer

Mrs. Sangeeta Jain
Director
DIN: 00125273

Mr. Hemal Patel
Company Secretary

Place : Ahmedabad
Date : 3rd May, 2024

Place : Ahmedabad
Date : 3rd May, 2024



EQUITY SHARE CAPITAL AND OTHER EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

| SR. NO. | PARTICULARS | RESERVES & SURPLUS | | | | OCI |
|---------|---|----------------------|----------------------------|-----------------|-------------------|--|
| | | EQUITY SHARE CAPITAL | SECURITIES PREMIUM RESERVE | GENERAL RESERVE | RETAINED EARNINGS | RESERVE FOR EQUITY INSTRUMENTS THROUGH OCI |
| I. | Balance As At 1 st April, 2023 | 1,647.34 | 2,473.81 | 46.29 | 1,601.33 | - |
| II. | ADDITIONS | | | | | |
| | Profit For The Year | | | | 631.53 | |
| III. | Total Comprehensive Income For The Year [I+II] | 1,647.34 | 2,473.81 | 46.29 | 2,232.86 | - |
| IV. | DEDUCTIONS | | | | | |
| | 1/5th of Authorised Capital Issue Expenses Written Off | | - | (0.90) | | |
| | Short Provision for Income Tax of Earlier Years | | | | (6.06) | |
| | Deduction/Adjustments to Total Comprehensive Income For the Year | - | - | (0.90) | (6.06) | - |
| V. | Balance As At 31st March, 2021 [III-IV] | 1,647.34 | 2,473.81 | 45.39 | 2,226.79 | - |

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

| SR. NO. | PARTICULARS | RESERVES & SURPLUS | | | | OCI |
|---------|---|----------------------|----------------------------|-----------------|-------------------|--|
| | | EQUITY SHARE CAPITAL | SECURITIES PREMIUM RESERVE | GENERAL RESERVE | RETAINED EARNINGS | RESERVE FOR EQUITY INSTRUMENTS THROUGH OCI |
| I. | Balance As At 1 st April, 2022 | 1,647.34 | 2,473.81 | 46.29 | 1,347.67 | 16.88 |
| II. | ADDITIONS | | | | | |
| | Profit For The Year | | | | 249.75 | - |
| | Other Comprehensive Income For The Year | | | | 16.88 | -16.88 |
| III. | Total Comprehensive Income For The Year [I+II] | 1,647.34 | 2,473.81 | 46.29 | 1,614.31 | - |
| IV. | DEDUCTIONS | | | | | |
| | Changes in Accounting Policies & Prior Period Errors | | | | (12.98) | |
| | Deduction/Adjustments to Total Comprehensive Income For the Year | - | - | - | (12.98) | - |
| V. | Balance As At 31st March, 2023 [III-IV] | 1,647.34 | 2,473.81 | 46.29 | 1,601.33 | - |

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR, S.N. SHAH & ASSOCIATES,

Chartered Accountants

FRN: 109782W

FIROJ G. BODLA

Partner

M. NO. : 126770

Place : Ahmedabad

Date : 3rd May, 2024

For and on behalf of the Board

Mr. Manoj Kumar Jain

Managing Director

DIN: 02190018

Mr. Amit Mandaliya

Chief Financial Officer

Place : Ahmedabad

Date : 3rd May, 2024

Mrs. Sangeeta Jain

Director

DIN: 00125273

Mr. Hemal Patel

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | | FOR THE YEAR ENDED 31-Mar-23 | |
|--|---------------------------------|-----------------|---------------------------------|-----------------|
| | AMOUNT | AMOUNT | AMOUNT | AMOUNT |
| I. PROFIT BEFORE TAX | | 844.64 | | 298.35 |
| ADJUSTMENTS FOR: | | | | |
| Depreciation and Amortization Expense | 45.19 | | 38.36 | |
| Finance Cost | 164.37 | | 164.96 | |
| Interest Income | (417.57) | | (306.48) | |
| Rent Income | (7.21) | | (7.79) | |
| Profit on Sale of Shares | - | | (211.12) | |
| Prior Period Expenses/(Income) (Net) | - | | (12.98) | |
| | | (215.23) | | (334.55) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 629.41 | | (36.70) |
| ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL: | | | | |
| Inventories | (3,885.35) | | 4,639.65 | |
| Trade Receivables | (768.10) | | (1.59) | |
| Non-Current Loans & Advances | (0.50) | | (0.20) | |
| Other Current Assets, Current Loans & Advances | 438.56 | | (503.34) | |
| Trade Payables | 8,271.86 | | (4,604.48) | |
| Other Current Liabilities | 110.78 | | (9.94) | |
| | | 4,167.25 | | (479.90) |
| CASH GENERATED FROM OPERATIONS | | 4,796.66 | | (516.61) |
| Income Tax Paid | | (135.90) | | (37.59) |
| NET CASH FROM OPERATING ACTIVITIES | | 4,660.76 | | (554.19) |
| II. CASHFLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Property, Plant and Equipment | (214.43) | | (6.14) | |
| Proceeds of Property, Plant and Equipment | 25.48 | | - | |
| Decrease/(Increase) in Non-Current/Current Investments | - | | 233.52 | |
| Sale of Non-Current Investments-Equity Shares | - | | 348.00 | |
| Rent Received | 7.21 | | 7.79 | |
| Interest Received | 417.57 | | 306.48 | |
| Share Of Profit From Partnership Firm | 1.04 | | 0.66 | |
| NET CASH FROM/(USED) IN INVESTING ACTIVITIES | | 235.82 | | 889.66 |
| III. CASHFLOW FROM FINANCING ACTIVITIES | | | | |
| Share Issue Expenses | (4.50) | | - | |
| Proceeds/(Repayment) Of Non-Current Borrowings [Net] | (29.50) | | (206.69) | |
| Proceeds/(Repayment) Of Current Borrowings | (631.65) | | (53.96) | |
| Finance Cost | (164.37) | | (164.96) | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (830.01) | | (425.61) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [I+II+III] | | 4,066.57 | | (90.14) |
| CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR | | 1,863.47 | | 1,953.61 |
| CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR | | 5,930.04 | | 1,863.47 |
| [REFER TO NOTE NO. 1(q)] | | | | |

Notes:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

2 CASH AND CASH EQUIVALENTS:

| Components of Cash and Cash Equivalents | As At 31.03.2024 | As At 31.03.2023 |
|---|------------------|------------------|
| Cash on Hand | 18.94 | 8.90 |
| Balance With Banks | | |
| -In Current Accounts | 660.46 | 33.87 |
| -In Deposit Accounts [As Margin Money] | 5,250.64 | 1,820.70 |
| Cash and Cash Equivalents in Cash Flow Statement | 5,930.04 | 1,863.47 |

3 Direct Taxes Paid are treated as arising from Operating Activities without their bifurcation into Investing and Financing Activities.

4 Figures of the previous year have been regrouped wherever necessary to make them comparable with the figures of the current period.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR, S.N. SHAH & ASSOCIATES,

Chartered Accountants
FRN: 109782W

FIROJ G. BODLA

Partner
M. NO. : 126770

For and on behalf of the Board

Mr. Manoj Kumar Jain

Managing Director
DIN: 02190018

Mr. Amit Mandaliya

Chief Financial Officer

Mrs. Sangeeta Jain

Director
DIN: 00125273

Mr. Hemal Patel

Company Secretary

Place : Ahmedabad
Date : 3rd May, 2024

Place : Ahmedabad
Date : 3rd May, 2024



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.

NOTE 1: MATERIAL ACCOUNTING POLICIES:

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Statement of Compliance & Accounting Conventions:

The financial statements for the year ended March 31, 2024 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and rules and regulations notified thereunder to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

The accounting policies are applied consistently over the years since adoption of Ind-AS as basis for preparation and disclosure of the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As made effective from April 01, 2023, the company has adopted the amendments to Ind-AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023 notifying amendment to existing Ind AS. These amendments to the extent relevant to the Company's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and includes amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies have also been made in "Ind AS 107 "Financial Instruments: Disclosures".

