

VMS TMT LIMITED
(Formerly known as VMS TMT PRIVATE LIMITED)

AUDIT REPORT
FINANCIAL YEAR 2023 – 2024

Audited by
M/s. SURESH CHANDRA & ASSOCIATES

Chartered Accountants
303, Investment House, 3rd Floor,
Opp. Gandhigram Railway Station
Ellisbridge, Ahmedabad – 380006
Phone: 9974534855

SURESH CHANDRA & ASSOCIATES

CHARTERED ACCOUNTANTS

Branch : 303, Investment House, 3rd Floor, Opp. Gandhigram Railway Station, Ellisbridge, Ahmedabad-380 006.
Contact No. : 9974534855 Email : cassnanwal@gmail.com

Independent Auditor's Report

To the Members of VMS TMT Limited (formerly known as VMS TMT Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of VMS TMT limited (formerly known as VMS TMT Private Limited) ('the Company'), which comprise the balance sheet as at 31st March 2024, the statement of profit and loss, including statement of other comprehensive income, cash flow statement and statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 there under, 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.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

This responsibility also includes 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 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the audit of Ind AS 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 auditors' 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 Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 entity has adequate internal financial controls system 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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 Financial Statements for the financial year ended March 31st, 2024 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 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, 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 it appears from our examination of those books;



(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.

(e) on the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) In our opinion, the managerial remuneration for the year ended 31st March, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. As informed by the management, that there are no pending litigations which impacts on its financial position.
- ii. The Company is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There was no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (i) The management has represented that, to the best of its knowledge and belief, other than disclosed in the notes to the accounts, no funds 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, whether, 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;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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; and

(iii) Based on such audit procedures that 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) contain any material mis-statement.

- v. The company has not declared or paid any dividend during the year, therefore the compliance with section 123 of the Companies Act, 2013 is not applicable to the company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, as per Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 company has not enabled feature of Audit trail in its accounting software as on March 31, 2024.

FOR, SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N



PLACE: AHMEDABAD
DATE: 18.07.2024
UDIN: 24128896BKBO PV3632

[CA. Shyamsunder Nanwal]
Partner
M. No. 128896

Annexure A to the Auditor's Report referred to in paragraph 1 our report of even date:

The Annexure referred to in Independent Auditor's Report of even date to the members of **VMS TMT Limited (formerly known as VMS TMT Private Limited)** on the financial statements of the company for the year ended 31st March, 2024, we report that:

- (i) (a) (A) The Company has maintained the proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particulars of intangible asset.
- (b) The fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Financial Statements included in Property, Plant and Equipment, according to information and explanations given to us and based on verification of the registered sale deed/ Transfer deed/ Conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at Balance Sheet date, except for leasehold land as disclosed in Note 2b to the Financial Statements.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



- (ii) (a) The inventories were physically verified by the management during the year at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and the procedure of such verification by the management is appropriate having regard to the size of the company and the nature of its operations. No discrepancies of 10% or more in aggregate of each class of inventories were noticed on such physical verification of inventories when compared with the books of accounts.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below.

(Rs. in Crores)

| Name of the Bank | Aggregate working capital limits sanctioned | Nature of current assets offered as securities | Quarter ended | Amount disclosed as per quarterly returns/statements | Amount as per books of account | Difference | Reasons for difference |
|----------------------------------|---|--|--------------------|--|--------------------------------|------------|------------------------|
| HDFC Bank, ICICI Bank & SVC Bank | 66.00 | Refer Note Below | June 30, 2023 | Stock: 85.21 | 85.21 | - | - |
| | | | | Debtors: 18.23 | 18.23 | - | - |
| | | | | Creditors: 13.86 | 13.86 | - | - |
| | | | | Sales: 252.89 | 252.89 | - | - |
| HDFC Bank, ICICI Bank & SVC Bank | 66.00 | Refer Note Below | September 30, 2023 | Stock: 99.33 | 99.33 | - | - |
| | | | | Debtors: 10.60 | 10.60 | - | - |
| | | | | Creditors: 19.65 | 19.65 | - | - |
| | | | | Sales: 170.09 | 170.09 | - | - |
| HDFC Bank, ICICI Bank & SVC Bank | 66.00 | Refer Note Below | December 31, 2023 | Stock: 96.55 | 96.55 | - | - |
| | | | | Debtors: 11.68 | 11.68 | - | - |
| | | | | Creditors: 7.81 | 7.81 | - | - |
| | | | | Sales: 187.70 | 187.67 | 0.03 | * |



| | | | | | | | |
|---|-------|---------------------|----------------------|---------------------------|--------|----------------|---|
| HDFC Bank, ICICI Bank & SVC Bank | 66.00 | Refer Note Below | March 31, 2024 | Stock: 93.34 | 109.37 | (16.03) | # |
| | | | | Debtors: 10.90 | 10.90 | - | - |
| | | | | Creditors: 8.09 | 8.11 | (0.02) | * |
| | | | | Sales: 266.01 | 262.30 | 3.71 | * |

Remarks:

*The discrepancy in Creditors and sales are primarily on account of the details being submitted by the company in quarterly statements with the bank on the provisional/ unaudited books.

The company had inadvertently considered wrong rate for valuation of inventory while submitting the stock statement for March 2024. However, while preparing the audited financial statements, the error was rectified by the company and was valued as per the applicable accounting standards. Accordingly, there remained difference in value of inventory of Rs.16.03 Crores as per audited balance sheet and stock statement for March 2024.

Note:

i. Nature of current assets offered as securities:

- **HDFC Bank:** First Pari Passu charge on stocks and receivables.
- **SVC Bank:** First Pari Passu charge on stock and books debts.
- **ICICI Bank:** First Pari Passu charge on stocks and receivables.

ii. Debtors have been reduced by the amount of credit balance in the debtor's group i.e. by the advance received from debtors, and includes the balance of advance given to suppliers of goods.

iii. Creditors refers to creditors for goods.

(iii) During the year, the company has not made investment, provided any guarantee, or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. Hence, clause 3(iii)(a) to 3(iii)(f) is not applicable to the company.



- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The company has not accepted any deposit or amounts which is deemed to be deposit. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Based on the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in clause (a) above as at 31st March, 2024 which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) Based on the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender.



- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank of financial institution or government or any government authority.
- (c) The term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, 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, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate firm.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate firm.
- (x) (a) The company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported 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 has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us no whistle-blower complaints, if any, received during the year by the Company.



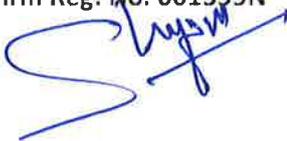
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date, for the year under audit, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, there is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding year.
- (xviii) There has been resignation of the statutory auditors of the Company during the previous year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) 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



and 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 indicating that 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) (a) According to the information and explanation provided to us and based on our examination of the records of the company, the company has fully spent the required amount toward Corporate Social Responsibility (CSR) in respect of other than ongoing projects. Hence the provisions of paragraph 3(xx) (b) of the Order are not applicable.
- (xxi) There are no Companies of which reports are included in the consolidated financial statements. Hence, reporting under clauses 3(xxi) of the Order is not applicable.

FOR, SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N



[CA SHYAMSUNDER NANWAL]
Partner
M. No. 128896
UDIN: 24128896BKBOVP3632

Date: 18/07/2024
Place: Ahmedabad

Annexure - B to Independent Auditors' Report of even date on the Ind AS financial statement of the VMS TMT Limited (formerly known as VMS TMT Private Limited) ("the Company")

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 TMT Limited (formerly known as VMS TMT Private Limited) ("the Company") as of 31st March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 with reference to these financial statements.



Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

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 Ind AS 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 IND AS 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 Ind AS financial statements.

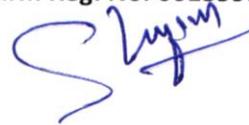
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at 31st March, 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, SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N



PLACE: AHMEDABAD

DATE : 18.07.2024

UDIN: 24128896.BK.BOPV.3632

[CA. Shyamsunder Nanwal]

Partner

M. No. 128896

VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)
BALANCE SHEET AS AT 31ST MARCH, 2024

(Rs. In Lacs)

