



VMS INDUSTRIES LIMITED



Annual Report
2016-2017

BOARD OF DIRECTORS



Manoj Kumar Jain
Managing Director



Sangeeta Jain
Whole Time Director



Ajit Kumar Jain
Director



Bakul Mehta
Non Executive Independent Director



Pranav Parikh
Non Executive Independent Director



Hitesh Loonia
Non Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Himanshu Shah

SECRETARIAL AUDITOR

Jalan Alkesh & Associates

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Hemal Patel

REGISTERED OFFICE

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

WORK SHOP

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

REGISTRARS & SHARE TRANSFER AGENTS FOR ELECTRONIC SHARES

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

MAIN BANKERS

Bank of Baroda
ICICI Bank Ltd.

STATUTORY AUDITORS

P. D. Goplani & Associates,
Chartered Accountants.
A 104-105, Leela Efcee, Waghawadi Road,
Bhavnagar-364001

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NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of M/s VMS Industries Limited will be held at 11.00 A.M. on Friday, 29th day of September, 2017 at the Registered Office of the Company at 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To Re-appoint Mrs. Sangeeta Jain, Whole Time Director of the Company (DIN: 00125273), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible, herself for Re-appointment.
3. To appoint the Auditor and to fix their remuneration and in this regards pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provision of Section 139, 142 and other applicable provision, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provision, if any, of the Companies act, 1956), M/s S N SHAH & Associates (Firm Reg. No.109782W), Chartered Accountant, be and are hereby appointed as the Statutory Auditors of the Company in place of retiring Statutory Auditor M/s P D Goplani & Associates., Chartered Accountants, Ahmedabad, who have expressed their unwillingness to continue as auditor of the Company.

"RESOLVED FURTHER THAT M/s S N SHAH & Associates, Chartered Accountants, shall hold office from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting i.e for period of five years (after commencement of the Companies Act, 2013), subject to ratification by the shareholder annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditor plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

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 in accordance with the provision of section 196, 197 and 203 read with schedule V and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managing Personnel) Rule, 2014 (including any statutory modification(s) or re enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mrs. Sangeeta Jain, (DIN: 00125273) as Whole Time Director, designated as Executive Director of the Company, for a period of 5 (Five) Years with effect from 01st October, 2017 which would result in concurrent termination of earlier appointment and on terms and condition including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and vary the terms and condition of the said re-appointment and/ or remuneration to Mrs. Sangeeta Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profit of the company in any financial year, during the term of office of Mrs. Sangeeta Jain, the remuneration mentioned in the above referred appointment shall be paid to Mrs. Sangeeta Jain as minimum remuneration and the same shall be subject to the limits as set out in Section II of part II of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board 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."

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

"RESOLVED THAT in accordance with the provision of section 196, 197 and 203 read with schedule V and all other applicable provision of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managing Personnel) Rule, 2014 (including any statutory modification(s) or re enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Manoj Kumar Jain, (DIN: 02190018) as Managing Director, designated as Executive Director of the Company, for a period of 5 (Five) years with effect from 01st October, 2017 and the said appointment will result in concurrent termination of earlier appointment due to substantial change in terms and conditions in the appointment. The new terms and condition including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Director (hereinafter referred to as "the Board" which shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and vary the terms and condition of the said re-appointment and/ or remuneration to Mr. Manoj Kumar Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profit of the company in any financial year, during the term of office of Mr. Manoj Kumar Jain, the remuneration mentioned in the above referred appointment shall be paid to Mr. Manoj Kumar Jain as minimum remuneration and the same shall be subject to the limits as set out in Section II of part II of Schedule V of the Companies Act, 2013."



“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to section 188 and other applicable provisions of the Companies Act, 2013 and the rules made there under including any modification or amendments or clarifications thereon, if any, and pursuant to the revised Regulation 27(2)(b) SEBI Listing Obligation and Disclosure Requirements Regulation, 2015 as applicable thereto as are made from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into a contract(s)/ arrangement(s)/ transaction(s)/ Loan and advance(s) with M/s Aditya Ultra Steel Private Limited, a related party within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, up to a maximum amount of Rs. 50 crore from the financial year 2017-18 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.’

