



VMS INDUSTRIES LIMITED

# Annual Report 2017-2018

## 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,  
Prahlanagar, Ahmedabad-380015 Gujarat (India)

Telefax No. (079) 40320484

Website : [www.vmsil.com](http://www.vmsil.com)

email : [info@vmsil.com](mailto: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

## STATUTORY AUDITORS

S. N. Shah & Associates,

Chartered Accountants.

Sapan House, 10/B, Goverment Servent Co. Op. Housing  
Society, Opposite Municipal Market, Navrangpura,,  
Ahmedabad-380009

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## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of M/s VMS Industries Limited will be held at 11.00 A.M. on Saturday, 29<sup>th</sup> day of September, 2018 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 31<sup>st</sup> March, 2018 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 Mr. Ajit Kumar Jain, Director of the Company (DIN: 00114766), liable to retire by rotation in terms of section 152(6) of the companies Act, 2013 and, being eligible, himself 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 Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the appointment of M/s SN SHAH & ASSOCIATES.(Firm Reg. No.109782W), Chartered Accountant as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company to be held in year 2019 to examine and audit the accounts of the Company for the Financial Year 2018-19 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."

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

Place : Ahmedabad  
Date : 14<sup>th</sup> August, 2018

**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 Friday 21<sup>st</sup> September, 2018 to Saturday 29<sup>th</sup> September, 2018 (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 26<sup>th</sup> 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 31<sup>st</sup> August, 2018. Members may also note that the notice of the 26<sup>th</sup> AGM and the Annual Report 2017-18 will be available on the company's website [www.vmsil.com](http://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 26<sup>th</sup> 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](http://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](http://www.evotingindia.com)
  - (iii) Click on "shareholders" tab to cast your votes.



(iv) Now select the Electronic Voting Sequence Number – “EVSN” along with “COMPANY NAME” (VMS Industries Limited ) from the drop down menu and click on “SUBMIT”.

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

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

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

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

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

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

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

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

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

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

(xii) Once you “CONFIRM” 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 27<sup>th</sup> September, 2018 (9.00 a.m.) and ends on 29<sup>th</sup> September, 2018 (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 31<sup>st</sup> August, 2018 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdsl.india.com](mailto: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](mailto: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 21<sup>st</sup> September, 2018.

(G) Mr. 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 and Clause 35B of the listing agreement with stock exchanges.

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

Place : Ahmedabad  
Date : 14<sup>th</sup> August, 2018

**Hemal Patel**  
Company Secretary



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith their 26th (Twentieth Sixth) Annual Report of your Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2018.

### FINANCIAL RESULTS

The financial performance of the Company for the Year ended 31<sup>st</sup> March, 2018 is summarized as below:-

Particulars	STANDALONE		CONSOLIDATED	
	Year Ended on 31.03.2018	Year Ended on 31.03.2017	Year Ended on 31.03.2018	Year Ended on 31.03.2017
Income / Receipts from Operations	11785.85	11411.67	13475.69	11473.84
Other Income	290.91	362.53	413.58	403.82
Total Income	12076.76	11774.20	13889.27	11877.66
Earning Before Financial Charges, Depreciation, and Taxation (EBITDA)	400.43	258.90	569.42	300.80
Financial Charges	143.35	42.85	262.62	82.32
Depreciation	46.97	43.27	60.01	43.26
Profit Before Tax (PBT)	210.11	172.28	246.79	175.22
Less: Provision for Taxation including Deferred	69.45	73.21	80.97	74.12
Less Extra Ordinary Item	-	-	-	-
Profit After Tax (PAT)	140.66	99.07	165.82	101.10
Profit Brought Forward from Previous Year	1079.14	980.07	1081.17	980.07
Profit Available for Appropriation	1219.80	1079.14	1246.99	1081.17
Balance Carried to Balance Sheet	1219.80	1079.14	1246.99	1081.17

### OPERATIONS REVIEW

During the year, under review, the revenue from operations amounted to ₹ 11785.85 Lakhs (Consolidated ₹. 13475.69 Lakh) as against the previous year figure of ₹ 11411.67 lacs (Consolidated ₹. 11473.84 Lakh), a growth of 4% approx (Consolidated a growth of 17.50% approx). In spite of overall slowdown in the economy, the Company was able to generate Net Profit After Tax amounted to ₹ 140.67 lakhs (Consolidated ₹. 165.82 Lakhs) as against the previous year figure of ₹ 99.07 lakhs (Consolidated ₹. 101.10 Lakhs) a growth of 42% approx (Consolidated a growth of 64.01%).

### 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 2017-18.

### 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 31<sup>st</sup> March 2018 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, 2018 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, 2018 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 auditors M/s. S N SHAH & Associates., Chartered Accountants offers themselves for reappointment at the ensuing annual general meeting. The company has received a letter from the auditors stating that their appointment if made will be within the limits of Section 139, 141 of the Companies Act, 2013 and the rules made there under. The Directors recommend for their reappointment.