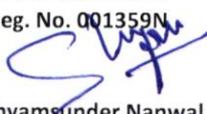
| Sr. No. | Particulars | Note | Figure as at the end of current reporting period | Figure as at the end of the previous reporting period |
|--|--|--|--|---|
| I. | ASSETS | | | |
| (1) | Non-Current Assets | | | |
| | (a) Property, Plant and Equipment | 2a | 7341.01 | 7535.82 |
| | (b) Right of Use Assets | 2b | 33.78 | - |
| | (c) Capital Work in Progress | 2c | 5168.41 | 362.87 |
| | (d) Other Intangible Assets | 2.1 | 0.80 | 1.04 |
| | (e) Financial Assets | | | |
| | (i) Other Financial Assets | 3 | 1.39 | 51.92 |
| | (f) Deferred Tax Assets (Net) | | - | - |
| | (g) Other Non Current Assets | 4 | 1215.27 | 1572.53 |
| (2) | Current Assets | | | |
| | (a) Inventories | 5 | 10936.62 | 10586.33 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 6 | 1572.77 | 903.06 |
| | (ii) Cash and Cash Equivalents | 7 | 808.76 | 36.04 |
| | (iii) Bank Balances other than cash and Cash Equivalents | 8 | 464.96 | 185.52 |
| | (iv) Other Financial Assets | 9 | 50.00 | - |
| | (c) Current Tax Assets (Net) | 10 | - | 69.54 |
| | (d) Other Current Assets | 11 | 1163.34 | 1392.43 |
| | Total Assets | | 28757.17 | 22697.18 |
| II. | EQUITY AND LIABILITIES | | | |
| | EQUITY | | | |
| | (a) Equity Share Capital | 12 | 1333.71 | 1261.28 |
| | (b) Other Equity | 13 | 3317.65 | 1842.47 |
| | LIABILITIES | | | |
| (1) | Non-Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14 | 10453.17 | 9403.90 |
| | (ia) Lease Liabilities | 15 | 32.79 | - |
| | (ii) Other financial liabilities | | - | - |
| | (b) Provisions | 16 | 23.96 | - |
| | (c) Deferred tax liabilities (Net) | 17 | 528.07 | 333.44 |
| (2) | Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 18 | 9332.82 | 6865.76 |
| | (ia) Lease Liabilities | 19 | 3.01 | - |
| | (ii) Trade Payables | 20 | - | - |
| | (A) total outstanding dues of Micro enterprises and Small enterprises | | 237.54 | - |
| | (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1122.11 | 2790.39 |
| | (iii) Other Financial Liabilities | 21 | 913.26 | 30.45 |
| | (b) Other current liabilities | 22 | 1166.41 | 169.46 |
| | (c) Provisions | 23 | 0.64 | - |
| | (d) Current Tax Liabilities (Net) | 24 | 291.96 | - |
| | Total Equity and Liabilities | | 28757.17 | 22697.18 |
| Material Accounting Policies and Notes to financial statements. | | 1 | | |
| For and on behalf of M/s. SURESH CHANDRA & ASSOCIATES Chartered Accountants Firm Reg. No. 001359N  [CA. Shyamsunder Nanwal] Partner M. No. 128896 UDIN : 241 28896 BKBPV3632 Place: Ahmedabad Date: 18.07.2024 | | For and on behalf of VMS TMT Limited (Formerly known as VMS TMT Private Limited)  [Varun Manojkumar Jain] Managing Director DIN : 06502561  [Vikram Patel] Chief Financial Officer Place: Ahmedabad Date: 18.07.2024 | | |
| | |  [Rishabh Singhi] Whole Time Director DIN : 09342922  [Vijay Boliya] Company Secretary | | |

VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

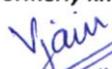
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. In Lacs)

| Sr. No. | Particulars | Note | Figure as at the end of current reporting period | Figure as at the end of previous reporting period |
|---------|---|------|--|---|
| I. | Revenue from Operations | 25 | 87295.76 | 88201.34 |
| II. | Other Income | 26 | 21.08 | 4.26 |
| III. | Total Income (I+II) | | 87316.85 | 88205.61 |
| IV. | Expenses | | | |
| | Cost of Materials Consumed | 27 | 75023.48 | 84699.73 |
| | Purchases of Stock-In-Trade | 28 | 2200.87 | 1311.89 |
| | Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 29 | (411.98) | (6480.42) |
| | Employees Benefits Expense | 30 | 1024.17 | 903.93 |
| | Finance Costs | 31 | 1847.49 | 1291.88 |
| | Depreciation and Amortisation expense | 32 | 394.37 | 356.52 |
| | Other Expenses | 33 | 5344.17 | 5539.53 |
| | Total Expenses (IV) | | 85422.57 | 87623.07 |
| V. | Profit Before Exceptional item and Tax (III)-(IV) | | | |
| VI. | Exceptional items | | - | - |
| VII | Profit Before Tax (V-VI) | | 1894.27 | 582.54 |
| | <u>Tax Expense</u> | 34 | | |
| | (1) Current Tax | | 379.63 | 15.14 |
| | (2) Deferred Tax | | 194.63 | 133.24 |
| | Profit from discontinued operations | | | |
| | Tax expense of discontinued operations | | | |
| | Profit from discontinued operations (after tax) (IV) | | | |
| | (3) Earlier year income tax adjustment | | (7.68) | - |
| IX | Profit for the period from continuing operations (VII-VIII) | | 1327.69 | 434.15 |
| X | Profit for the period from discontinuing Operations | | - | - |
| XI | Tax Expense from discontinuing Operations | | - | - |
| XII | Profit for the period from discontinuing Operations (after tax) (X-XI) | | - | - |
| XIII | Profit / (Loss) for the period (IX+XII) | | 1327.69 | 434.15 |
| XIV | Other Comprehensive Income / (Expenses) | | 9.88 | - |
| A. | (i) Items that will not be reclassified to profit or loss | | 9.88 | - |
| | (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 | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XV | Total Comprehensive Income for the period (XIII+XIV) | | 1337.57 | 434.15 |
| XVI | Earnings Per Equity Share (For continuing operation) | | | |
| | Basic (In Rupees) | | 10.00 | 4.18 |
| | Diluted (In Rupees) | | 10.00 | 4.18 |
| XVII | Earnings Per Equity Share (For discontinuing operation) | | | |
| | Basic (In Rupees) | | - | - |
| | Diluted (In Rupees) | | - | - |
| | Material Accounting Policies | 1 | | |

For and on behalf of
M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N

[CA. Shyamsunder Nanwal]
Partner
M. No. 128896
UDIN : 24128896BK80PV3632
Place: Ahmedabad
Date: 18.07.2024



For and on behalf of
VMS TMT Limited
(Formerly known as VMS TMT Private Limited)

[Varun Manojkumar Jain]
Managing Director
DIN : 06502561

[Vikram Patel]
Chief Financial Officer
Place: Ahmedabad
Date: 18.07.2024


[Rishabh Singh]
Whole Time Director
DIN : 09342922

[Vijay Boliya]
Company Secretary

VMS TMT LIMITED

(Formerly known as VMS TMT Private Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

(Rs. In Lacs)

| Particulars | Figure as at the end of current reporting period | Figure as at the end of previous reporting period |
|---|--|---|
| A Cash flow form operating activities | | |
| Profit/(loss) before tax | 1894.27 | 582.54 |
| Adjustment for | | |
| Depreciation / Amortisation | 394.37 | 316.06 |
| Change in Reserves | 9.88 | 11.78 |
| Finance Cost | 1847.49 | 1291.88 |
| Earlier year income tax adjustment | 7.68 | - |
| Preliminary Expenses Written Off | 0.75 | 0.37 |
| Operating cash flow before working capital changes | 4154.46 | 2202.65 |
| Inventories | (350.28) | (6243.21) |
| Trade Receivables | (669.71) | 2277.37 |
| Current Loans & Advances, Current Taxes And Other Current Asset | 313.78 | (420.26) |
| Other Financial Asstes | (50.00) | - |
| Trade Payables | (1430.72) | 2007.89 |
| Other Current Financial Liabilities | 882.81 | (114.67) |
| Other Current Liabilities & Current Tax Liabilities (Net) | 996.94 | (883.09) |
| Provisions | 24.60 | 64.07 |
| Cash generated from operations | 3871.89 | (1109.25) |
| Income taxes paid (net) | 102.81 | - |
| Net cash generated by operating activities | 3769.07 | (1109.25) |
| B Cash flow from investing activities | | |
| Purchase of Property, Plant and Equipment | (4999.40) | (1138.31) |
| Investment in Fixed Deposits | 50.52 | (10.93) |
| Non-Current Loans & Advances | 405.39 | (1524.08) |
| Net cash used in investing activities | (4543.48) | (2673.33) |
| C Cash flow from financing activities | | |
| Proceeds from Issue of Equity Shares | 210.02 | 788.07 |
| Proceeds/(Repayment) Of Current Borrowings | 2467.05 | 2344.55 |
| Proceeds/(Repayment) Of Non-Current Borrowings | 1049.26 | 2162.05 |
| Payment of Lease Liability | (7.65) | - |
| Prepaid IPO Expenses | (48.88) | - |
| Finance Cost | (1843.25) | (1291.88) |
| | 1826.56 | 4002.80 |
| Net (decrease)/increase in cash & cash equivalents (A+B+C) | 1052.15 | 220.22 |
| Cash & Cash Equivalents as at the beginning of the year | 221.57 | 1.35 |
| Cash and cash equivalents at end of period | 1273.73 | 221.57 |
| Components of cash and cash equivalent | | |
| Cash on hand | 9.82 | 29.02 |
| Balances with banks: | | |
| On current accounts | 798.94 | 0.32 |
| On cash credit accounts | - | 6.70 |
| On deposits accounts with original maturity of less than 3 months | - | - |
| Cash and bank balances | 808.76 | 36.04 |
| Bank Balances other than cash and Cash Equivalents mentioned above | 464.96 | 185.52 |
| Total | 1273.73 | 221.57 |

Cash and cash equivalents as per note 14



Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended)