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

“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.”

By Order of Board of Directors
For: VMS INDUSTRIES LIMITED

Place :- Ahmedabad
Date :- 31st August, 2017

Hemal Patel
Company Secretary

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETINGS) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy from duly completed and signed, should be lodged with the company, at its registered office at least 48 hours before the time of the meeting
- B. Pursuant to the provision of Section 91 of the Companies Act, 2013 (corresponding to 154 of the companies act, 1956), the registered of members and share transfer books of the company will remain closed from Saturday 23rd September, 2017 to Friday 29th September, 2017 (both day inclusive).
- C. All documents referred to in the notice and the explanatory statement requiring the approval of the members at the meeting and other statutory register shall be available for inspection by the Members at the registered office of the company during office hours on all working days between 11.00 a.m to 1.00 p.m. on all days except Saturdays, Sundays and public holiday, from the date hereof up to the date of the annual general meeting.
- D. The Notice of the 25th Annual General Meeting with instruction for e-voting, along with attendance slip and proxy form is being dispatched to the Members by Post (and electronically by e-mail to those Members who have registered their e-mail IDs with the Company/Depositories) whose names appear in the Register of Members/list of beneficial owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 1st September, 2017. Members may also note that the notice of the 25th AGM and the Annual Report 2016-17 will be available on the company's website www.vmsil.com
- E. Members are entitled to make nomination in respect of shares held in physical form. Members desirous of making nominations are requested to send their requests in Form 2B (specimen available on request) to the Registered office of the Company.
- F. Voting through electronic means: In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting. The Company has signed an agreement with CDSL for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.

The instructions for e-voting are as under:

- (A) In case a Member receives an email from NSDL/ CDSL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) If you are holding shares in Demat form and had logged on to www.evotingindia.com 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 – “170902040” along with “COMPANY NAME” (VMS Industries Limited) from the drop down menu and click on “SUBMIT”.

(v) Now, fill up the following details in the appropriate boxes :

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

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

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

(vi) After entering these details appropriately, click on "SUBMIT" tab.

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

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

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

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

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

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

(B) In case of members receiving the physical copy of Notice of AGM (for members whose e-mail IDs are not registered with the Company/depository participant(s) or requesting physical copy) Please follow all steps from Sl.No. (ii) to (ivi).

(C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

(D) The voting period begins on 26th September, 2017 (9.00 a.m.) and ends on 28th September, 2017 (6.00 p.m.) During these period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. You may also contact to Mr. Narshiman, M/s. Cameo Corporate Services Private Limited, Tel No. 044 - 28460390-395, email : narasimhan@cameoindia.com.

(F) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2017.

(G) K. Jatin & Co., Practicing Company Secretary, (Membership No. 26725) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.

(H) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.



- (I) The Results shall be declared at the AGM of the Company. The result will be announced to the Stock Exchanges where the shares of the Company are listed and will also be displayed on the Company's website www.vmsil.com
- (J) Members are requested to notify the change in the address, if any. In case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of physical shares to the Registrar and Transfer Agent of the Company quoting their Folio Number.
- (K) This notice is being issued having regard to provisions of section 108 and 110 of the Companies Act 2013, General circular no. 20/2014 Government of India.

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

Place :- Ahmedabad
Date :- 31st August, 2017

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 & 5,

The Board of Directors of the Company (the 'Board'), at its meeting held on August 31, 2017 has, subject to the approval of members, re-appointed Mrs Sangeeta Jain as Whole Time Director, for a period of 5 (Five) years from the expiry of his present term, which expired on 30th September, 2022, at the remuneration recommended by the Remuneration Committee of the Board and approved by the Board.