Apart from above there are other material amendments to various Ind-AS including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations, Ind AS 109 "Financial Instruments " Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes". These amendments and other amendments have reduced the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The company has reviewed the amendments to Ind-AS as notified vide Companies (Indian Accounting Standard) Amendment Rules, 2023 and ascertained the revision in Ind-AS does not have any material impact on the reported amounts of assets, equity, liabilities, incomes, expenses, profits, losses and earning per share for the year.

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

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

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. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve months period from the balance sheet date.

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. Estimated Useful Lives of Items of Property, Plant & Equipment are as follows:

| Sr. No. | Class of Items of Property, Plant & Equipment | Estimated Useful Life |
|---------|--|-----------------------|
| a. | Buildings | 30 to 60 Years |
| b. | Plant & Machineries | 15 Years |
| c. | Furniture & Fixtures | 10 Years |
| d. | Vehicles | 8 Years |
| e. | Office Equipments | 5 Years |
| f. | Computers, Printers and Other Peripherals to Computers | 3 Years |

3. 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 asset 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 Manufacturing (Ship Breaking Activities) and Trading of Scrap of Iron and Steel. On the basis of dominant source, nature of risks and returns and the internal organization, the company has identified two operating segments: i. Manufacturing (Ship Breaking) and ii. Trading.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

The following specific accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment.
- ii. Expenses that are directly identifiable with/allocable to segments
- iii. Income/Expenses which relates to the Company as a whole and not allocable to segments is included in unallocable corporate income/expenditure.

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.

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.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period. The net deferred tax assets and liabilities are not discounted to the present value as at the end of each period.

Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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) Prior Period Errors:

Prior period errors are in the form of omission of certain items in the financial statements of prior periods which were not available when the financial statements were approved for issue and which could reasonably be expected to have been obtained and taken into account in the preparation and presentation of financial statement of prior period.

The Prior period errors have been corrected retrospectively by restating the respective amounts of the prior period presented in which the error occurred. If the errors have occurred before the earliest prior period presented, the errors have been corrected by restating the opening balances of assets, liabilities and equity of the earliest prior period presented.

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 valued at fair value through the Statement Of Profit and Loss.

Subsequent Measurement:

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

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

Trade Receivables, Security Deposits, Cash and Cash Equivalents, Investments in Equity where reliable data for fair value is not available 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.

t) Events Subsequent to Financial Statements Period:

Events after the reporting period are those events, both favourable and unfavourable that have occurred between the end of the reported financial statements year and the date when financial statements are approved for issue by the Board of Directors of the company.

Events after the reporting period can be identified as those that provide evidence of conditions that existed as at the end of the financial year i.e. adjusting events after the financial year end and those are indicative of conditions that arose after the financial year end i.e. non-adjusting events after the financial year end.

The company adjusts the amounts of assets, liabilities, incomes and expenses recognised in the financial statements of the reporting period to reflect the effects of adjusting events to the respective assets, liabilities, incomes and expenses of the reporting period.

The non-adjusting events are not recognised in the financial statement of the reporting period but the nature of event and an estimate of its financial effect are disclosed in the notes of accounts.

u) Earnings Per Share:

The Company presents basic and diluted earnings per share details for its ordinary shares. Basic earning per share is calculated by dividing the net profit after tax for the year attributable to the ordinary shareholders of the company by weighted number of ordinary shares outstanding for applicable period during the year.

Diluted earning per share is calculated considering the effect of dilution if any to ordinary share during the year.

v) Materiality

The Management of the company uses judgement in deciding whether individual items or groups of items are material in the financial statements. Materiality is judged by reference to the nature or magnitude or both of the items. The deciding factor is whether omitting or misstating or obscuring an information could individually or in combination with other related information influence decisions that primary users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. Further, the company may also be required to present separately immaterial items when required by law.

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

| SR. NO. | DESCRIPTION OF ASSETS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|---------|----------------------------|-----------------------------------|---------------|----------------------------------|------------------------------------|--------------|----------------------------------|------------------------------------|------------------------------------|
| | | AS AT 1 ST APRIL, 2023 | ADDITIONS | ADJUSTMENTS/SALE DURING THE YEAR | AS AT 31 ST MARCH, 2024 | ADDITIONS | ADJUSTMENTS/SALE DURING THE YEAR | AS AT 31 ST MARCH, 2024 | AS AT 31 ST MARCH, 2023 |
| 1 | Building | 41.93 | 30.63 | (23.00) | 49.57 | 1.30 | (3.99) | 5.42 | 33.82 |
| 2 | Corporate Office | 42.01 | - | - | 42.01 | 0.67 | - | 11.87 | 30.81 |
| 3 | Plant & Machinery | 0.71 | 37.70 | - | 38.42 | 0.59 | - | 1.26 | 0.04 |
| 4 | Furniture & Fixtures | 42.80 | - | - | 42.80 | 0.13 | - | 39.73 | 3.20 |
| 5 | Air Conditioner | 2.66 | - | - | 2.66 | 0.16 | - | 2.54 | 0.29 |
| 6 | Weigh Bridge | 6.21 | - | - | 6.21 | - | - | 5.88 | 0.34 |
| 7 | Winch | 190.90 | - | - | 190.90 | 5.92 | - | 78.28 | 118.53 |
| 8 | Wire Rope | 50.79 | - | - | 50.79 | 3.98 | - | 27.92 | 26.84 |
| 9 | Crane | 289.90 | - | - | 289.90 | 10.19 | - | 136.32 | 163.77 |
| 10 | Oxygen Cylinders & Tank | 124.16 | - | - | 124.16 | 3.34 | - | 76.64 | 50.86 |
| 11 | DG Sets | 1.67 | - | - | 1.67 | 0.11 | - | 1.29 | 0.50 |
| 12 | Plazma Cutting Machine | 5.44 | - | - | 5.44 | 0.35 | - | 0.89 | 4.90 |
| 13 | Roof Top Solar Power Plant | 9.86 | - | (5.53) | 4.33 | 0.50 | (0.49) | 0.89 | 8.97 |
| 14 | Air Compressor | 0.87 | - | - | 0.87 | 0.06 | - | 0.14 | 0.78 |
| 15 | Office Equipments | 7.13 | - | - | 7.13 | 1.23 | - | 2.56 | 5.80 |
| 16 | C.C.TV Camera | 4.33 | - | (0.88) | 3.45 | 0.59 | - | 2.58 | 2.34 |
| 17 | EPBX | 0.58 | - | - | 0.58 | - | - | 0.55 | 0.03 |
| 18 | Water Filter | 0.12 | - | - | 0.12 | - | - | 0.11 | 0.01 |
| 19 | Godrege RHINO Safe | 0.11 | - | - | 0.11 | - | - | 0.11 | 0.01 |
| 20 | Vehicles | 160.09 | 142.28 | - | 302.37 | 15.86 | - | 141.06 | 34.89 |
| 21 | Computers | 5.35 | 3.82 | (0.56) | 8.61 | 0.22 | - | 5.14 | 0.43 |
| 22 | Printers | 0.62 | - | - | 0.62 | - | - | 0.59 | 0.03 |
| | TOTAL | 988.26 | 214.43 | (29.97) | 1,172.73 | 45.19 | (4.49) | 541.78 | 487.18 |
| | PREVIOUS YEAR | 982.12 | 6.14 | - | 988.26 | 38.36 | - | 501.08 | 518.89 |

NOTE NO. 3 NON-CURRENT FINANCIAL ASSETS: INVESTMENTS

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|-----------|---|-----------------|-----------------|
| | Unsecured but Considered Good | | |
| I. | DEPOSITS | | |
| | SHIP RECYCLING INDUSTRIES ASSOCIATION (DEPOSIT) | 2.00 | 2.00 |
| | BIOMEDICAL WASTE MANAGEMENT SCHEME | 0.20 | 0.20 |
| | SECURITY DEPOSITE (MAKHINGA TEXTILE PARK PRIVATE LIMITED) | 0.50 | |
| | SECURITY DEPOSITE (GMB PLOT RENEWAL) | 5.00 | 5.00 |
| | PGVCL DEPOSIT | 0.10 | 0.10 |
| | TOTAL | 7.80 | 7.30 |

NOTE NO. 4 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|----------|--|-----------------|-----------------|
| 1 | Share Issue Expenses | 4.50 | - |
| | Less: Expenses Written Off During the Year | (0.90) | - |
| | TOTAL | 3.60 | - |

NOTE NO. 5 INVENTORIES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|----------|---|-----------------|-----------------|
| I | -Inventories taken as Physically Verified, Valued and Certified by the management of the company | | |
| 1 | Raw Materials-Uncut Ship | 3,617.98 | 204.55 |
| | Stock-in-Trade [Goods Purchased For Resale] | 471.93 | - |
| | TOTAL | 4,089.90 | 204.55 |

- Refer to Note No. 1(I)(d) on Material Accounting Policies for Basis of Valuation of Inventories.