Borrowings :

| Particulars | Opening Balance | Cash flow | Other | | Closing Balance |
|-----------------------|-----------------|----------------|----------------|-------------------------|-----------------|
| | | | Other changes* | Impact due to IndAS 116 | |
| 2023-2024 | | | | | |
| Long term borrowings | 9403.90 | 1049.26 | - | - | 10453.17 |
| Short term borrowings | 6865.76 | 2467.05 | - | - | 9332.82 |
| Lease Liabilities | - | (7.65) | - | 43.46 | 35.81 |
| Total | 16269.67 | 3508.67 | - | 43.46 | 19821.81 |
| 2022-2023 | | | | | |
| Long term borrowings | 7241.85 | 2162.05 | - | - | 9403.90 |
| Short term borrowings | 4521.20 | 2344.55 | - | - | 6865.76 |
| Lease Liabilities | - | - | - | - | - |
| Total | 11763.05 | 4506.61 | - | - | 16269.67 |

For and on behalf of
M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N



[CA. Shyamsunder Nanwal]
Partner
M. No. 128896
UDIN : 24128896 BK BOPV3632

Place: Ahmedabad
Date: 18.07.2024

For and on behalf of
VMS TMT Limited
(Formerly known as VMS TMT Private Limited)

[Varun Manojkumar Jain]
Managing Director
DIN : 06502561

[Vikram Patel]
Chief Financial Officer
Place: Ahmedabad
Date: 18.07.2024

[Rishabh Singhi]
Whole Time Director
DIN : 09342922

[Vijay Boliya]
Company Secretary

STATEMENT OF CHANGE IN EQUITY
VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

NOTE NO.: 12 : EQUITY SHARE CAPITAL

(Rs. In Lacs)

(1) Current Reporting Period

| Balance at the Beginning of the current year | Change in Equity Share Capital due to Prior Period Error | Restated Balance at the beginning of the current reporting period | Change in Equity Share Capital during the current year | Balance at the end of the current reporting period. |
|--|--|---|--|---|
| 1261.28 | - | - | 72.42 | 1333.71 |

(2) Previous reporting Period

| Balance at the Beginning of the Previous Reporting Period | Change in Equity Share Capital due to Prior Period Error | Restated Balance at the beginning of the Previous reporting period | Change in Equity Share Capital during the Previous year | Balance at the end of the previous reporting period. |
|---|--|--|---|--|
| 989.53 | - | - | 271.75 | 1261.28 |

NOTE NO.: 10.1 : OTHER EQUITY

(1) Current Reporting period

| Particulars | Reserve & Surplus | | Other comprehensive income Remeasurement of Defined Benefit Obligation/ Plan) | Total |
|---|--------------------|------------------|---|----------------|
| | Securities Premium | Retained Earning | | |
| Balance at the Beginning of the current reporting period | 516.32 | 1314.36 | 11.78 | 1842.47 |
| Change in accounting policy or prior period errors | - | 11.78 | (11.78) | - |
| Restated balance at the beginning of the current reporting period | 516.32 | 1326.14 | - | 1842.47 |
| Total Comprehensive Income for the current Year | - | 1327.69 | 9.88 | 1337.57 |
| Dividend | - | - | - | - |
| Transfer to Retained Earnings | - | - | - | - |
| Any other Change (to be Specified) | - | - | - | - |
| ¹ -Securities premium on fresh issue of shares | 137.60 | - | - | 137.60 |
| Balance at the end of the current reporting period | 653.93 | 2653.83 | 9.88 | 3317.65 |



STATEMENT OF CHANGE IN EQUITY
VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

NOTE NO.: 12 : EQUITY SHARE CAPITAL

(Rs. In Lacs)

(2) Previous Reporting period

| Particulars | Reserve & Surplus | | Other comprehensive income Remeasurement of Defined Benefit Obligation/ Plan) | Total |
|--|--------------------|------------------|---|----------------|
| | Securities Premium | Retained Earning | | |
| Balance at the Beginning of the current reporting period | | 880.21 | - | 880.21 |
| Change in accounting policy or prior period errors | - | - | - | - |
| Restatement balance at the beginning of the current reporting period | - | 880.21 | 11.78 | 891.99 |
| Total Comprehensive Income for the current Year | - | 434.15 | | 434.15 |
| Dividend | - | - | - | - |
| Transfer to Retained Earnings | - | - | - | - |
| Any other Change (to be Specified) | | | | |
| ¹ -Securities premium on fresh issue of shares | 516.32 | - | - | 516.32 |
| Balance at the end of the previous reporting period | 516.32 | 1314.36 | 11.78 | 1842.47 |

For and on behalf of
M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N



[CA. Shyamsunder Nanwal]
Partner
M. No. 128896
UDIN : 24128896 BKBO PV 3632

For and on behalf of
VMS TMT Limited
(Formerly known as VMS TMT Private Limited)

[Varun Manojkumar Jain]
Managing Director
DIN : 06502561

[Vikram Patel]
Chief Financial Officer

Place: Ahmedabad
Date: 18.07.2024

[Rishabh Singhi]
Whole Time Director
DIN : 09342922

[Vijay Boliya]
Company Secretary

Place: Ahmedabad
Date: 18.07.2024

VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

NOTE NO.: 2a : PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lacs)

| | Gross Block | | | Depreciation / Amortisation | | | | Net Block | | |
|--|--------------------------|----------------|------------|-----------------------------|--------------------------|---------------|------------|---------------------------|---------------------------|---------------------------|
| | As at 1st April, 2023 | Additions | Deductions | As at 31st March, 2024 | As at 1st April, 2023 | Additions | Deductions | As at 31st March, 2024 | As at 31st March, 2024 | As at 31st March, 2023 |
| Current Year ended 31st March, 2024 | | | | | | | | | | |
| 2a Tangible Assets | | | | | | | | | | |
| Land | 193.27 | 48.70 | - | 241.97 | - | - | - | - | 241.97 | 193.27 |
| Building | 2035.86 | - | - | 2035.86 | 108.91 | 64.64 | - | 173.56 | 1862.30 | 1926.95 |
| Plant and Machinery | 5128.81 | 121.88 | - | 5250.69 | 340.11 | 248.15 | - | 588.27 | 4662.42 | 4788.69 |
| Furniture & Fixtures | 23.72 | 0.16 | - | 23.89 | 3.29 | 2.27 | - | 5.56 | 18.32 | 20.42 |
| Vehicle | 91.07 | 18.81 | - | 109.88 | 8.16 | 12.14 | - | 20.30 | 89.58 | 82.91 |
| Office Equipemnts | 8.52 | 3.43 | - | 11.96 | 0.87 | 1.95 | - | 2.82 | 9.13 | 7.65 |
| Computers | 10.29 | 0.86 | - | 11.15 | 4.52 | 3.21 | - | 7.73 | 3.41 | 5.77 |
| Electrification | 586.59 | - | - | 586.59 | 80.71 | 55.87 | - | 136.59 | 449.99 | 505.87 |
| Borewell | 3.56 | - | - | 3.56 | 3.38 | - | - | 3.38 | 0.17 | 0.17 |
| Weight Bridge | 6.57 | - | - | 6.57 | 2.49 | 0.41 | - | 2.91 | 3.66 | 4.07 |
| Total Tangible Assets (a) | 8088.31 | 193.86 | - | 8282.18 | 552.48 | 388.68 | - | 941.17 | 7341.01 | 7535.82 |
| 2b Right of Use Assets | | | | | | | | | | |
| Land | - | 39.23 | - | 39.23 | - | 5.44 | - | 5.44 | 33.78 | - |
| Total Right of Use Assets (b) | - | 39.23 | - | 39.23 | - | 5.44 | - | 5.44 | 33.78 | - |
| 2c Capital Work-in-Progress | | | | | | | | | | |
| Plant & Machinery - CCM Division | 257.12 | 4279.55 | - | 4536.68 | - | - | - | - | 4536.68 | 257.12 |
| Unallocated Expenses | 105.75 | 525.97 | - | 631.73 | - | - | - | - | 631.73 | 105.75 |
| Total Capital Work-in-Progress (c) | 362.87 | 4805.53 | - | 5168.41 | - | - | - | - | 5168.41 | 362.87 |

Ageing Schedule of capital work-in-progress as at 31st March 2024

| Particulars | Amount in CWIP for period of | | | | |
|---------------------|------------------------------|-----------|-----------|-------------------|---------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 Years | Total |
| Project in progress | 4805.53 | 362.87 | - | - | 5168.41 |

Ageing Schedule of capital work-in-progress as at 31st March 2023

| Particulars | Amount in CWIP for period of | | | | |
|---------------------|------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 Years | Total |
| Project in progress | 362.87 | - | - | - | 362.87 |

There are no capital work in progress where completion is over due against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March 2024 and 31st March 2023.

