

# 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 AUDITORS REPORT

To  
The Board of Directors  
VMS TMT Limited  
Survey No 214, Bhayla Village,  
Near Water Tank Bavla,  
Bhayla, Ahmedabad  
Gujarat, India – 382220

#### Report on Special Purpose Standalone Interim Financial Statements

This report is issued in accordance with the terms of our agreement dated August 12, 2024 whereby for the purpose of preparation of Special Purpose Standalone Interim Financial statements to be included in the offer document as required by the ICDR Regulations for proposed Initial Public Offering of VMS TMT Limited. (the "Company"), through an inviting the public to subscribe to the securities being offered by the issuer, with the Securities and Exchange Board of India ("SEBI") and the Registrar of Companies, Ahmedabad, we are required to give our opinion on Special Purpose Standalone Interim Financial statements ("SPSFS") prepared by the management, as to whether the Standalone Financial Statement have been prepared in accordance with Ind AS prescribed under section 133 of Companies Act ("the Act"), read with Companies (Indian Accounting Standards) Rules 2015, as amended.

#### 1. Opinion

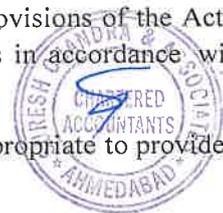
We have audited the accompanying Special Purpose Standalone Interim Financial Statements of M/s VMS TMT Limited ('the Company'), which comprise the Standalone Balance sheet as at June 30, 2025, the Standalone statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the period ended June 2025, including a summary of material accounting policies and other explanatory information (together hereinafter referred to as "SPSFS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid SPSFS are prepared, in all material respects, in accordance, with Indian Accounting Standards ('Ind AS') prescribed under section 133 of Companies Act ("the Act"), read with Companies (Indian Accounting Standards) Rules 2015, as amended.

#### 2. Basis of Opinion

We conducted our audit of SPSFS in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of SPSFS 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 (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on SPSFS.



### **3. Emphasis of matter -Basis of accounting and Restriction on distribution and use**

We draw attention to note no. 1.1 to the SPSFS which describes the purpose and basis of preparation. The SPSFS have been prepared by the company for the purpose of preparation of the Restated Financial information as required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ('ICDR Regulations') in relation to the proposed initial public offering of the company. As a result, the SPSFS may not be suitable for any other purposes. The SPSFS cannot be referred to or distributed in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

### **4. Responsibility of the Management and those charged with Governance for SPSFS**

The Management of the Company is responsible for preparation and presentation of these SPSFS that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the basis stated in Note 1.1 to the SPSFS for the purpose set out in paragraph 3 above.

The management is also responsible for adjusting the SPSFS to correct material misstatements and for affirming to us in its representation letter that the effects of any unadjusted differences identified by us during the work are immaterial, both individually and in the aggregate, to the SPSFS taken as a whole.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 SPSFS.

In preparing the SPSFS, 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 management is also responsible for overseeing the Company's financial reporting process.

### **5. Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the SPSFS as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these SPSFS.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

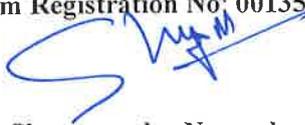
Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings 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.

We make no representation regarding questions of legal interpretation or regarding the sufficiency for your purposes of the procedures enumerated above; also, such procedures would not necessarily reveal any material misstatement of the amounts or percentages listed above.

**M/s. SURESH CHANDRA & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No: 001359N**



**CA Shyamsunder Nanwal**  
**Partner**  
**Membership No. 128896**



**UDIN: 25128896BMIAMW1143**  
**Date: 20/08/2025**  
**Place: Ahmedabad**

Special Purpose Standalone Interim Financial Statements  
Statement of Assets and Liabilities

(All amount are ₹ in Lacs unless otherwise stated)