- Refer to Note No. 14 regarding Inventories hypothecated as security for availing working capital loans by the company.

NOTE NO. 6 CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|----------|---|-----------------|-----------------|
| 1 | Unsecured But Considered Good | | |
| | - Outstanding for a period Exceeding Six Months (From the date from which they became due for payment) | - | - |
| | - Others | 3,339.32 | 2,571.22 |
| | | 3,339.32 | 2,571.22 |
| | - Due by Companies in which Directors are Director/Interested | - | - |
| | - Due by Others | 3,339.32 | 2,571.22 |
| | TOTAL | 3,339.32 | 2,571.22 |

- Refer to Note No. 14 regarding Trade Receivables hypothecated as security for availing working capital loans by the company.



NOTE 6[A]: AGEING FOR TRADE RECEIVABLES OUTSTANDING

AS AT MARCH 31, 2024:

[Amount ` In Lakhs]

| SR. NO. | PARTICULARS | Outstanding for following periods from due date of payment | | | | | TOTAL |
|---------|--|--|---------------------|-----------|-----------|-------------------|-----------------|
| | | Less than Six Months | Six Months-One Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| III. | Disputed Trade Receivables-Considered Good | - | - | - | - | - | - |
| IV. | Disputed Trade Receivables-Considered Doubtful | - | - | - | - | - | - |
| | TOTAL | 3,339.32 | - | - | - | - | 3,339.32 |
| | LESS: Allowance For Bad & Doubtful Debts | - | - | - | - | - | - |
| | NET TRADE RECEIVABLES | 3,339.32 | - | - | - | - | 3,339.32 |

AS AT MARCH 31, 2023:

[Amount ` In Lakhs]

| SR. NO. | PARTICULARS | Outstanding for following periods from due date of payment | | | | | TOTAL |
|---------|---|--|---------------------|-----------|-----------|-------------------|-----------------|
| | | Less than Six Months | Six Months-One Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| I. | Undisputed Trade Receivables- Considered Good | 2,571.22 | - | - | - | - | 2,571.22 |
| II. | Undisputed Trade Receivables- Considered Doubtful | - | - | - | - | - | - |
| III. | Disputed Trade Receivables-Considered Good | - | - | - | - | - | - |
| IV. | Disputed Trade Receivables-Considered Doubtful | - | - | - | - | - | - |
| | TOTAL | 2,571.22 | - | - | - | - | 2,571.22 |
| | LESS: Allowance For Bad & Doubtful Debts | - | - | - | - | - | - |
| | NET TRADE RECEIVABLES | 2,571.22 | - | - | - | - | 2,571.22 |

From the Date of bill accounted in the books of account.

NOTE NO. 7 CURRENT FINANCIAL ASSETS: CASH & BANK BALANCES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|--|-----------------|-----------------|
| I | Balance with Banks | | |
| | In Current Accounts/Debit Balance in CC Accounts | 660.46 | 33.87 |
| | Fixed Deposits [Held As Margin Money] | 5,250.64 | 1,820.70 |
| | | 5,911.11 | 1,854.57 |
| II | Cash on Hand | 18.94 | 8.90 |
| | TOTAL | 5,930.04 | 1,862.47 |

NOTE NO. 8 CURRENT FINANCIAL ASSETS: LOANS & ADVANCES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|---|-----------------|-----------------|
| I. | Unsecured but Considered Good | | |
| | Sundry Advances to Staff | 6.49 | 4.97 |
| | Loans and Advances to Related Parties & Others | 2,793.44 | 3,465.47 |
| | Balance With Government Authorities Self Assessment/Advance Tax/TDS Receivable | 55.03 | 60.77 |
| | | 2,854.96 | 3,531.21 |
| II. | Interest Accrued On Bank FDR/Parties | 31.65 | 7.36 |
| | TOTAL | 2,886.61 | 3,538.57 |


NOTE NO. 9 CURRENT FINANCIAL ASSETS: OTHER RECEIVABLES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | AS AT 31-Mar-23 | |
|---------|---|-----------------|-------------|-----------------|--------------|
| | | NO. OF SHARES | AMOUNT RS. | NO. OF SHARES | AMOUNT RS. |
| I. | Unsecured but Considered Good | | | | |
| | Sundry Debit Balances & Other Receivables | | 0.90 | | 22.66 |
| | TOTAL | | 0.90 | | 22.66 |

NOTE NO. 10 OTHER CURRENT ASSETS

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | AS AT 31-Mar-23 | |
|---------|--|-----------------|---------------|-----------------|--------------|
| | | NO. OF SHARES | AMOUNT RS. | NO. OF SHARES | AMOUNT RS. |
| I. | ADVANCES | | | | |
| 1 | Advances for Expenses & Other Debit Balances | | 25.49 | | 5.68 |
| | | | 25.49 | | 5.68 |
| II. | Prepaid Expenses | | 264.55 | | 55.27 |
| | TOTAL | | 290.04 | | 60.95 |

NOTE NO. 11 EQUITY SHARE CAPITAL

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | AS AT 31-Mar-23 | |
|---------|---|--------------------|-----------------|--------------------|-----------------|
| | | NO. OF SHARES | AMOUNT RS. | NO. OF SHARES | AMOUNT RS. |
| I. | EQUITY SHARES | | | | |
| | AUTHORISED | | | | |
| | Equity Shares of ` 10/= Each At Par | 2,60,00,000 | 2,600.00 | 2,00,00,000 | 2,000.00 |
| | Issued, Subscribed and Paid Up Capital | | | | |
| | Equity Shares of ` 10/= Each At Par Fully Paid Up | 1,64,73,391 | 1,647.34 | 1,64,73,391 | 1,647.34 |
| | TOTAL | 1,64,73,391 | 1,647.34 | 1,64,73,391 | 1,647.34 |

II Reconciliation of Number Shares Outstanding

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | AS AT 31-Mar-23 | |
|---------|--|--------------------|-----------------|--------------------|-----------------|
| | | NO. OF SHARES | AMOUNT RS. | NO. OF SHARES | AMOUNT RS. |
| 1 | Outstanding As At The Beginning Of The Year | 1,64,73,391 | 1,647.34 | 1,64,73,391 | 1,647.34 |
| | Add: Issue of Shares (Face Value) | - | - | - | - |
| | Outstanding As At The End Of The Year | 1,64,73,391 | 1,647.34 | 1,64,73,391 | 1,647.34 |

III Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of Re 10 each. Each shareholder is eligible for one vote per share held.