NOTE NO.: 2.1 : OTHER INTANGIBLE ASSETS

| | Gross Block | | | Depreciation / Amortisation | | | | Net Block | |
|------------------------------------|--------------------------|----------------|------------|-----------------------------|--------------------------|---------------|------------|---------------------------|---------------------------|
| | As at 1st April, 2023 | Additions | Deductions | As at 31st March, 2024 | As at 1st April, 2023 | Additions | Deductions | As at 31st March, 2024 | As at 31st March, 2023 |
| Intangible Assets | | | | | | | | | |
| Accounting Software | 1.50 | - | - | 1.50 | 0.45 | 0.23 | - | 0.69 | 0.80 |
| Total Intangible Assets (c) | 1.50 | - | - | 1.50 | 0.45 | 0.23 | - | 0.69 | 1.04 |
| TOTAL (a+b+c) | 8452.69 | 5038.63 | - | 13491.33 | 552.94 | 394.37 | - | 947.31 | 12544.01 |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

NOTE NO.: 3 : OTHER FINANCIAL ASSETS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---|-------------|--------------|
| i | Bank balances with maturity more than 12 months (Pledged with financial institution and other) | 1.39 | 51.92 |
| | Total | 1.39 | 51.92 |

NOTE NO.: 4 : OTHER NON CURRENT ASSETS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|----------------------------|----------------|----------------|
| i | Capital Advances | 1126.64 | 1503.19 |
| ii | Other than Capital Advance | | |
| | -Security Deposits | 39.75 | 68.58 |
| | -Premiliary Expenses | - | 0.75 |
| | -Prepaid Expenses | 48.88 | - |
| | Total | 1215.27 | 1572.53 |

NOTE NO.: 5 : INVENTORIES

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--|-----------------|-----------------|
| i | Raw Materials | 139.05 | 420.74 |
| ii | Finished Goods | 9867.43 | 9159.16 |
| iii | Stores and Spare parts | 752.74 | 462.10 |
| iv | Purchase in stock - Traded Goods | 10.47 | 288.16 |
| v | Mill Scale /Waste / Scrap (valued at net realisable value) | 117.95 | 136.53 |
| vi | Coal | 48.96 | 119.62 |
| | Total | 10936.62 | 10586.33 |

(Valued at lower of cost or net realisable value, unless otherwise stated)

NOTE NO.: 6 : TRADE RECEIVABLES

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--|----------------|---------------|
| i | Trade Receivables Considered Good - Secured | - | - |
| ii | Trade Receivables Considered Good - Unsecured | 1572.77 | 903.06 |
| iii | Trade Receivables which have Significant increase in Credit Risk | - | - |
| iv | Trade Receivables - Credit Impaired | - | - |
| | Total | 1572.77 | 903.06 |

| Particulars | Outstanding for current year from due dates of payment | | | | | Total |
|--|--|-------------------|----------|-----------|------------------|---------|
| | Less than 6 months | 6 month to 1 year | 1-2 Year | 2-3 Years | More than 3 year | |
| Undisputed Trade | 1572.77 | - | - | - | - | 1572.77 |
| Receivables - Which have Significant Increase in Credit Risk | - | - | - | - | - | - |
| Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - Considered Good | - | - | - | - | - | - |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

| | | | | | | |
|---|---|---|---|---|---|---|
| Disputed Trade Receivables - Which have Significant Increase in Credit Risk | - | - | - | - | - | - |
| Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | - |

| Particulars | Outstanding for previous year from due dates of payment | | | | | Total |
|---|---|-------------------|----------|-----------|------------------|-----------|
| | Less than 6 months | 6 month to 1 year | 1-2 Year | 2-3 Years | More than 3 year | |
| Undisputed Trade Receivables - Considered | 903.06464 | - | - | - | - | 903.06464 |
| Undisputed Trade Receivables - Which have Significant Increase in Credit Risk | - | - | - | - | - | - |
| Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - Considered Good | - | - | - | - | - | - |
| Disputed Trade Receivables - Which have Significant Increase in Credit Risk | - | - | - | - | - | - |
| Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | - |

NOTE NO.: 7 : CASH AND CASH EQUIVALENTS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---------------------------|---------------|--------------|
| i | Cash on Hand | 9.82 | 29.02 |
| ii | Balances with Banks | | |
| | - In Current Account | 798.94 | 0.32 |
| | - In Cash Credit Accounts | - | 6.70 |
| | Total | 808.76 | 36.04 |

NOTE NO : 10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVELENTS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---|---------------|---------------|
| | Bank balances with maturity more than 3 months (Pledged with financial institution and other) | 464.96 | 185.52 |
| | Total | 464.96 | 185.52 |

NOTE NO.: 9 : OTHER FINANCIAL ASSETS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|-------------------|--------------|-----------|
| i | Securtiy Deposits | 50.00 | - |
| | Total | 50.00 | - |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

NOTE NO.: 10 : CURRENT TAX ASSETS (NET)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---------------------------------|-----------|--------------|
| i | TDS Receivables | 87.67 | 84.68 |
| ii | Less: Provision for Current Tax | 87.67 | 15.14 |
| | Total | - | 69.54 |

NOTE NO.: 11 : OTHER CURRENT ASSETS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|-----------------------------------|----------------|----------------|
| i | Advance for Expenses / Goods | 315.99 | 69.04 |
| ii | Prepaid Expenses | 36.21 | 19.92 |
| iii | Advances to Staff | 4.14 | 1.82 |
| iv | Balances with Revenue Authorities | 806.97 | 1301.64 |
| | Total | 1163.34 | 1392.43 |

NOTE NO.: 12 : EQUITY SHARE CAPITAL

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|-------------|---|----------------|----------------|
| 10.1 | Authorised | | |
| | 2,00,00,000 Equity Shares of Rs. 10 each | 2000.00 | 2000.00 |
| | | 2000.00 | 2000.00 |
| 10.2 | Issued, Subscribed and Fully Paid Equity Shares | | |
| | 1,33,37,124(PY 1,26,12,886) Equity Shares of Rs. 10 each fully paid | 1333.71 | 1261.28 |
| | Total | 1333.71 | 1261.28 |

- The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held.
- The Board of Directors has not recommended any dividend for the year.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

10.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

| Equity Shares | As at 31.03.2024 | | As at 31.03.2023 | |
|---|-------------------|-----------------------|-------------------|-----------------------|
| | No. of shares | Amount (Rs. In lakhs) | No. of shares | Amount (Rs. In lakhs) |
| At the beginning of the period | 12,612,886 | 1261.28 | 9,895,386 | 989.53 |
| Add: New issue during the period | 724,238 | 72.42 | 2,717,500 | 271.75 |
| Outstanding at the end of period | 13,337,124 | 1333.71240 | 12,612,886 | 1261.28 |

10.4 Details of shareholders holding more than 5% shares in the Company

| | Percentage Holding As at | | No. of Shares As at | |
|----------------------|--------------------------|----------------|---------------------|-------------------|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Equity Shares | | | | |
| Manojkumar Jain | 30.83% | 32.61% | 4,112,500 | 4,112,510 |
| Sangeeta Jain | 7.64% | 8.08% | 1,018,510 | 1,018,510 |
| Rishabh Sunil Singhi | 36.03% | 32.36% | 4,805,904 | 4,081,866 |
| Varun Jain | 25.49% | 26.96% | 3,400,000 | 3,400,000 |
| Total | 99.998% | 100.00% | 13,336,914 | 12,612,886 |

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

10.5 Shares held by promoters at the end of the year

| Promoters' Names | As at 31.03.2024 | | As at 31.03.2023 | | % Changes |
|----------------------|------------------|------------------|------------------|-------------------|-----------|
| | No. of shares | % of total share | No. of shares | % of total shares | |
| Manojkumar Jain | 4,112,500 | 30.83% | 4,112,510 | 32.61% | -1.77% |
| Sangeeta Jain | 1,018,510 | 7.64% | 1,018,510 | 8.08% | -0.44% |
| Rishabh Sunil Singhi | 4,805,904 | 36.03% | 4,081,866 | 32.36% | 3.67% |
| Varun Jain | 3,400,000 | 25.49% | 3,400,000 | 26.96% | -1.46% |

NOTE NO.: 13 : OTHER EQUITY

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--|----------------|----------------|
| i | Securities Premium | | |
| | Opening Balance | 516.32 | - |
| | Add; Addition during the year | 137.60 | 516.32 |
| | Closing Balance | 653.93 | 516.32 |
| ii | Retained Earning | | |
| | Opening Balance | 1314.36 | 880.21 |
| | Add; Addition during the year | 1339.47 | 434.15 |
| | Add: Transfer from OCI | - | - |
| | Closing Balance | 2653.83 | 1314.36 |
| iii | Other comprehensive income Remeasurement of Defined Benefit Obligation/ Plan) | | |
| | Opening Balance | - | - |
| | Add; Addition during the year | 9.88 | - |
| | Less: Transfer to retained earning | - | - |
| | Closing Balance | 9.88 | - |
| | Total | 3317.65 | 1830.68 |

Sub Notes

(i) Securities Premium Reserve represents the amount received in excess of par value of securities issued by the company. This reserve is utilised/to be utilised in accordance with provisions of the Act.

(ii) Other Comprehensive income represents the balance in equity for items to be accounted in classified into i) Items that will not be reclassified to profit & loss.