Particulars	Notes	As at	
		30th June, 2025	31st March, 2025
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2a	17,631.31	17,419.63
(b) Right of Use Assets	2a	28.33	29.42
(c) Capital Work-In-Progress	2b	23.83	5.93
(d) Other Intangible Assets	2a	0.51	0.57
<b>(e) Financial Assets</b>			
(i) Other Financial Assets	3	560.62	556.39
(f) Other Non-Current Assets	4	42.58	53.39
<b>Total Non-Current Assets</b>		<b>18,287.18</b>	<b>18,065.33</b>
<b>Current Assets</b>			
(a) Inventories	5	19,211.52	15,194.68
<b>(b) Financial Assets</b>			
(i) Trade Receivables	6	1,165.05	2,499.45
(ii) Cash and Cash Equivalents	7	34.97	88.90
(iii) Bank balance other than Cash and Cash Equivalents	7A	1,130.10	1,012.50
(iv) Other Financial Assets	8	112.44	112.44
(c) Current Tax Assets (Net)	9	-	-
(d) Other Current Assets	10	4,992.52	4,231.36
<b>Total Current Assets</b>		<b>26,646.60</b>	<b>23,139.33</b>
Assets directly associated with assets classified as held for Sale	40	0.81	1.68
<b>Total Assets</b>		<b>44,934.59</b>	<b>41,206.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	3,463.12	3,463.12
(b) Other Equity	12	4,714.35	3,855.88
<b>Total Equity</b>		<b>8,177.47</b>	<b>7,319.00</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	13	12,541.72	12,489.90
(ia) Lease liabilities	14	27.67	29.42
(b) Provisions	15	32.81	29.79
(c) Deferred Tax Liabilities (Net)	16	744.11	676.54
<b>Total Non-Current Liabilities</b>		<b>13,346.30</b>	<b>13,225.65</b>
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	17	18,376.46	15,081.66
(ia) Lease liabilities	14	4.33	3.38
(ii) Trade Payables	18	-	-
- Total outstanding dues of micro enterprises and small enterprises		95.01	64.29
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,020.83	4,044.73
(iii) Other Financial Liabilities	19	91.09	77.46
(b) Other Current Liabilities	20	276.91	345.68
(c) Provisions	15	1,166.37	864.88
(d) Current Tax Liabilities (Net)	9	379.71	179.01
<b>Total Current Liabilities</b>		<b>23,410.70</b>	<b>20,661.10</b>
<b>Total Liabilities</b>		<b>36,757.01</b>	<b>33,886.75</b>
Liabilities directly associated with assets classified as held for Sale	40	0.12	0.59
<b>Total Equity and Liabilities</b>		<b>44,934.59</b>	<b>41,206.34</b>

Summary of Material accounting policies and Estimates

B

See accompanying notes forming part of the Financial Statements.

As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES

Chartered Accountants

Firm Reg. No. 001359N

CA Shyamsunder Nayari

Partner

Membership No: 128896



For and on behalf of the Board of Directors  
VMS TMT LIMITED

Vinay Jain  
Managing Director  
DIN:- 03502561

Rishabh Singhi  
Whole time Director  
DIN:- 09342922

Vikram Patel  
Chief Financial Officer  
PAN:- A1KPP2317C

Vijay Boliya  
Company Secretary  
M. No.- A68332

Place : Ahmedabad  
Date : 20/08/2025

Place : Ahmedabad  
Date : 20/08/2025

VMS TMT LIMITED  
CIN :- U27204GJ2013PLC074403

Special Purpose Standalone Interim Financial Statements  
Statement of Profit and Loss

(All amount are ₹ in Lacs unless otherwise stated except FPS)

Particulars	Notes	For the period ended 30th June, 2025	For the period ended 31st March, 2025
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from Operations	21	21,225.92	77,019.10
Other Income	22	113.43	121.66
<b>Total Income</b>		<b>21,339.35</b>	<b>77,140.76</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	16,673.90	52,781.10
Purchase of traded goods	24	3,783.26	12,415.76
Changes In Inventories	25	(5,218.69)	(2,042.04)
Employee Benefit Expenses	26	447.98	1,322.37
Finance Costs	27	670.63	1,984.76
Depreciation and Amortisation Expenses	28	243.27	680.53
Other Expenses	29	3,591.14	7,989.88
<b>Total Expenses</b>		<b>20,191.49</b>	<b>75,132.38</b>
<b>Profit/Loss before exceptional items and tax From Continuing Operation</b>		<b>1,147.86</b>	<b>2,008.38</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax for the Period /year From Continuing Operation</b>		<b>1,147.86</b>	<b>2,008.38</b>
<b>Tax Expense</b>			
Current Tax	30	222.66	318.18
Current Tax relating to earlier periods			
Deferred Tax		67.57	148.46
<b>Total Tax Expense</b>		<b>290.22</b>	<b>466.64</b>
<b>Profit/(Loss) after tax for the Period / year From Continuing Operation (A)</b>	<b>Total A</b>	<b>857.64</b>	<b>1,541.75</b>
<b>Discontinued Operation</b>	40	-	(68.15)
Profit/ Loss From Discontinued Operation Before tax		-	-
Earlier's Tax Expenses		-	(68.15)
<b>Profit/ Loss From Discontinued Operation (B)</b>		<b>-</b>	<b>(68.15)</b>
<b>Profit/(Loss) after tax for the Period / year (A) + (B)</b>		<b>857.64</b>	<b>1,473.60</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
- Remeasurement of the Defined Benefit Plans		0.83	8.71
<b>Total Other Comprehensive Income for the year (Net of Tax)</b>	<b>Total B</b>	<b>0.83</b>	<b>8.71</b>
<b>Total Comprehensive Income for the year</b>	<b>Total (A+B)</b>	<b>858.47</b>	<b>1,482.31</b>
<b>Earnings Per Share (EPS) From Continuing Operations (in ₹)</b>	31		
(Face Value ₹ 10 Per Share)			
Basic Earnings per Share		2.48	4.49
Diluted Earnings per Share		2.48	4.49
<b>Earnings Per Share (EPS) From Discontinued Operations (in ₹)</b>	31		
(Face Value ₹ 10 Per Share)			
Basic Earnings per Share		-	(0.20)
Diluted Earnings per Share		-	(0.20)
<b>Earnings Per Share (EPS) From Continuing and Discontinued Operations (in ₹)</b>	31		
(Face Value ₹ 10 Per Share)			
Basic Earnings per Share		2.48	4.29
Diluted Earnings per Share		2.48	4.29