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

| SR. NO. | PARTICULARS | As At 31st March, 2024 | | As At 31st March, 2023 | |
|---------|------------------|------------------------|--------------------|------------------------|--------------------|
| | | 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 | 13.91% |



V Details of Shareholding by Promoters and Promoter Group in the Company

| A. SR. NO. | Name of the Promoter | Class of Shares | As At 31st March, 2024 | | % Change During the Financial Year 2023-24 |
|------------|-------------------------|-----------------|------------------------|-------------------|--|
| | | | No. of Shares | % of Total Shares | |
| 1 | Manoj Kumar Jain | Equity Shares | 61,68,100 | 37.44% | - |
| 2 | Sangeeta Jain | Equity Shares | 22,92,264 | 13.91% | - |
| 3 | Varun Manojkumar Jain | Equity Shares | 6,24,800 | 3.79% | - |
| 4 | Vaibhav Manojkumar Jain | Equity Shares | 2,40,000 | 1.46% | - |
| | TOTAL | | 93,25,164 | 56.61% | |

| B. SR. NO. | Name of the Promoter | Class of Shares | As At 31st March, 2024 | | % Change During the Financial Year 2023-24 |
|------------|-------------------------|-----------------|------------------------|-------------------|--|
| | | | No. of Shares | % of Total Shares | |
| 1 | Manoj Kumar Jain | Equity Shares | 61,68,100 | 37.44% | - |
| 2 | Sangeeta Jain | Equity Shares | 22,92,264 | 13.91% | - |
| 3 | Varun Manojkumar Jain | Equity Shares | 6,24,800 | 3.79% | - |
| 4 | Vaibhav Manojkumar Jain | Equity Shares | 2,40,000 | 1.46% | - |
| | TOTAL | | 93,25,164 | 56.61% | |

NOTE NO. 12 NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|--|-----------------------|----------------------------|
| 1 | TERM LOANS From Bank of Baroda AWCTL Term Loan A/c. No. 73280600000017 BGECS Term Loan A/c. No. 08490600002945 (Nature of Security)* (Guaranteed by Directors & Others) (Guaranteed by Others) (Terms of repayment of term loans) ** (Also Refer to Note No. 16 on Balance due in next twelve months classified as current maturities of long term debts) | 161.00 - 161.00 | 207.00 103.75 310.75 |
| 2 | VEHICLE LOANS HDFC Car Loan-Vellfire Toyota \$ | 118.76 | - |
| | TOTAL | 279.76 | 310.75 |

DETAILS OF SECURITIES & TERMS OF REPAYMENT

A. Working Capital Term Loans

* The loans are in the form of additional working capital term loans to build up current assets, working capital requirements, liquidity mismatch and for other business requirements. The charge over the existing primary as well as collateral securities extended to cover these loans.

** The loans are repayable in 48 equal monthly instalments with one year moratorium (12 months) in payment of principal amount

B. Vehicle Loans

\$ Secured by Hypothecation of Vehicle

\$ Repayable by 84 Monthly Instalment of Rs. 2,20,962 each including interest.

NOTE NO. 13 DEFERRED TAX LIABILITIES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|---|-----------------|-----------------|
| I. | OPENING BALANCE DEFERRED TAX LIABILITIES/(ASSETS) RELATING TO Property, Plant and Equipments, Intangible Assets & Investment Properties | 59.88 0.38 | 57.44 2.44 |
| | | 60.26 | 59.88 |
| | TOTAL | 60.26 | 59.88 |


NOTE NO. 14 CURRENT FINANCIAL LIABILITIES: SHORT TERM BORROWINGS

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|---|-----------------|-----------------|
| I. | SECURED | | |
| | Loans repayable on Demand | | |
| | Working Capital | | |
| | From Banks | | |
| A | CASH CREDIT* | | |
| | From Bank of Baroda | 469.32 | 439.61 |
| B | LC ** | | |
| | BOB Inland LC | 1,386.23 | 2,047.58 |
| | TOTAL | 1,483.56 | 4,813.94 |
| A. | SECURED* | | |
| 1 | TERM LOANS | | |
| | From Bank of Baroda | | |
| | AWCTL Term Loan A/c. No. 73280600000017 | 23.00 | - |
| | BGECs Term Loan A/c. No. 08490600002945 | 69.17 | 103.75 |
| | VEHICLE LOANS | | |
| | BOB Car Loan-CRETA | - | 2.55 |
| | HDFC Car Loan-Vellfire Toyota | 15.63 | - |
| | TOTAL | 1,963.34 | 2,593.50 |

- *
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

§ For Nature of Security, Terms of Repayment, Gurantee Offered and Nature of Defaults Refer to Note No. 12.

NOTE NO. 15 CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|--|-----------------|-----------------|
| I | Sundry Creditors for Goods | | |
| | - Micro & Small Enterprises | - | - |
| | - Others | 8,203.74 | - |
| II | Sundry Creditors for Other Expenses | | |
| | - Micro & Small Enterprises | 0.06 | - |
| | - Others | 72.05 | 3.99 |
| | TOTAL | 8,275.85 | 3.99 |



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-24 | AS AT 31-Mar-23 |
|---------|--|-----------------|-----------------|
| I | The principal amount remaining unpaid to any supplier at the end of the year. | 0.06 | - |
| 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 | 0.06 | - |

NOTE 15[A]: AGEING FOR TRADE PAYABLES OUTSTANDING

AS AT MARCH 31, 2024:

[Amount ` In Lakhs]

| SR. NO. | PARTICULARS | Outstanding for following periods from due date of payment | | | | TOTAL |
|---------|------------------------------------|--|-----------|-----------|-------------------|-----------------|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| I. | Trade Payable for Goods: | | | | | |
| | - MSME-Others | - | - | - | - | - |
| | - MSME-Disputed | - | - | - | - | - |
| | - Other than MSME-Others | 8,203.74 | - | - | - | 8,203.74 |
| | - Other than MSME-Disputed | - | - | - | - | - |
| II. | Trade Payable for Expenses: | | | | | |
| | - MSME-Others | 0.06 | - | - | - | 0.06 |
| | - MSME-Disputed | - | - | - | - | - |
| | - Other than MSME-Others | 72.05 | - | - | - | 72.05 |
| | - Other than MSME-Disputed | - | - | - | - | - |
| | TOTAL | 8,275.85 | - | - | - | 8,275.85 |

AS AT MARCH 31, 2024:

[Amount ` In Lakhs]

| SR. NO. | PARTICULARS | Outstanding for following periods from due date of payment | | | | TOTAL |
|---------|------------------------------------|--|-----------|-----------|-------------------|-------------|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| I. | Trade Payable for Goods: | | | | | |
| | - MSME-Others | - | - | - | - | - |
| | - MSME-Disputed | - | - | - | - | - |
| | - Other than MSME-Others | - | - | - | - | - |
| | - Other than MSME-Disputed | - | - | - | - | - |
| II. | Trade Payable for Expenses: | | | | | |
| | - MSME-Others | - | - | - | - | - |
| | - MSME-Disputed | - | - | - | - | - |
| | - Other than MSME-Others | 3.99 | - | - | - | 3.99 |
| | - Other than MSME-Disputed | - | - | - | - | - |
| | TOTAL | 3.99 | - | - | - | 3.99 |

From the Date of bill accounted in the books of account.

NOTE NO. 16 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|--|-----------------|-----------------|
| I | Advances from Customers/Sundry Credit Balances | 78.75 | 4.04 |
| II | Other Payables | 27.70 | 2.67 |
| III | Other Payables-Statutory Liabilities | | |
| | Provident Fund | 3.11 | 0.28 |
| | Employee State Insurance Fund | 0.09 | 0.03 |
| | Professional Tax | 0.85 | 0.01 |
| | T.D.S./T.C.S. Payable | 10.31 | 3.20 |
| | GST Payable | 0.42 | 0.22 |
| | | 14.78 | 3.74 |
| | TOTAL | 121.23 | 10.45 |

NOTE NO. 17 CURRENT TAX LIABILITIES [NET]

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|--|-----------------|-----------------|
| | Current Income Tax Liabilities | | |
| | Tax using the Company's Domestic Tax Rate [Current Year: 25.17% Including Surcharge and Cess On Income] [Previous Year: 25.17% Including Surcharge and Cess On Income] | | |
| | Provision for Current Year | 212.73 | 46.15 |
| | Less: TDS/TCS Receivable | (127.33) | (37.59) |
| | Income tax has been provided for as per the provisions of section 115BAA of the Income-tax Act, 1961. | | |
| | TOTAL | 85.40 | 8.57 |