NOTE NO.: 14 : BORROWINGS (NON-CURRENT)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--------------------------------|-----------------|----------------|
| i | Term Loans (Secured) | | |
| | - From Banks | 5520.54 | 4389.40 |
| ii | Other Loans (Unsecured) | | |
| | - Intercorporate Borrowings | 2139.19 | 5014.49 |
| | - From related parties | 2793.43 | - |
| | Total | 10453.17 | 9403.90 |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

12.1 Nature of Security and Terms of Repayment for Long Term secured borrowings:

A. Primary: Details of Securities

- | | | |
|-----|-------------------------------------|---|
| i | Facility: Term Loan from HDFC Bank | Pari Passu Charge over hypothecation of existing as well as proposed plant & Machinery of the company |
| ii | Facility: Term Loan from SVC Bank | Pari Passu Charge over hypothecation of existing as well as proposed plant & Machinery of the company |
| iii | Facility: Vehicle Loan | Hypothecation of Vehicle purchased. |
| iv | Facility: Term Loan from ICICI Bank | Pari Passu Charge over hypothecation of existing as well as proposed plant & Machinery of the company |

B. Collateral:

- | | | |
|---|--|--|
| i | Facility: Term Loan from HDFC Bank & SVC Bank Co. Op. Ltd. | Pari passu charge over equitable mortgage of Factory land admeasuring 40170 sq mtrs, and Building thereof, situated at Survey No. 214 (old No.206) & 236 (old No.237 Paiki), Village Bhayla, Taluka Bavla, District Ahmedabad – 382220 |
|---|--|--|

C. Personal Guarantees:

Personal guarantee of following parties:

- i. Mr. Manoj Jain
- ii. Mrs. Sangeeta Jain
- iii. Mrs. Purnima Sunil
- iv. Mr. Sunny Sunil Singhi

D. Corporate Guarantee:

- i. Aditya Ultra Steel Limited
- ii. Eternal Automobiles

12.2 Terms of Repayment for Long Term

HDFC Bank : Term Loan To be repayable in 72 Monthly installments commencing from October 2021
HDFC Bank : Term Loan To be repayable in 72 Monthly installments commencing from February 2023
HDFC Bank : Term Loan To be repayable in 72 Monthly installments commencing from June 2022
HDFC Bank : Term Loan To be repayable in 78 Monthly installments commencing from February 2024
ICICI Bank : Term Loan To be repayable in 72 Monthly installments commencing from December 2023
SVC Bank : Term Loan To be repayable in 72 Monthly installments commencing from December 2021
SVC Bank : GECL To be repayable in 48 Monthly installments commencing from May 2024
HDFC Bank : GECL I To be repayable in 36 Monthly installments commencing from September 2021
HDFC Bank : GECL II To be repayable in 36 Monthly installments commencing from March 2024
HDFC Bank: Vehicle Loan Installment of Rs.14619/- commencing from November 2021
HDFC Bank: Vehicle Loan EMI of Rs.17740/- commencing from November 2021
HDFC Bank: Vehicle Loan EMI of Rs.30075/- commencing from November 2020
HDFC Bank: Vehicle Loan EMI of Rs.71,136/- commencing from January 2023
HDFC Bank: Vehicle Loan EMI of Rs.43,310/- commencing from September 2023
ICICI Bank: Vehicle Loan EMI of Rs.37485/- commencing from November 2021

12.3 Terms of repayment for Related Parties and Other loans & advances

From Related Parties To be repayable on demand
From Other Parties To be repayable on demand

Notes :

Out of the above loan amount outstanding Installments falling due during 01.04.2024 to 31.03.2025 have been grouped under "Current Maturities of Long Term Debt".



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

NOTE NO.: 15 : LEASE LIABILITIES

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|-------------------------------|--------------|-----------|
| | Lease Liability (Non-Current) | 32.79 | - |
| | Total | 32.79 | - |

(Refer Note No 39)

NOTE NO.: 16 : PROVISIONS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--|--------------|-----------|
| | Provision for Employee Benefit (Non-Current) - Gratuity * | 23.96 | - |
| | Total | 23.96 | - |

(Refer note no 38)

NOTE NO.: 17 : DEFERRED TAX LIABILITIES (NET)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|------------------------|---------------|---------------|
| | Deferred Tax Liability | 528.07 | 333.44 |
| | Deferred Tax Assets | - | - |
| | Total | 528.07 | 333.44 |

(Refer Note no 34 (c))

NOTE NO.: 18 : BORROWINGS (CURRENT)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---|----------------|----------------|
| i | Repayable on Demand (Secured) - From Bank | 7093.18 | 5491.70 |
| ii | Other Loans (Unsecured) - Intercorporate Borrowings | 547.94 | 808.00 |
| iii | Current Maturity of Long Term Debts | 1691.69 | 566.06 |
| | Total | 9332.82 | 6865.76 |

Note: Above Working Capital Loan are secured by hypothecation of Company's Stock and Receivables and Collateral Security of Factory Land & Building and Plant and Machineries.

NOTE NO.: 19 : LEASE LIABILITIES

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---------------------------|-------------|-----------|
| | Lease Liability (Current) | 3.01 | - |
| | Total | 3.01 | - |

(Refer Note No 40)



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

NOTE NO.: 20 : TRADE PAYABLES

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------------|--|----------------|----------------|
| (A) | Total outstanding, dues of micro and small enterprises | | |
| i | Creditors for Goods | 169.32 | - |
| ii | Creditors for Expenses | 13.16 | - |
| iii | Creditors for Transport | 55.06 | - |
| | Total (A) | 237.54 | - |
| (B) | Total outstanding, dues of creditors other than micro and small enterprises | | |
| i | Creditors for Goods | 641.19 | 2213.79 |
| ii | Creditors for Expenses | 428.63 | 536.78 |
| iii | Creditors for Transport | 52.28 | 39.81 |
| | Total (B) | 1122.11 | 2790.39 |
| | Total (A+B) | 1359.66 | 2790.39 |

Note:-

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023-24, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

| | | | |
|----|---|-----------|---|
| a. | Principal and interest amount remaining unpaid | 237.54773 | - |
| b. | Interest due thereon remaining unpaid | - | - |
| c. | Interest paid by the company in terms of section 16 of the Micro, Small and Medium enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | - | - |
| d. | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Macro, Small and Medium Enterprise Act, 2006 | - | - |
| e. | Interest accrued and remaining unpaid | - | - |
| f. | Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

| Particulars | Outstanding for current year from due dates of payment | | | | |
|---------------------------|--|----------|-----------|-------------------|---------|
| | Less than 1 Year | 1-2 Year | 2-3 Years | More than 3 Years | Total |
| Micro & Small Enterprises | 237.54 | - | - | - | 237.54 |
| Others | 1122.11 | - | - | - | 1122.11 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

| Particulars | Outstanding for previous year from due dates of payment | | | | |
|---------------------------|---|----------|-----------|-------------------|---------|
| | Less than 1 Year | 1-2 Year | 2-3 Years | More than 3 Years | Total |
| Micro & Small Enterprises | - | - | - | - | - |
| Others | 2790.39 | - | - | - | 2790.39 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Balance Sheet as on 31st March, 2024

(Rs. In Lacs)

NOTE NO.: 21 : OTHER FINANCIAL LIABILITIES (CURRENT)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|--------------------|----------------------------------|---------------|--------------|
| i | Interest Accrued but not due | 20.44 | 22.63 |
| ii | Payable for PPE (including CWIP) | 892.82 | 7.82 |
| Total (A+B) | | 913.26 | 30.45 |

NOTE NO.: 22 : OTHER CURRENT LIABILITIES

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|--------------------|------------------------|----------------|---------------|
| i | Advance from Customers | 686.52 | 104.65 |
| ii | Statutory Liabilities | 443.38 | 64.81 |
| iii | Salary Payable | 36.50 | - |
| Total (A+B) | | 1166.41 | 169.46 |

NOTE NO.: 23 : PROVISIONS (CURRENT)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|--------------------|--|-------------|-----------|
| | Provision for Employee Benefit - Gratuity * | 0.64 | - |
| Total (A+B) | | 0.64 | - |

(Refer note no 39)

NOTE NO.: 24 : CURRENT TAX LIABILITIES (NET)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|--------------------|---|---------------|-----------|
| | Provision for Current Tax | 379.63 | 15.14 |
| | Less: Tax Deducted and Collected at Sources | 87.67 | 15.14 |
| Total (A+B) | | 291.96 | - |

Note : The Company has opted to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and remeasured its deferred tax liabilities based on the rate prescribed in the said Section as introduced by the Taxation Laws (Amendment) Ordinance, 2019.