Further, the Board at its meeting held on August 31, 2017 has, subject to the approval of members, re-appointed Mr Manoj Kumar Jain as Managing Director for a period of 5 (Five) years before the expiry of his present term, which will expire on September 30, 2022, at the remuneration recommended by the Remuneration Committee of the Board and approved by the Board. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mrs Sangeeta Jain as Whole Time Director and Mr. Manoj Kumar Jain as Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mrs Sangeeta Jain and Mr Manoj Kumar Jain are as under:

Sr No.	Name	Salary Per Month
1	Mrs Sangeeta Jain	4,00,000/-
2	Mr Manoj Kumar Jain	4,00,000/-

Reimbursement of Expenses:

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

General:

- (i) The Whole-time Director and the Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
- (ii) The Whole-time Director and the Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Whole-time Director and the Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iv) The office of The Whole-time Director and the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

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

Brief resume of Mrs Sangeeta Jain and Mr Manoj Kumar Jain, nature of their expertise in specialize functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided as under;

Ms Sangeeta Jain is the Whole Time Director of the Company. She holds a Master degree in Arts from C.S.J.M University, Kanpur. She is having around 23 years of experience in the area of administration and marketing . She is associated with our Company since its Incorporation. She is in charge of administration and liaisioning functions. She is also partner in M/s Eternal Automobiles from July 2002 and is looking after all activities of said partnership firm engaged as Dealer of Honda Motorcycle and Scooter India Pvt Ltd.



Brief resume of the Whole Time Director as under;

Name of the Director	Mrs. Sangeeta Jain	
Date of Birth	22 nd January, 1968	
DIN	00125273	
Qualification	M.A	
Experience in specific functional areas	<p>Mrs Sangeeta Jain is the the Whole Time Director of the Company. She holds a Master degree in Arts from C.S.J.M. University, Kanpur. She is having around 19 years of experience in the areas of administration and marketing. She is associated with our Company since its incorporation.</p> <p>She is in-charge of administration and liaisoning functions. She is also partner in M/s Eternal Automobiles from July 2002 and is looking after overall activities of said partnership firm engaged as Dealer of Honda Motorcycle and Scooter India Pvt. Ltd</p>	
List of other Companies in which Directorship is held	VMS TMT PVT LTD	
Chairman / Member of the Committees of the Board of other Companies in which she is a Director	1	
The details of shares held by the Directors and their relatives	No. of Shares	% in Holding
SANGEETA JAIN	22,92,264	13.91
MANOJ KUMAR JAIN	61,68,100	37.44
VARUN JAIN	6,24,800	3.79
VAIBHAV JAIN	2,40,000	1.46
TOTAL	93,25,164	56.61

Brief resume of the Managing Director as under;

Name of the Director	Mr. Manoj Kumar Jain	
Date of Birth	18 th December, 1961	
DIN	02190018	
Qualification	B. Com, Chartered Accountant	
Experience in specific functional areas	<p>He is having over 20 years of experience in various fields such as finance, taxation consultancy and ship recycling and off shore Industrial and other business activities. He is examining and advising on Purchase of Old ships and finalizes the deals with the suppliers. He is also guiding on off shore activities and is arranging finance for the business of the company</p>	
List of other Companies in which Directorship is held	VMS TMT PVT LTD	
Chairman / Member of the Committees of the Board of other Companies in which he is a Director	Nil	
The details of shares held by the Directors and their relatives	No. of Shares	% in Holding
MANOJ KUMAR JAIN	61,68,100	37.44
SANGEETA JAIN	22,92,264	13.91
VARUN JAIN	6,24,800	3.79
VAIBHAV JAIN	2,40,000	1.46
TOTAL	93,25,164	56.61

Mrs Sangeeta Jain and Mr Manoj Kumar Jain are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them.