NOTE NO. 18 REVENUE FROM OPERATIONS

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|---------|---|---------------------------------|---------------------------------|
| A. | SALE OF PRODUCTS | | |
| | Sales Of Manufacturing Goods-Ship Breaking (Inclusive of GST Collected On Sales) | 16,007.10 | 5,009.59 |
| | Sales Of Trading Goods (Inclusive of GST Collected On Sales) | 10,630.18 | 9,029.28 |
| | | 26,637.28 | 14,038.87 |
| | TOTAL | 26,637.28 | 14,038.87 |

NOTE NO. 19 OTHER INCOME

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|---------|---|---------------------------------|---------------------------------|
| 1 | INTEREST INCOME | | |
| | From Current Investments/Advances/Others | | |
| | Interest on Fixed Deposits With Banks | 149.67 | 90.77 |
| | Interest on Loans & Advances (Net) | 267.91 | 215.71 |
| | | 417.57 | 306.48 |
| 2 | Other Non-Operating Income (Net of Related Expenses) | 1.05 | 0.67 |
| | Rent Income | 7.21 | 7.79 |
| | Subsidy For GMB -Reimbursement of Expenses | 20.83 | - |
| | Profit on Sale of Shares | - | 211.12 |
| | VAT Refund | - | 12.03 |
| | Other Income | 1.41 | 0.01 |
| | | 29.45 | 230.94 |
| | TOTAL | 447.03 | 537.42 |


NOTE NO. 20 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|-----------|---|---------------------------------|---------------------------------|
| I. | RAW MATERIALS CONSUMED: | | |
| A. | Opening Stock | 204.55 | 4,844.20 |
| | Add : Purchases (Inclusive of GST On Purchases) | 17,776.29 | - |
| | Less : Closing Stocks | (3,617.98) | (204.55) |
| | | 14,362.87 | 4,639.65 |
| | TOTAL | 14,362.87 | 4,639.65 |

NOTE NO. 21 PURCHASE STOCK IN TRADE

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|---------|--|---------------------------------|---------------------------------|
| - | Purchases Stock in Trade (Inclusive of GST On Purchases & LC Charges) | 10,986.13 | 8,954.67 |
| - | Transportation Inward on Purchase | - | 18.82 |
| | TOTAL | 10,986.13 | 8,973.48 |

NOTE NO. 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|---------|---|---------------------------------|---------------------------------|
| 1 | OPENING INVENTORIES | | |
| | - Stock-in-Trade [Goods Purchased For Resale] | - | - |
| | LESS: | 25.29 | 17.81 |
| | CLOSING INVENTORIES | 4.75 | 3.69 |
| | - Stock-in-Trade [Goods Purchased For Resale] | (471.93) | - |
| | CHANGES IN INVENTORIES | (471.93) | - |

NOTE NO. 23 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|---------|--|---------------------------------|---------------------------------|
| 1 | Salaries, Wages & Labour Charges | | |
| | -To Directors-Remuneration | 13.20 | 54.24 |
| | -To Others | 216.36 | 34.49 |
| | | 229.56 | 88.73 |
| 2 | Company Contribution to Provident Fund | 30.34 | 7.36 |
| 3 | Company Contribution to ESIC | 0.45 | 1.13 |
| | Professional Tax of Employees | 2.25 | 0.13 |
| 4 | Bonus & Exgratia | 33.50 | 2.85 |
| 5 | Staff Welfare Expenses (Net) | 0.14 | 0.50 |
| | TOTAL | 296.23 | 100.71 |

NOTE NO. 24 FINANCE COST

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|---------|--------------------------------|---------------------------------|---------------------------------|
| 1 | Bank & Other Financial Charges | 75.44 | 30.16 |
| 2 | Interest | | |
| | To Bank | 84.23 | 131.82 |
| | On Vehicle Loans | 4.05 | 0.35 |
| | To Others | 0.65 | 2.63 |
| | On TDS | 0.00 | - |
| | | 88.93 | 134.80 |
| | TOTAL | 164.37 | 164.96 |

NOTE NO. 25 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|---------|--|---------------------------------|---------------------------------|
| 1 | Depreciation on Property, Plant & Equipments | 45.19 | 38.36 |
| | TOTAL | 45.19 | 38.36 |

NOTE NO. 26 OTHER EXPENSES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|------------|---|---------------------------------|---------------------------------|
| I. | MANUFACTURING EXPENSES | | |
| 1 | Stores & Spares Consumed: | 24.47 | 7.62 |
| 2 | Power, Fuel & Utilities : | | |
| | Diesel, Gases & Carbide | 292.04 | 18.09 |
| 3 | Repairs & Maintenance | 16.07 | 1.31 |
| 4 | Transportation Inward | 102.35 | - |
| 5 | GMB Plot Rent/Development & Other Charges | 87.69 | 35.60 |
| 6 | Labour Charges | 40.77 | - |
| 7 | Other Manufacturing Expenses | 3.42 | 5.30 |
| | | 566.82 | 67.92 |
| II. | ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| 1 | Postage & Telephone/Communications | 0.75 | 0.82 |
| 2 | Stationery & Printing | 0.24 | 0.13 |
| 3 | Travelling, Conveyance & Vehical Expenses | | |
| | Travelling & Conveyance | 9.10 | 0.79 |
| | Vehicle Expenses (Including Repairs & Fuel) | - | 3.26 |
| | | 9.10 | 4.05 |
| 4 | Legal & Professional Charges | 33.57 | 62.78 |
| 5 | Rent, Rates & Taxes | 209.83 | 63.86 |
| 6 | Auditor's Remuneration | | |
| | Statutory Audit Fees | 0.70 | 0.70 |
| | Tax Audit Fees | 0.15 | 0.15 |
| | | 0.85 | 0.85 |
| 7 | Insurance | 9.94 | 5.00 |
| 8 | Selling & Distribution Expenses | | |
| | Advertisement Expenses | 0.59 | 0.38 |
| | Commission on Sales | 22.36 | 2.33 |
| | | 22.94 | 2.71 |
| 9 | Loss On Foreign Exchange Fluctuations | - | 140.31 |
| 10 | Other Expenses | 2.77 | 12.36 |
| | TOTAL | 856.81 | 360.79 |

NOTE NO. 27 CONTINGENET LIABILITIES

(₹ in Lakhs)

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | AS AT 31-Mar-23 |
|---------|--|-----------------|-----------------|
| I. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2014-15 Order U/s. 143(3) of Income Tax Act, 1961 | 8.28 | 8.28 |
| II. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2015-16 Order U/s. 143(3) of Income Tax Act, 1961 | 14.24 | 14.24 |
| III. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2010-11 Order U/s. 271(1) (c) of Income Tax Act, 1961 | 2.48 | 2.48 |
| IV. | Commissioner of Income Tax, National Faceless Appea Centre (NFAC), Income Tax Department for A.Y. 2011-12 Order U/s. 271(1) (c) of Income Tax Act, 1961 | | 2.48 |
| V. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2019-20 Order U/s. 69C of Income Tax Act, 1961 | 99.48 | - |
| VI. | Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Income Tax Department for A.Y. 2014-15 Order U/s. 147 of Income Tax Act, 1961 | 12.26 | - |
| | TOTAL | 136.74 | 27.48 |

NOTE NO. 28 FINANCIAL INSTRUMENTS-FAIR VALUES AND RISK MANAGEMENT

The carrying value and fair value of financial instruments by categories are as follows:

FINANCIAL ASSETS:

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | | | | | | |
|-----------|---|--------------------------|--------|------------------|------------------|---------------------|---------|---------|-------|
| | | Carrying Amount (In INR) | | | | Fair Value (In INR) | | | |
| | | FVTPL | FVTOCI | Amortized Cost | TOTAL | Level 1 | Level 2 | Level 3 | TOTAL |
| A. | NON-CURRENT FINANCIAL ASSETS: | | | | | | | | |
| I | Investments in Equity and Other Instruments | | | | | | | | |
| - | Quoted Equity Investments | - | - | - | - | - | - | - | - |
| - | Unquoted Equity Shares | - | - | - | - | - | - | - | - |
| - | Investment in Capital Of Partnership Firm | - | - | - | - | - | - | - | - |
| II | Loans & Advances | - | - | - | - | - | - | - | - |
| III | Advances for Capital Expenses | - | - | - | - | - | - | - | - |
| IV | Security Deposits | - | - | 7.80 | 7.80 | - | - | - | - |
| B. | CURRENT FINANCIAL ASSETS: | | | | | | | | |
| I | Trade Receivables | - | - | 3,339.32 | 3,339.32 | - | - | - | - |
| II | Cash & Cash Equivalent | - | - | 5,930.04 | 5,930.04 | - | - | - | - |
| III | Loans & Advances | - | - | 2,793.44 | 2,793.44 | - | - | - | - |
| IV | Sundry Balances Recoverable | - | - | 38.14 | 38.14 | - | - | - | - |
| V | Balances with Government Authorities | - | - | 55.03 | 55.03 | - | - | - | - |
| VI | Other Financial Assets | - | - | 0.90 | 0.90 | - | - | - | - |
| | TOTAL | - | - | 12,164.68 | 12,164.68 | - | - | - | - |

| SR. NO. | PARTICULARS | AS AT 31-Mar-23 | | | | | | | |
|-----------|---|--------------------------|--------|-----------------|-----------------|---------------------|---------|---------|-------|
| | | Carrying Amount (In INR) | | | | Fair Value (In INR) | | | |
| | | FVTPL | FVTOCI | Amortized Cost | TOTAL | Level 1 | Level 2 | Level 3 | TOTAL |
| A. | NON-CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I Investments in Equity and Other Instruments | | | | | | | | |
| | - Quoted Equity Investments | - | - | - | - | - | - | - | - |
| | - Unquoted Equity Shares | - | - | - | - | - | - | - | - |
| | - Investment in Capital Of Partnership Firm | - | - | - | - | - | - | - | - |
| | II Loans & Advances | - | - | - | - | - | - | - | - |
| | III Advances for Capital Expenses | - | - | - | - | - | - | - | - |
| | IV Security Deposits | - | - | 7.30 | 7.30 | - | - | - | - |
| B. | CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I Trade Receivables | - | - | 2,571.22 | 2,571.22 | - | - | - | - |
| | II Cash & Cash Equivalents | - | - | 1,863.47 | 1,863.47 | - | - | - | - |
| | III Loans & Advances | - | - | 3,465.47 | 3,465.47 | - | - | - | - |
| | IV Sundry Balances Recoverable | - | - | 12.33 | 12.33 | - | - | - | - |
| | V Balances with Government Authorities | - | - | 60.77 | 60.77 | - | - | - | - |
| | VI Other Financial Assets | - | - | 22.66 | 22.66 | - | - | - | - |
| | TOTAL | - | - | 8,003.22 | 8,003.22 | - | - | - | - |

FINANCIAL LIABILITIES:

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | | | | | | |
|-----------|---|--------------------------|--------|------------------|------------------|---------------------|---------|---------|-------|
| | | Carrying Amount (In INR) | | | | Fair Value (In INR) | | | |
| | | FVTPL | FVTOCI | Amortized Cost | TOTAL | Level 1 | Level 2 | Level 3 | TOTAL |
| A. | NON-CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I BORROWINGS | | | | | | | | |
| | - Term Loans & Vehicle Loans From Banks | - | - | 279.76 | 279.76 | - | - | - | - |
| B. | CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I Working Capital Loans From Banks | - | - | 1,855.55 | 1,855.55 | - | - | - | - |
| | II Intercompany Loans | - | - | - | - | - | - | - | - |
| | III Current Maturities of Term Loans | - | - | 107.80 | 107.80 | - | - | - | - |
| | IV Trade Payables-Raw Materials, Goods and Expenses | - | - | 8,275.85 | 8,275.85 | - | - | - | - |
| | V Trade Payables-Capital Goods | - | - | - | - | - | - | - | - |
| | VI Interest Payable (Net) | - | - | - | - | - | - | - | - |
| | VII Advances from Customers/ Sundry Credit Balances | - | - | 78.75 | 78.75 | - | - | - | - |
| | VIII Other Payables | - | - | 27.70 | 27.70 | - | - | - | - |
| | IX Statutory Liabilities | - | - | 14.78 | 14.78 | - | - | - | - |
| | TOTAL | - | - | 10,640.18 | 10,640.18 | - | - | - | - |

| SR. NO. | PARTICULARS | AS AT 31-Mar-23 | | | | | | | |
|-----------|---|--------------------------|--------|-----------------|-----------------|---------------------|---------|---------|-------|
| | | Carrying Amount (In INR) | | | | Fair Value (In INR) | | | |
| | | FVTPL | FVTOCI | Amortized Cost | TOTAL | Level 1 | Level 2 | Level 3 | TOTAL |
| A. | NON-CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I BORROWINGS | | | | | | | | |
| | - Term Loans & Vehicle Loans From Banks | - | - | 310.75 | 310.75 | | | | |
| B. | CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I Working Capital Loans From Banks | - | - | 2,487.20 | 2,487.20 | | | | |
| | II Intercompany Loans | | | - | - | | | | |
| | III Current Maturities of Term Loans | - | - | 106.30 | 106.30 | | | | |
| | IV Trade Payables-Raw Materials, Goods and Expenses | - | - | 3.99 | 3.99 | | | | |
| | V Trade Payables-Capital Goods | - | - | - | - | | | | |
| | VI Interest Payable (Net) | - | - | - | - | | | | |
| | VII Advances from Customers/Sundry Credit Balances | - | - | 4.04 | 4.04 | | | | |
| | VIII Other Payables | - | - | 2.67 | 2.67 | | | | |
| | IX Statutory Liabilities | - | - | 3.74 | 3.74 | | | | |
| | TOTAL | - | - | 2,918.69 | 2,918.69 | - | - | - | - |

NOTE NO. 29 FINANCIAL INSTRUMENTS-FAIR VALUES AND RISK MANAGEMENT

LIQUIDITY RISK

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | | | | | | |
|-----------|---|--------------------------|------------------|----------------|---------------|---------------------|---------|---------|-------|
| | | Carrying Amount (In INR) | | | | Fair Value (In INR) | | | |
| | | FVTPL | FVTOCI | Amortized Cost | TOTAL | Level 1 | Level 2 | Level 3 | TOTAL |
| A. | NON-CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I BORROWINGS | | | | | | | | |
| | - Term Loans From Banks | 161.00 | - | 40.25 | 120.75 | - | | | |
| | - Vehicle Loans From Banks | 118.76 | - | 17.02 | 60.69 | 41.05 | | | |
| B. | CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I Working Capital Loans From Banks | 1,855.55 | 1,855.55 | - | - | - | | | |
| | II Intercompany Loans | - | - | - | - | - | | | |
| | III Current Maturities of Term Loans | 107.80 | 107.80 | - | - | - | | | |
| | IV Trade Payables-Raw Materials, Goods and Expenses | 8,275.85 | 8,275.85 | - | - | - | | | |
| | V Trade Payables-Capital Goods | - | - | - | - | - | | | |
| | VI Interest Payable (Net) | - | - | - | - | - | | | |
| | VII Advances from Customers/Sundry Credit Balances | 78.75 | 78.75 | - | - | - | | | |
| | VIII Other Payables | 27.70 | 27.70 | - | - | - | | | |
| | IX Statutory Liabilities | 14.78 | 14.78 | - | - | - | | | |
| | TOTAL | 10,640.18 | 10,360.42 | 57.27 | 181.44 | 41.05 | - | - | - |

| SR. NO. | PARTICULARS | AS AT 31-Mar-23 | | | | | | | |
|-----------|---|--------------------------|-----------------|----------------|---------------|---------------------|---------|---------|-------|
| | | Carrying Amount (In INR) | | | | Fair Value (In INR) | | | |
| | | FVTPL | FVTOCI | Amortized Cost | TOTAL | Level 1 | Level 2 | Level 3 | TOTAL |
| A. | NON-CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I BORROWINGS | 310.75 | - | 155.50 | 155.25 | - | - | - | - |
| | - Term Loans & Vehicle Loans From Banks | - | - | - | - | - | - | - | - |
| B. | CURRENT FINANCIAL ASSETS: | | | | | | | | |
| | I Working Capital Loans From Banks | 2,487.20 | 2,487.20 | - | - | - | - | - | - |
| | II Intercompany Loans | - | - | - | - | - | - | - | - |
| | III Current Maturities of Term Loans | 106.30 | 106.30 | - | - | - | - | - | - |
| | IV Trade Payables-Raw Materials, Goods and Expenses | 3.99 | 3.99 | - | - | - | - | - | - |
| | V Trade Payables-Capital Goods | - | - | - | - | - | - | - | - |
| | VI Interest Payable (Net) | - | - | - | - | - | - | - | - |
| | VII Advances from Customers/Sundry Credit Balances | 4.04 | 4.04 | - | - | - | - | - | - |
| | VIII Other Payables | 2.67 | 2.67 | - | - | - | - | - | - |
| | IX Statutory Liabilities | 3.74 | 3.74 | - | - | - | - | - | - |
| | TOTAL | 2,918.69 | 2,607.94 | 155.50 | 155.25 | - | - | - | - |