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Profit & Loss Account for the 31st March, 2024

(Rs. In Lacs)

NOTE NO.: 25 : REVENUE FROM OPERATIONS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---|-----------------|-----------------|
| i | Sale of Products (Net of Discounts and Sale returns) | 87295.76 | 88201.34 |
| | Total | 87295.76 | 88201.34 |

Sub Note:

(i) Revenue from Contracts with Customers disaggregated based on geography (Revenue is recognised at a point in time)

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|------------------|-----------------|-----------------|
| | - Domestic Sales | 87295.76 | 88201.34 |
| | Total | 87295.76 | 88201.34 |

(ii) Reconciliation of Gross Revenue with the Revenue from Contracts with Customers

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--------------------------------|-----------------|-----------------|
| | Gross Revenue | 87295.76 | 88141.23 |
| | Less: Discount and Sale Return | (9.70) | (60.11) |
| | Total | 87286.06 | 88201.34 |

(ii) Assets and liabilities related to contracts with customers

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---|-----------|-----------|
| | Contract Assets-Trade Receivable - | 1572.77 | 903.06 |
| | Contract Liabilities-Advance from customers | 686.52 | 104.65 |

NOTE NO.: 26 : OTHER INCOME

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|-------------------------------|--------------|-------------|
| i | Interest Income | 17.61 | 4.26 |
| ii | Other income | | |
| | Interset on Income Tax Refund | 3.47 | - |
| | Total | 21.08 | 4.26 |

NOTE NO.: 27 : COST OF MATERIALS CONSUMED

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--|-----------------|-----------------|
| i | Opening Stock Raw Material | 420.74 | 752.11 |
| ii | Add: Purchases , Including Incidental Expenses | 74741.79 | 84368.36 |
| | Total | 75162.53 | 85120.47 |
| iii | Less Closing Stock | 139.05 | 420.74 |
| | Total | 75023.48 | 84699.73 |

NOTE NO.: 28 : PURCHASES OF STOCK-IN-TRADE

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---------------------------------|----------------|----------------|
| i | PURCHASES STOCK IN TRADE | | |
| | Purchases of Goods | 2570.52 | 1311.89 |
| | Less: Captilised to PPE (CWIP) | 369.65 | - |
| | Total | 2200.87 | 1311.89 |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Profit & Loss Account for the 31st March, 2024

(Rs. In Lacs)

NOTE NO.: 29 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|----------------------------|-------------------|-------------------|
| i | Opening Inventories | | |
| | Finished Goods | 9447.33424 | 2874.96320 |
| | Mill Scale /Waste/Scrap | 136.53721 | 228.48550 |
| | | 9583.87144 | 3103.44869 |
| ii | Closing Inventories | | |
| | Finished Goods | 9877.90 | 9447.33 |
| | Mill Scale /Waste/Scrap | 117.95 | 136.53 |
| | | 9995.85 | 9583.87 |
| | Total | (411.98) | (6480.42) |

NOTE NO.: 30 : EMPLOYEES BENEFITS EXPENSE

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--|----------------|---------------|
| i | Salaries, Wages , PF Contribution and Bonus Expenses | 969.54 | 878.97 |
| ii | Staff Welfare Expenses | 20.13 | 24.95 |
| iii | Defined benefit plan / other long-term benefits | 34.48 | - |
| | Total | 1024.17 | 903.93 |

NOTE NO.: 31 : FINANCE COSTS

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--------------------------------|----------------|----------------|
| i | Bank & Other Financial Charges | 51.48 | 14.93 |
| ii | <u>Interest Expenses</u> | | |
| | Banks-Working Capital | 611.26 | 444.02 |
| | Banks- Term-Loan | 383.58 | 377.06 |
| | Other Borrowing Cost | 801.15 | 455.85 |
| | Total | 1847.49 | 1291.88 |

NOTE NO.: 32 : DEPRECIATION AND AMORTISATION EXPENSE

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|---|---------------|---------------|
| i | Depreciation on Property, Plant & Equipment | 388.68 | 356.29 |
| ii | Amortisation Of Intangible Assets | 0.23 | 0.23 |
| iii | Amortisation Of Right of use assets | 5.44 | - |
| | Total | 394.37 | 356.52 |

NOTE NO.: 33 : OTHER EXPENSES

| S.N. | Particulars | 2023-2024 | 2022-2023 |
|------|--|----------------|----------------|
| i | Manufacturing Expenses | | |
| | Power & Fuel Expenses | 2675.84 | 3144.97 |
| | Stores Consumed | 179.25 | 120.37 |
| | Factory Expenses | 29.31 | 6.58 |
| | Insurance Expense | 4.59 | 4.03 |
| | Repair & Maintenance - Factory Shed | 3.05 | 1.91 |
| | Repair & Maintenance - Others | 5.72 | 2.08 |
| | Repair & Maintenance - Plant & Machinery | 12.94 | 16.03 |
| | Testing Expenses | 1.46 | 1.72 |
| | Water Charges | 0.22 | 2.25 |
| | Total | 2912.42 | 3299.98 |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

Notes forming integral part of Profit & Loss Account for the 31st March, 2024

(Rs. In Lacs)

| | | | | |
|------------|--|----------------|----------------|--|
| ii | Administration, Selling and Distribution Expenses | | | |
| | Computer, Internet & Software Expenses | 1.53 | 1.46 | |
| | Postage & Telegram/Communications | 0.86 | 0.45 | |
| | Fees & Subscription Expenses | 5.16 | 5.36 | |
| | Stationery & Printing | 4.67 | 4.05 | |
| | Kasar & Vatv Expenses | 3.03 | 0.96 | |
| | Traveling, Conveyance & Vehicle Expenses | 8.04 | 5.47 | |
| | Office Expenses | 0.82 | 1.43 | |
| | Legal & Professional Charges | 31.96 | 37.26 | |
| | Rent, Rates & Taxes | 12.48 | 14.89 | |
| | CSR Expense | 10.45 | 7.00 | |
| | Auditor's Remuneration | | | |
| | a) Statutory Audit Fees | 1.50 | 1.00 | |
| | b) Tax Audit Fees | - | - | |
| | Insurance Expenses | 6.64 | 6.95 | |
| | Total | 87.17 | 86.33 | |
| iii | Selling & Distribution Expenses | | | |
| | a) Advertisement Expenses | 34.77 | 82.83 | |
| | b) Commission On Sales and Loading Charge | 1.99 | 2.75 | |
| | c) Royalty On Sales | 782.55 | 659.13 | |
| | d) Freight & Cartage On Sales | 1502.20 | 1350.54 | |
| | Travelling Expenses | 22.29 | 27.57 | |
| | Preliminary Expenses Written Off | 0.75 | 0.37 | |
| | Distribution Expense | - | 29.73 | |
| | Prior Period Expense | - | 0.05 | |
| | Other Expenses | - | 0.19 | |
| | Total | 2344.57 | 2153.20 | |
| | Grand Total (i+ii+iii) | 5344.17 | 5539.53 | |



VMS TMT LIMITED
(Formerly known as VMS TMT Private Limited)

NOTE NO.: 34 : INCOME TAX EXPENSE

(Rs. In Lacs)

A) Tax expense recognized in the statement of Profit and Loss

| Particulars | For the Year Ended 31.03.2024 | For the Year Ended 31.03.2023 |
|--|----------------------------------|----------------------------------|
| Current Tax | | |
| Current Tax on taxable income for the year | 379.63 | 15.14 |
| Total current tax expense | 379.63 | 15.14 |
| Deferred tax | | |
| Deferred tax charges/(credit) | 194.63 | 133.24 |
| Total deferred income tax expense/(benefit) | 194.63 | 133.24 |
| Total income tax expense | 574.27 | 148.38 |

B) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

| Particulars | For the Year Ended 31.03.2024 | For the Year Ended 31.03.2023 |
|---|----------------------------------|----------------------------------|
| Enacted income tax rate in India applicable to the company | 0.00 | 0.00 |
| Profit Before Tax | 1901.53 | 582.54 |
| Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in India | 478.57 | 146.61 |
| Tax effect of the amount which are not deductible/(taxable) in calculating taxable income | | |
| Permanent Disallowances | 2.63 | 1.77 |
| Expenses not allowed for tax purpose | 106.56 | 89.72 |
| Additional Allowables for tax purpose | (208.13) | (222.97) |
| Deferred Tax for Current Year | 194.63 | 133.24 |
| Total income tax expense/(Credit) | 574.27 | 148.38 |
| Effective Tax Rate | 30.201% | 25.473% |

C) The Movement in deferred tax assets and liabilities during the year ended 31st March, 2024 and 31st March, 2023

| Particulars | As at 1st April, 2022 - Deferred Tax Liabilities/(Asset) | Charge/(Credit) in statement of Profit and Loss | As at 31st March, 2023 - Deferred Tax Liabilities/(Asset) | Charge/(Credit) in statement of Profit and Loss | Remeasurement of Defined Benefit Plan | As at 31st March, 2024 - Deferred Tax Liabilities/(Asset) |
|---|--|---|---|---|--|---|
| Property, Plant and Equipments | 200.19 | 133.24 | 333.44 | 200.82 | - | 534.26 |
| Provision for Gratuity | - | - | - | (6.19) | - | (6.19) |
| Total Deferred Tax Liabilities/(Asset) | 200.19 | 133.24 | 333.44 | 194.63 | - | 528.07 |

Note : The Company has opted to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and remeasured its deferred tax liabilities based on the rate prescribed in the said Section as introduced by the Taxation Laws (Amendment) Ordinance, 2019.



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2024

1. Corporate Information

VMS TMT Limited (formerly known as VMS TMT Private Limited) is a Public Limited Company, incorporated in India under the provisions of the Companies Act, 2013, having its registered office at Survey No 214 Bhayla Village, Near Water Tank Bavla, Bhayla, Ahmedabad, Bavla, Gujarat, India - 382220. The Company is engaged in the business of manufacturing of TMT Bars and Steel Items.

Material accounting policies:

1.1 Basis of preparation

(i) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principal generally accepted in India.

(ii) Basis of Measurement

These financial statements prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by IND AS. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All values are rounded off to the nearest rupees, unless otherwise indicated.

1.2 Classification of Assets, current and non-current.

The assets or liability is classified as current, if it satisfies the any of the following condition.