The relatives of Mrs Sangeeta Jain and Mr Manoj Kumar Jain may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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



Item No.6

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

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

Accordingly, on recommendation of Audit Committee, Board of Directors of the Company has in its meeting held on February 14, 2017 approved related party transaction and now seek approval of the Shareholders by way of Ordinary Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following Related Party Transaction in one or more tranches. The transaction under consideration is proposed to be enter 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 Pvt Ltd 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 Pvt Ltd upto a maximum amount as mentioned in the respective resolutions from the financial year 2017-2018 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 for the 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 Private Limited
2	Name of Director or KMP who is related	Mr Manoj Kumar 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 Manoj Kumar 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 Rs. 50 crores annually for each of M/s Aditya Ultra Steel Private Limited
5	Nature, material terms and particulars of arrangement	Purchase / Sale of material / Services by the Company from and the Purchase / sale / services / Loans 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 length basis and in the ordinary course of the Company's business.
6	Any advance paid or received for the arrangement, If any	Nil.

Mr. Ajit Jain, Mr. Manoj Kumar 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.

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

Place :- Ahmedabad
Date :- 31st August, 2017

Hemal Patel
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith their 25th (Twentieth Fifth) Annual Report of your Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS

The financial performance of the Company for the Year ended 31st March, 2017 is summarized as below:-

(₹In Lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended on 31.03.2017	Year Ended on 31.03.2016	Year Ended on 31.03.2017	Year Ended on 31.03.2016
Income / Receipts from Operations	11411.67	10,179.95	11,473.84	10,179.95
Other Income	362.53	424.09	403.82	424.09
Total Income	11774.20	10,604.04	11,877.66	10,604.04
Earning Before Financial Charges, Depreciation, and Taxation (EBITDA)	258.40	307.53	300.80	307.53
Financial Charges	42.85	132.81	82.32	132.81
Depreciation	43.27	34.98	43.26	34.98
Profit Before Tax (PBT)	172.28	139.74	175.22	139.74
Less: Provision for Taxation including Deferred	73.21	44.53	74.12	44.53
Less Extra Ordinary Item	-	-	-	-
Profit After Tax (PAT)	99.07	95.21	101.10	95.21
Profit Brought Forward from Previous Year	980.07	884.86	980.07	884.86
Profit Available for Appropriation	1079.14	980.07	1081.17	980.07
Balance Carried to Balance Sheet	1079.14	980.07	1081.17	980.07

OPERATIONS REVIEW

During the year, under review, the revenue from operations amounted to ₹ 11,411.67 lacs as against the previous year figure of ₹ 10,179.95 lacs, a growth of 12.10 % approx. In spite of overall slowdown in the economy, the Company was able to generate Net Profit After Tax amounted to ₹ 99.07 lacs as against the previous year figure of ₹ 95.21 lacs.

LIQUIDITY

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

DIVIDEND

Looking to future requirements of funds for business operations of the Company, the directors have not recommended any dividend for the Financial Year 2016-17.

FUTURE PROSPECTUS

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

SUBSIDIARY

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

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



PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Particulars of Contract with Related party is attached as AOC-2 in Annexure-I

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

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the financial year ended 31st March 2017 are given in Annexure - II attached hereto and forming part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

PARTICULARS OF EMPLOYEES

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

EXTRACT OF THE ANNUAL RETURN

Pursuant to provision of Section 92 and 134 and other applicable provision of the Companies Act, 2013 and of Rule 12 (1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in form MGT 9 for the Financial Year ended on 31st March, 2017 is annexed as Annexure-V to this Report.

SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2017 given by M/s. Jalan Alkesh & Associates, Practising Company Secretary is annexed as Annexure VI to this Report.

CORPORATE GOVERNANCE REPORT

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

AUDITORS STATUTORY AUDITOR

The Company's Auditors, M/s. P D Goplani & Associates, Chartered Accountant, Bhavnagar has expressed their unwillingness to continue as a Statutory Auditors. The Company had received notice in writing from the members proposing the name of M/s S N Shah & Associates, Chartered Accountants, Ahmedabad for appointment as Statutory Auditors. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for appointment as Auditors of the Company.

DIRECTORS

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

INSURANCE

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