#### **DIRECTORS**

Mr. Ajit Kumar Jain (DIN:00114766) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Ajit Kumar Jain is not disqualified under section 164 of the Companies Act, 2013 from being appointed as a Director of any public Company. The Board recommends his reappointment for your approval.

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

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

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

#### **INSURANCE**

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(5) of the Companies, Act, 2013, the Directors confirm that:

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **COST COMPLIANCE REPORT**

The Company has appointed a Practicing Cost Accountant for obtaining Cost Compliance Report under the Companies (Cost Accounting Records) Rules, 2011 as per the notification of Ministry of Corporate Affairs dated 3rd June 2011. The Compliance Report will be duly filed with Ministry of Corporate Affairs, within 180 days from the close of the Financial Year ending 31st March, 2018.

#### **RISK MANAGEMENT**

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging up to 180 days to 360 days. Though the Company is hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary. Though the Company is employing such measures, the Company is still exposed to the risk of any foreign exchange fluctuation.

Likewise, the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any ups and downs in the price of the iron and steel will affect the profitability of the Company. The Company keeps a watch on the movement of scrap prices and accordingly decides its policy regarding purchase of ships and sale of scrap.

#### **DISCLOSURES**

Except as disclosed elsewhere in this report, there are no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year and the date of this report:

#### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Listing Obligation & Disclosure Requirements Regulations, 2015, the Company has framed Risk Management Policy. The details of the policy are as updated on website of the Company [www.vmsil.com](http://www.vmsil.com). The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. At present the Company has not identified any element of risk which may threaten the existence of the Company.

#### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of Loans, Guarantee and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 12 (Twelve) Board meetings during the financial year under review. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **FORMAL ANNUAL BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Listing Obligation & Disclosure Requirements Regulations, 2015, the Board has carried out an evaluation of its own performance and the Directors individually. A process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

A familiarization programme was conducted for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters and the said was updated on website of the Company <http://www.vmsil.com>





## **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members:

- a) Shri. Bakulbhai Mehta - Chairman
- b) Shri. Ajitkumar Jain - Member
- c) Shri Pranav Parikh - Member

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

## **CORPORATE SOCIAL RESPONSIBILITY:**

The provision of Corporate Social responsibility is not applicable to the Company.

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

The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on 31.03.2018 for redressal.

## **LISTING:**

The Equity shares of the Company are listed on Bombay Stock Exchange. The Company is regular in payment of listing fees. The Company has paid the listing fees for the year 2018-19.

## **DEMATERIALISATION OF SHARES:**

The ISIN for the Equity shares is INE932K01015. As on 31<sup>st</sup> March, 2018 total 1,64,73,255 equity shares of the Company have been Dematerialized. Members of the Company are requested to dematerialize their shares.

## **FIXED DEPOSITS**

During the year ended on 31st March 2018, the Company has not accepted any Fixed Deposits from public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **CAUTIONARY STATEMENT:**

Statements in the Directors Report and the Management discussion & Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global & domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and its cost, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business operations of the Company.

## **ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude, the commitment and dedication of the employees, their untiring personal efforts and collective contributions at all levels that has led to the growth and success of the Company. The Directors would also like to thank other stakeholders including banks and business associates who have continued to provide support and encouragement to the Company.

For and on Behalf of Board of Directors

Place : Ahmedabad  
Date : 30.05.2018

**MANOJ KUMAR JAIN**  
MANAGING DIRECTOR



**Annexure-I  
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement Containing Salient features of Financial Statement of Subsidiaries**

**Part – “A”: Subsidiaries**

Name of Subsidiary	VMS TMT PRIVATE LTD
Reporting period of the subsidiary concerned, if different from the holding Company’s reporting period	01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
Reporting Currency	INR
Share Capital	633.36
Reserves and Surplus	27.15
Total Assets	2185.73
Total Liabilities (Excluding Share Capital & Reserve and Surplus)	1525.47
Investment (Other than Subsidiary)	-
Turnover (Including other Income)	2621.04
Profit Before Taxation	36.67
Provision for Taxation	11.52
Profit After Taxation	25.15
Proposed Dividend	-
% of Shareholding	80.13%

**Notes:**

1. There is no subsidiary which has been liquidated or sold during the year.

The amount given in the tables above are from the annual accounts made for the respective financial year end for each of the Company.

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

**FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm’s length basis**

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts/arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date of approval by the Board
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm’s length basis**

(a)	Name(s) of the related party and nature of relationship:	M/s. Aditya Ultra Steel Pvt Ltd (CIN: U27100GJ2011PTC066552) Managing Director Manoj Kumar Jain son and Whole Time Director Sangeeta JAIN Son Mr. VARUN JAIN is Director of the Company
(b)	Nature of contracts/arrangements/transactions	Sale of Ingot and Billets
(c)	Duration of the contracts/arrangements/transactions	As per Payment Terms
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Ingot and Billets
(e)	Date(s) of approval by the Board, if any:	12.08.2016
(f)	Amount paid as advances, if any	NIL

Form shall be signed by the persons who have signed the Board’s report.