- (i) The assets / Liability expected to be realised or paid in the company's normal operating cycle.
- (ii) The assets are intended for sales or consumption.
- (iii) The assets / liability held for the purpose of trade or business
- (iv) The Assets / liability is expected to be realised/ settled within 12 months after reporting period.
- (v) The assets are cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.
- (vi) In case of liability, the company does not have an unconditional right to deter settlement of the liability for at least 12 months after the reporting date.



All other assets or liabilities are classified as non-current. Deferred Assets and Deferred Liability are classified as current assets or liability respectively.

For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on nature of the business and the time between the acquisition of assets or inventories for processing and their realisation in cash or cash equivalents.

1.3 Summary of significant accounting policies

1. Property, Plant and Equipment.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided using straight line method (SLM) as specified schedule II of the companies Act 2013. Depreciation on assets acquired / disposed-off during the year if any, is provided on pro-rata basis with reference to the date of addition / disposal. The estimated useful lives of assets are as under:

| Class of assets | Useful Life |
|----------------------|-------------|
| Building | 30 Years |
| Plant & Machinery | 20 Years |
| Electrification | 10 Years |
| Furniture & Fixtures | 10 Years |
| Office Equipment | 5 Years |
| Vehicles | 8 Years |
| Computers | 3 Years |
| Computer Software | 6 Years |

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Capital work in process

Expenditure related to and incurred during the implementation of capital project, to get the assets ready for intended use is shown under "capital work in process". The same is allocated to the respective items' property, plant and equipment on completion of construction / erection of the capital assets. The cost of assets not put to use before the year and capital inventory are disclosed under Capital work in process.



2. Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower' except for Waste / Scrap which are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company has only single business segment hence the detailed disclosure related to segment reporting is not required to be made.

4. Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in Statement of Profit and Loss as finance costs.

5. Borrowing costs

Borrowing cost directly attributable to the acquisition, construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use, capitalised as part of cost of asset. The borrowing costs includes interest and transaction cost that a company incurs in connection with the borrowing of the funds. Other interest and borrowing costs are charged to Statement of Profit and Loss.

6. Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

7. Revenue recognition

The revenue from contract with customer is recognised upon transfer of control of promised product to the customer in an amount that reflect the consideration, which the company



expect to receive in exchange of product. The revenue is measured based on the transaction price, which is the consideration, adjusted for discount and other incentives if any. The Amount of consideration to which the company expect to be entitled in exchange for transferring promised goods to a customer excluding amounts collected on behalf of third parties (Duties & Taxes on behalf of Government).

The specific recognition criteria from various steam of revenue are described as under:

- (i) Sales of Goods:
Revenue from sales of the goods is recognised when the control of the goods has been passed to the customers as per terms of agreement and there is no continuing effective control or managerial involvement with goods.
- (ii) Interest Income:
Interest income is accrued on a time basis, by reference to the principal outstanding amount and at the effective interest rate applicable, the future cash receipt through the expected life of the financial asset to that asset's carrying amount on initial recognition.

8. Employee benefits

a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

b) Defined Benefit Plans

Gratuity Fund

The company's liability towards gratuity to past employees is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligations.

Provident Fund

Employees receive benefits from a provident fund, a defined contribution plan. The employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary. The contribution is made to the Government's provident fund. However, during the year no such contribution has been made.

9. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.



Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



DISCLOSURE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2024:

35. Contingent Liabilities and Capital Commitments

A. The details of contingent liabilities outstanding as on the date of Balance Sheet:

(Rs. In Lacs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Guarantees issued by the Company's Bankers on behalf of the Company | 1,660.13 | 248.61 |
| GST Claim against the company | 53.92 | - |

B. The details of Capital Commitments as on the date of Balance sheet:

(Rs. In Lacs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 1,911.79 | 7,133.92 |

36. Related Party Disclosures:

List of related parties with whom transaction have taken place during the year along with nature and volume of transactions.

(Rs. In Lacs)

A. Related Party Transactions 2023-2024

| Particulars | Name of related parties & Relation | Nature of Transaction | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--|--------------------------|---|---|
| Key Managerial Personnel | Mr. Manojkumar Jain, Director | Remuneration | 76.80 | 38.40 |
| | Mr. Risabh Sunil Singhi, Director | Shares Allotted | 210.03 | 0.00 |
| | | Remuneration | 43.20 | 21.60 |
| | Mr. Varun Manojkumar Jain, Director | Remuneration | - | - |
| | Mr. Vikram Patel, CFO | Remuneration | 8.53 | - |
| Relative of Key Managerial Personnel/Entities in which Directors or relative are interested | Nishchay Consultancy | Service Charges | - | 2.50 |
| | VMS Industries Limited | Loan Taken | 11,306.00 | 3,831.97 |
| | | Loan Repaid | 11,855.20 | 2,498.09 |
| | | Interest Paid | 238.24 | 92.29 |
| | | Rent Paid | 6.15 | 6.00 |



(Rs. In Lacs)

B. Related Party Outstanding balances 2023-2024

| Particulars | Name of related parties & Relation | As on March 31, 2024 | As on March 31, 2023 |
|---|-------------------------------------|----------------------|----------------------|
| Key Managerial Personnel | Mr. Manojkumar Jain, Director | - | - |
| | Mr. Risabh Sunil Singhi, Director | - | - |
| | Mr. Varun Manojkumar Jain, Director | - | - |
| | Mr. Vikram Patel, CFO | - | - |
| Relative of Key Managerial Personnel/Entities in which Directors or relative are interested | VMS Industries Limited | 2,579.02 | 3,128.22 |

37. There is no inflow or outflow of foreign currency during the year and the company has not entered into foreign exchange transactions during the year.

38. Earnings Per Share:

(Rs. In lacs except Number of Equity Shares)

| Particulars | 2023-24 | 2022-23 |
|---|-------------|-------------|
| Profit Available to Equity Share Holders (A) | 1,327.69 | 434.15 |
| Number of Equity Share at the beginning | 1,26,12,886 | 98,95,386 |
| Shares allotted during the year | 7,24,238 | 27,17,500 |
| Total Number of Equity Shares outstanding | 1,33,37,124 | 1,26,12,886 |
| Total Weighted Average Equity Shares outstanding at the end of the year (B) | 13,271,824 | 10,394,215 |
| Basic Earnings Per Share (A/B) (In Rs.) | 10.00 | 4.18 |
| Diluted Earnings Per share (In Rs.) | 10.00 | 4.18 |

39. Employee Benefits:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

A. Expense recognised for Defined Contribution Plan

(Rs. In Lacs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-----------------------------|-----------------------------------|-----------------------------------|
| PF Contribution of Employer | 3.48 | 2.81 |



B. Expense recognised for Defined Benefit Plan

The Details of significant employee benefits are as follows:

(Rs. In lacs)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|-------------------------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| Obligation: | | | | |
| Balance as at beginning of the year | 18.86 | - | 11.66 | - |
| Current service cost | 14.29 | - | 13.85 | - |
| Interest cost | 1.34 | - | 0.86 | - |
| Benefits paid | - | - | - | - |
| Transfers | - | - | - | - |
| Re-measurements | (9.88) | - | (7.51) | - |
| Present Value of obligation | 24.61 | - | 18.86 | - |
| Current Portion | 0.64 | - | 0.35 | - |
| Non-Current Portion | 23.97 | - | 18.51 | - |

Amount Recognized in Other Comprehensive Income:

(Rs. In lacs)

| Particulars | 2023-2024 | 2022-2023 |
|--|---------------|---------------|
| Experience Losses/(Gains) | 1.06 | (1.82) |
| Losses from change in demographic assumptions | (10.94) | (5.69) |
| (Gains)/Losses from change in financial Assumptions | - | - |
| Re-measurements of defined benefit plans | (9.88) | (7.51) |

Sensitive Analysis:

| Effects of Key Assumptions on Defined Benefit Obligations | Amount in Lacs |
|---|----------------|
| Discount Rate – 1 Percent Increase | 21.34 |
| Discount Rate – 1 Percent Decrease | 28.72 |
| Salary Escalation Rate - 1 percent increase | 28.68 |
| Salary Escalation Rate - 1 percent decrease | 21.31 |
| Withdrawal Rate - 1 percent increase | 24.65 |
| Withdrawal Rate - 1 percent Decrease | 24.56 |

40. Lease Liability

(Rs. In lacs)

| Particulars | 2023-2024 | 2022-2023 |
|------------------------------|--------------|-----------|
| Non- Current Lease Liability | 32.80 | - |
| Current Lease Liability | 3.02 | - |
| Total | 35.82 | - |

The Company's leased assets primarily consists lease of land.