NOTE NO. 30 FINANCIAL INSTRUMENTS-FAIR VALUES AND RISK MANAGEMENT

CURRENCY EXPOSURE RISK (FOREIGN CURRENCY)

[Amount ` In Lakhs]

| SR. NO. | PARTICULARS | AS AT 31-Mar-24 | | | |
|-----------|--|--|-----|-----|-------|
| | | Contractual Cash Flows (Amount in INR) | | | |
| | | USD | GBP | JPY | TOTAL |
| A. | CURRENT FINANCIAL ASSETS: | | | | |
| | Trade Receivables | - | - | - | - |
| | Cash & Cash Equivalents | - | - | - | - |
| | Other Receivables | - | - | - | - |
| | TOTAL | - | - | - | - |
| | CURRENT FINANCIAL ASSETS: | | | | |
| B. | Trade Payables-Raw Materials and Expenses | - | - | - | - |
| | TOTAL | - | - | - | - |

| SR. NO. | PARTICULARS | AS AT 31-Mar-23 | | | |
|-----------|--|--|-----|-----|-------|
| | | Contractual Cash Flows (Amount in INR) | | | |
| | | USD | GBP | JPY | TOTAL |
| A. | CURRENT FINANCIAL ASSETS: | | | | |
| | Trade Receivables | - | - | - | - |
| | Cash & Cash Equivalents | - | - | - | - |
| | Other Receivables | - | - | - | - |
| | TOTAL | - | - | - | - |
| | CURRENT FINANCIAL ASSETS: | | | | |
| B. | Trade Payables-Raw Materials and Expenses | - | - | - | - |
| | TOTAL | - | - | - | - |

NOTE 31 : OTHER NOTES
a) Earnings Per Share (EPS):

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

(₹ in Lakhs)

| PARTICULARS | | FOR THE YEAR ENDED 31-Mar-24 | FOR THE YEAR ENDED 31-Mar-23 |
|--|-----------|---------------------------------|---------------------------------|
| Total Comprehensive Income After Tax for the period | (A) | 631.53 | 249.75 |
| 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) | 3.83 | 1.52 |

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 | Company in which Key Managing Director and Whole-time Director are Directors and Shareholders | Yes |
| ii. | VMS Autolink Private Limited | Company in which Key Managing Director and Whole-time Director are Directors | No |
| iii. | Luxierge Media Private Limited | Company in which Managing Director has been appointed as Director in Casual Vacancy | No |
| iv. | Eternal Automobiles | Partnership Firm in which the Managing Director & Whole Time Director are Partners | No |
| v. | Yohaana Enterprises | Partnership Firm in which the Managing Director & Whole Time Director are Partners | No |
| vi. | Entrepot Developers | Partnership Firm in which the Whole Time Director is Partner | No |
| vii. | Entrepot B Developers | Partnership Firm in which the Managing Director is Partner | No |
| viii. | Mr. Manoj Kumar Jain | Key Management Personnel- Managing Director | No |
| i. | Mrs. Sangeeta Jain | Whole Time Director | Yes |
| ii. | Mr. Bakul Kishanlal Mehta | Director | No |
| iii. | Mr. Pranavkumar Vinaykant Parikh | Director | No |
| iv. | Mr. Murari Agarwal | Director | No |
| v. | Mr. Amit Mandaliya | CFO | Yes |
| vi. | Mr. Hemal Pankajkumar Patel | Company Secretary | Yes |
| vii. | Mr. Varun Manoj Jain | Son of Managing Director | No |
| viii. | Mr. Vaibhav Manoj Jain | Son of Managing Director | No |
| xvii. | Aditya Ultra Steel Limited | Company in Which Relative of Directors is Director and have substantial shareholding Company in which Managing Director was appointed as Director during the year and resigned during the year | Yes |

B. Transaction with Related Parties

(₹ in Lakhs)

| Nature of Transaction | Name of the Party | 2023-24 | 2022-23 | |
|---|-----------------------------|-----------------------------------|----------------|----------|
| Investment in Capital Account of Partnership Firm (Net) | Eternal Automobiles | Capital Introduced | NIL | NIL |
| | | Lees: Capital Withdrawn | NIL | (233.52) |
| | | Net Capital Introduced/ Withdrawn | NIL | (233.52) |
| Advances Given | VMS TMT Private Limited | 11,306 | 3,831.97 | |
| Advances Received Back (Including Against Opening Outstanding Balances) | VMS TMT Private Limited | 11,855.20 | 2,507.32 | |
| Advances Given | Eternal Automobiles | NIL | 226.10 | |
| Advances Received Back | Eternal Automobiles | NIL | 226.10 | |
| Advances Given | Aditya Ultra Steel Limited | 300.00 | 99.00 | |
| Advances Received Back | Aditya Ultra Steel Limited | 300.00 | 99.00 | |
| Rent Income | VMS TMT Private Limited | 7.21 | 7.08 | |
| | Aditya Ultra Steel Limited | NIL | 0.71 | |
| Interest Received | VMS TMT Private Limited | 238.24 | 92.29 | |
| | Aditya Ultra Steel Limited | 14.60 | NIL | |
| | Eternal Automobiles | NIL | 14.89 | |
| Salary Advances Given | Mr. Hemal Pankajkumar Patel | 1.36 | 1.77 | |
| Salary Advances Received Back | Mr. Hemal Pankajkumar Patel | NIL | 0.24 | |
| | Mr. Amit Mandaliya | 0.11 | 0.10 | |
| Director/Key Managerial Personnel /CFO/Company Secretary Remuneration | Mr. Manoj Kumar Jain | NIL | 40.98 | |
| | Mrs. Sangeeta Jain | 13.20 | 13.26 | |
| | Mr. Amit Mandaliya | 3.86 | 3.69 | |
| | Mr. Hemal Pankajkumar Patel | 5.78 | 5.89 | |
| Outstanding Balances as at the year-end- Loans & Advances Given | VMS TMT Private Limited | 2,793.44 (Dr.) | 3,128.22 (Dr.) | |
| Outstanding Balances as at the year-end- Salary Payable | Mr. Hemal Pankajkumar Patel | 0.47 (Cr.) | 0.42 (Cr.) | |
| Outstanding Balances as at the year-end- Salary Advances Given | Mr. Amit Mandaliya | 0.09 (Dr.) | 0.20 (Dr.) | |
| | Mr. Hemal Pankajkumar Patel | 6.03 (Dr.) | 4.67 (Dr.) | |

c) Segment Information:

The company has two operating reportable segments i.e. Manufacturing in respect of Ship-Breaking business activities and Trading In respect of trading in Ferrous and Non-Ferrous metals. The Operating Segment Reporting as per Ind-AS 108 for the year ended March 31, 2024 is as under:

(₹ in Lakhs)

| Sr. No. | Segment Particulars | 2023-24 | | | 2022-23 | | |
|---------|--|---------------|-----------|-----------|---------------|----------|-----------|
| | | Manufacturing | Trading | Total | Manufacturing | Trading | Total |
| I | Segment Value of Revenue from Operations | 16,007.10 | 10,630.18 | 26,637.28 | 5,009.59 | 9,029.28 | 14,038.87 |
| II | Segment Results Before Tax | 624.03 | 234.66 | 858.69 | 209.83 | 144.51 | 354.34 |
| | Less : Unallocable Corporate Expenses | | | (14.05) | | | (55.99) |
| | Less: Provision for Current Tax | | | (212.73) | | | (46.15) |
| | Add/(Less): Provision for Deferred Tax | | | (0.38) | | | (2.44) |
| III | Profit After Tax | | | 631.53 | | | 249.75 |
| IV | Segment Assets | 10,475.19 | 6,645.34 | 17,120.54 | 1,916.36 | 6,778.78 | 8,695.14 |
| | Add: Unallocable Corporate Assets | | | 58.63 | | | 60.76 |
| V | Total Assets | | | 17,179.17 | | | 17,665.17 |
| VI | Segment Liabilities | 8,003.66 | 2,695.02 | 10,698.69 | 70.66 | 2,906.15 | 2,976.81 |
| | Add: Unallocable Corporate Liabilities | | | 87.15 | | | 10.32 |
| VII | Total Liabilities | | | 10,785.83 | | | 2,987.13 |
| IX | Equity Share Capital | | | 1,647.34 | | | 1,647.34 |
| X | Other Equity | | | 4,746.00 | | | 4,121.43 |
| XI | Capital Expenditure during the year | 212.01 | 2.43 | 214.43 | 1.69 | 4.45 | 6.14 |
| XII | Depreciation on PPE | 44.03 | 1.15 | 45.19 | 38.15 | 0.21 | 38.36 |

d) 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.

- e) In the opinion of the Board of Directors, Current Assets & Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the balance sheet. In the opinion of the Board of Directors, claims receivable against property/goods are realizable as per the terms of the agreement and/or other applicable relevant factors and have been stated in the financial statements at the value which is most probably expected to be realized.
- f) The company has obtained balance confirmation from some of the parties for Sundry Creditors, Sundry Debtors and parties to whom loans/advance have been granted. All other balances of debtors and creditors and loans and advances are subject to confirmation and subsequent reconciliation, if any.
- g) The Financial Statements were authorised for issue by the Board of Directors on 3rd May, 2024.

h) Disclosure of Financial Ratios:

| Sr. No. | Particulars | Numerator | Denominator | As At/For The Year Ended | | % Change Compared to Last Year |
|---------|--|--|--------------------------|--------------------------|------------|--------------------------------|
| | | | | 31/03/2024 | 31/03/2023 | |
| i. | Current Ratio (times) @-1 | Current Assets | Current Liabilities | 1.58 | 3.16 | (49.86%) |
| ii. | Debt-Equity Ratio (times) @-2 | Total Debt | Total Equity | 1.66 | 0.50 | (230.92%) |
| iii. | Debt Service Coverage Ratio (times) @-3 | Earnings available for debt Service | Debt Service | 0.42 | 0.16 | 170.51% |
| iv. | Return on Equity Ratio (%) @-4 | Profit for the year | Average Total Equity | 10.39% | 4.42% | 134.96% |
| v. | Inventory Turnover Ratio (times) @-5 | Cost of Materials Consumed + Purchase of Stock in Trade + Employee Benefit Expenses+ Other Direct Expenses | Average Inventory | 12.21 | 5.46 | 123.60% |
| vi. | Trade Receivables Turnover Ratio (times) @-6 | Revenue from Operations | Average Trade Receivable | 9.01 | 5.46 | 65.03% |
| vii. | Trade Payables Turnover Ratio (times) @-7 | Purchases during the year | Average Trade Payables | 7.01 | 3.90 | 79.68% |
| viii. | Net Capital Turnover Ratio (times) @-8 | Revenue from Operations | Average Working Capital | 4.54 | 2.60 | 74.73% |
| ix. | Net Profit Ratio (%) @-9 | Net Profit After Tax | Revenue from Operations | 2.37% | 1.78% | 33.27% |
| x. | Return on Capital Employed (%) | EBIT | Capital Employed | 5.87% | 5.29% | 11.00% |
| xi. | Trade Receivables Turnover Ratio (times) | Net Profit After Tax | Average Total Equity | 10.39% | 4.42% | 134.96% |

| Sr. No. | Particulars | Numerator | Denominator | As At/For The Year Ended | | % Change Compared to Last Year |
|---------|--|-----------|-------------|--------------------------|------------|--------------------------------|
| | | | | 31/03/2024 | 31/03/2023 | |
| | <p>@-1 Current ration declined during the current year on account of increase in outstanding balance of trade payables as at the end of the current year compared to the previous year.</p> <p>@-2 Debt-Equity Ratio deteriorated during the year on account increase in outstanding balance of trade payables being part of total liabilities as at the end of the current year compared to the previous year.</p> <p>@-3 Debt-Service Coverage Ratio improved on account of increase in operational activities which has increasing effect on profits of the company and reduction in interest cost during the year.</p> <p>@-4 Return on Equity Increased on account of increase in operational activities which has increasing effect on profits of the company.</p> <p>@-5 Higher Inventory Turnover ratio is the result of increase in operational activities during the year.</p> <p>@-6 Trade Receivables Turnover Ratio improved during the current year on account of increase in revenue from operations and improvement in collection mechanism from the customers.</p> <p>@-7 Trade Receivables Turnover Ratio improved during the current year on account of increase in operational activities along with improvement in payment mechanism to suppliers.</p> <p>@-8 Increase in revenue from operations and systematic management of working capital has positive impact on Net Capital Turnover Ratio.</p> <p>@-9 Increase in operational activities and marginal decline in cost of purchase and cost of material consumed has positive impact on net profit margin.</p> <p>@-10 Increase in operational activities and better resource management has positive impact on return of investment during the current year.</p> | | | | | |

i) Relationship with Struck off Companies:

The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the current year and in the previous year.

j) Expenses in foreign currency:

CIF Value of Imports:

Raw Materials ` NIL/-

(Previous Year ` NIL/-)

Foreign Travelling:

` NIL/-

(Previous Year ` NIL/-)

Income in Foreign Currency:

FOB Value of Exports:

` NIL/-

(Previous Year ` NIL/-)

k) The Company has not provided any guarantee or security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Company.

l) The Board of Directors vide resolution at their meeting on 13th February, 2024 resolved to issue fully paid-up equity shares of face value of ₹ 10 each at the prevailing market conditions as on the date of issue on right issue basis to the existing shareholder as on the record date not exceeding the amount of ₹ 28.00 crores. The funds from the right issue were proposed to be used for working capital, General Corporate Purposes, Public Issue Expenses and such other expenses and/or for any other purpose that the Board/Committee would resolve.

The company had filed draft letter of offer with BSE on 16th February, 2024.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, BSE Limited has issued In-principle approval vide Ref: LOD/RIGHT/TT/FIP/44/2023-24 dated 8th April, 2024 for the proposed Right Issue which was duly intimated to concerned authorities.

Subsequent to getting in principle approval the company had filed final letter of offer with BSE on 26th April, 2024.

The company has not proceed to issue above right issue shares upto the date of authorization of financial statement i.e. 3rd May, 2024 for the financial year 2023-24.



m) 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 Financial Statements have been presented in Indian Rupee (₹) in Lakhs rounded off to two decimal points as per amendment to Schedule III to the Companies Act, 2013.

The figures wherever shown in bracket represent deductions/negative amount.

SIGNATURES TO NOTES '1' TO '31'

FOR, M/S. VMS INDUSTRIES LIMITED

FOR, S.N. SHAH & ASSOCIATES,

Chartered Accountants

FRN: 109782W

FIROJ G. BODLA

Partner

M. NO. : 126770

For and on behalf of the Board

VMS Industries Limited

Mr. Amit Mandaliya

(CFO)

Mr. Hemal Patel

(COMPANY SECRETARY)

Place : Ahmedabad

Date : 3RD MAY, 2024





VMS INDUSTRIES LIMITED

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

CIN NO. : L74140GJ1991PLC016714