Lease Liability Reconciliation:*(Rs. In lacs)*

| Particulars | Opening Balance | Addition | Finance cost | Net Payment | Closing Balance |
|-------------|-----------------|----------|--------------|-------------|-----------------|
| Land | - | 39.23 | 4.24 | 7.65 | 35.82 |

41. Accounting Ratios

| Sr no | Ratio Name | Numerator | Denominator | F.Y 22-23 | F.Y 23-24 | Variance |
|-------|---------------------------------|-------------------------------------|-----------------------------|-----------|-----------|----------|
| 1 | Current Ratio | Current Asset | Current Liability | 1.11 | 1.34 | -16.80% |
| 2 | Debt-Equity Ratio | Total Outside Liability | Shareholders Fund | 4.25 | 5.24 | -18.86% |
| 3 | Debt-Service Coverage Ratio | Earnings Available for Debt Service | Total Debt Service | 1.48 | 1.14 | 29.27% |
| 4 | Return On Equity Ratio | Net Profit After Tax | Equity Shareholders Fund | 34.25% | 17.46% | 96.17% |
| 5 | Inventory Turnover Ratio | Cost Of Goods Sold | Average Inventory | 8.11 | 11.82 | -31.35% |
| 6 | Trade Receivable Turnover Ratio | Credit Sale | Average Accounts Receivable | 70.52 | 43.20 | 63.24% |
| 7 | Trade Payables Turnover Ratio | Credit Purchase | Average Accounts Payables | 40.45 | 53.40 | -24.26% |
| 8 | Net Capital Turnover Ratio | Sales | Working Capital | 59.63 | 26.59 | 124.22% |
| 9 | Net Profit Ratio | Net Profit | Sales | 1.52% | 0.49% | 209.07% |
| 10 | Return On Capital Employed | Earnings Before Interest and Tax | Capital Employed | 14.99% | 9.51% | 57.59% |
| 11 | Return On Investment | Income from Investments | Investments | N.A | N.A | N.A |

Reasons for Variance above 25%**A. Debt-Service Coverage Ratio, Net Profit Turnover Ratio and Net Profit Ratio:**

The DSCR, NPTR and NPR has improved primarily on account of higher profitability during the year in comparison to previous years.

B. Inventory Turnover Ratio:

The ratio has been deteriorated primarily on account of substantial increase in average inventory for FY 2023-24 in comparison to FY 2022-23 as against the turnover of the company has remained at Par.

C. Trade Receivable Turnover Ratio:

The aforesaid ratio has been improved primarily on account of speedy and regular realization from the receivables during the year.



D. Net Capital Turnover Ratio:

The ratio has been increased on account of decrease in net working capital of the company during the year compared to previous year.

E. Return on Equity and Net Profit Ratio:

The above ratio has improved on account of higher profitability during the year as compared to previous year.

42. Company has not entered in to transactions or amount due / from Companies which Struck-Off either under section 248 of the Act or under section 560 of Companies Act, 1956.
43. The provisions of Section 135 of the Companies Act, 2013 with regard to corporate social responsibility is as under:

| Particulars | Amount in Lacs |
|--|-------------------------|
| Amount required to be spent by the company during the year | 10.38 |
| Amount of expenditure incurred | 10.45 |
| Shortfall at the end of the year | - |
| Total of previous year shortfall | - |
| Nature of CSR activities | Educational Institution |
| Details of related party transactions | - |
| Details of movement in the provision during the year | - |

44. No undisclosed Income is voluntarily disclosed under any scheme identified by Income tax authorities under any tax assessments years under provision of the Income Tax Act.
45. The Company has neither traded nor invested in crypto currency during the financial year.
46. No Proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
47. The Company do not have charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
48. The Company is not declared as willful defaulter by any bank or Financial Institution or other lender during the financial year.
- 49. Utilization of Borrowed funds and Share Premium**
- a. During the year, no funds 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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. During the year, no funds have been received by the Company from any persons or entities, 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. The confirmations of all the balances outstanding as on the reporting date with all the customers, suppliers, unsecured borrowings, deposits and loans and advances are subject to confirmation with books of the counter parties.

50. The Company did not have any long-term contracts, including derivatives contract for which there were any material foreseeable losses.

51. Capital management

The Company’s objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the company is able to provide maximize return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company board of directors reviews the capital structure on a regular basis. As part of this review, the board considers cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

The Net Gearing Ratio at end of the reporting period was as follows: (Rs. In Lacs)

| | As At 31.03.2024 | As At 31.03.2023 |
|--|------------------|------------------|
| Gross Debt | 19,786.00 | 16,269.68 |
| Cash and Marketable Securities | (808.77) | (221.58) |
| Net Debt (A) | 18,977.23 | 16,048.1 |
| Total Equity (As per Balance Sheet) (B) | 4,753.53 | 3,103.76 |
| Total Equity and Debt (C = A +B) | 23746.46 | 19151.86 |
| Net Gearing (A/C) | 0.80 | 0.84 |

52. Financial Instruments – Disclosure

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities 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 at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Disclosures

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet item that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes.

(i) Fair value measurements

This note provide information about how the company determines fair value of various financial assets. Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximates their fair values.



Categories of Financial Instruments

(Rs. In lacs)

| Particulars | Current Year | Previous Year |
|--|-----------------|-----------------|
| Financial Assets (Measured at Amortized Cost) | | |
| - Trade & Other Receivable | 1572.78 | 903.06 |
| - Cash & Cash Equivalents | 808.77 | 221.58 |
| - Other Bank Balances | - | - |
| - Loans | - | - |
| - Other Financial Assets | 466.37 | 51.93 |
| - Investments | - | - |
| Total | 2,847.92 | 1,176.57 |

(Rs. In lacs)

| Particulars | Current Year | Previous Year |
|---|------------------|------------------|
| Financial Liabilities (Measured at Amortized Cost) | | |
| - Borrowings | 19,786.00 | 16,269.68 |
| - Lease Liability | 35.82 | - |
| - Trade Payable | 1214.43 | 2,608.39 |
| - Other Financial Liabilities | 913.26 | 30.46 |
| Total | 21,949.51 | 18,908.53 |

The carrying amount of current financial assets and liabilities as at the end of each year presented approximate the fair value because of their short-term nature. The trade receivables, trade payables, borrowings, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

(ii) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

53. Financial Risk Management Framework

The company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, receivables from government authorities, security deposits and cash and cash equivalents that derive directly from its operations. The company also holds investments. The corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets,



monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Board of Directors of the company for monitoring risks and reviewing policies implemented to mitigate risk exposures.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There have been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company has no exposures to exchange rate fluctuations arise. The company's has no exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the company's functional currency.

Price Risk

The Company's has no exposure to any price related asset or liabilities as on ended of current period and previous period.

Credit Risk

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted. For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a company basis for each class of financial instruments with different characteristics.

The company is making no provision on Trade Receivables based on Expected Credit Loss Model (ECL).

Interest Rate Risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company manages its cash flow interest rate risk by converting higher rate interest loan to lower rate interest loan.



The Company has exposure toward floating interest rate borrowing Rs 19,718.05 Lacs for the year 2023-2024 and Rs 16,204.65 for the year 2022-2023

Interest Rate Sensitivity

If interest rates had been 50 basis point higher/lower and all variable were held constant, the Company's profit for the year ended March 31, 2024 would be decrease/ increase by Rs 98.59 Lacs. The is mainly attribution to interest rates on variable rate borrowings.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system. During the year, the Company has been regular in repayment of principal and interest on borrowings on or before due dates. The Company did not have defaults of principal and interest as on reporting date. The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rs. in Lacs)

| Particulars | Maturity Profile | | | | |
|----------------------------------|------------------|-----------------|-----------------|---------------|------------------|
| | Less than 1 year | 1-3 Years | 3-5 Years | Above 5 Years | Total |
| Year ended March 31, 2024 | | | | | |
| (i) Borrowing | 9,317.12 | 9,069.99 | 1,302.33 | 96.56 | 19,786.00 |
| (ii) Lease Liabilities | 3.02 | 7.32 | 9.10 | 16.38 | 35.82 |
| (iii) Trade Payable | 1,214.43 | - | - | - | 1,214.43 |
| (iv) Other Financial Liabilities | 913.27 | - | - | - | 913.27 |
| Total | 11,447.84 | 9,077.31 | 1,311.43 | 112.94 | 21,949.52 |
| Year ended March 31, 2023 | | | | | |
| Borrowing | 6865.77 | 8,123.85 | 1146.99 | 133.07 | 16269.67 |
| Lease Liabilities | - | - | - | - | - |
| Trade Payable | 2,608.39 | - | - | - | 2,608.39 |
| Other Financial Liabilities | 30.46 | - | - | - | 30.46 |
| Total | 9504.62 | 8123.85 | 1146.99 | 133.07 | 18908.52 |

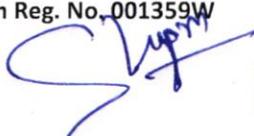


54. Segment Reporting

In line with Ind AS 108 operating segments and basis of the review of operations being done by the senior management, the operations of the group falls under civil construction business which is considered to be the only reportable segment by the management. The Company is principally engaged in a single business segment viz., "Steel TMT Bar Manufacture" which is also the major revenue generating product.

55. Previous year figures have been regrouped, whenever necessary to confirm to current year classification.

For and on behalf of
M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359W




CA. Shyamsunder Nanwal
Partner
M. No. 128896

Place: Ahmedabad
Date: 18.07.2024
UDIN: 24128896 BK BOPV 3632

For and on behalf of
VMS TMT Limited
(Formerly known as VMS TMT Private Limited)



Varun Mahojkumar Jain
Managing Director
DIN : 06502561


Vikram Patel
Chief Financial Officer

Place: Ahmedabad
Date: 18.07.2024



Rishabh Singhi
Whole Time Director
DIN : 09342922



Vijay Boliya
Company Secretary