Summary of Material accounting policies and Estimates

See accompanying notes forming part of the Financial Statements.

As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES

Chartered Accountants  
Firm Reg. No. 001359N

CA Shyamunder Nanwal  
Partner  
Membership No: 128896



For and on behalf of the Board of Directors  
VMS TMT LIMITED

Varun Jain  
Managing Director  
DIN:- 03502561

Vikram Patel  
Chief Financial Officer  
PAN:- ATKPP2317C

Rishabh Singhi  
Whole time Director  
DIN:- 09342922

Vijay Boliya  
Company Secretary  
M. No.- A683J2

Place : Ahmedabad  
Date : 20/08/2025

Place : Ahmedabad  
Date : 20/08/2025

VMS TMT LIMITED  
CIN :- U27204GJ2013PLC074403

Special Purpose Standalone Interim Financial Statements

Statement of Changes in Equity

(All amount are ₹ in Lacs unless otherwise stated)

A. Equity Share Capital (Refer Note No. 11)

Particulars	No. of Shares	Amount
Changes in Equity Share Capital due to prior period errors	-	-
Balance at the 01st April, 2024	1,33,37,124	1,333.71
Changes in equity share capital during the year :		
Issue of shares during the year	2,12,94,086	2,129.41
Balance as at 31st March, 2025	3,46,31,210	3,463.12
Changes in Equity Share Capital due to prior period errors	-	-
Balance at the 01st April, 2025	3,46,31,210	3,463.12
Changes in equity share capital during the year :		
Issue of shares during the year	-	-
Balance as at 30th June, 2025	3,46,31,210	3,463.12

B. Other Equity (Refer Note No. 12)

Particulars	Reserves and Surplus		Other comprehensive income remeasurement of net defined benefit plan	Total
	Securities Premium	Retained Earning		
Balance as at 1st April, 2024	653.93	2,653.84	9.88	3,317.65
Profit for the year	-	1,473.60	-	1,473.60
Less: Short Provision for Earlier Year	-	-	-	-
Other comprehensive income for the Period / year	-	-	8.71	8.71
Bonus Issue	(1,118.13)	(914.09)	-	(2,032.22)
Securities premium on fresh issue of shares	1,088.14	-	-	1,088.14
Balance as at 31st March, 2025	623.94	3,213.35	18.59	3,855.88
Balance as at 1st April, 2025	623.94	3,213.35	18.59	3,855.88
Profit for the year	-	857.64	-	857.64
Less: Short Provision for Earlier Year	-	-	-	-
Other comprehensive income for the Period / year	-	-	0.83	0.83
Bonus Issue	-	-	-	-
Securities premium on fresh issue of shares	-	-	-	-
Balance as at 30th June, 2025	623.94	4,070.99	19.42	4,714.35

See accompanying notes forming part of the Financial Statements.  
As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 901359N

  
[ CA Shyamsunder Nanwal ]  
Partner  
Membership No: 128896

Place : Ahmedabad  
Date : 20/08/2025

For and on behalf of the Board of Directors  
VMS TMT LIMITED

  
Varun Jain  
Managing Director  
DIN:- 03502561

  
Rishabh Singhi  
Whole time Director  
DIN:- 09342922

  
Vikram Patel  
Chief Financial Officer  
PAN:- ATKPP2317C

  
Vijay Bolha  
Company Secretary  
M. No.:- A68332

Place : Ahmedabad  
Date : 20/08/2025



VMS TMT LIMITED  
CIN :- U27204GJ2013PLC074403

Special Purpose Standalone Interim Financial Statements  
Statement of Cash Flows

(All amount are ₹ in Lacs unless otherwise stated)

Particulars	For the period ended 30th June, 2025	For the period ended 31st March, 2025
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax for the period		
Continuing Operation	1,147.86	2,008.38
Discontinued Operation (refer Note no. 40)	-	(68.15)
<b>Profit / (Loss) before tax including discontinued operations</b>	<b>1,147.86</b>	<b>1,940.24</b>
Adjustments for:		
- For Continuing Operation		
Depreciation / Amortisation	243.27	680.53
Interest Income	(88.94)	(64.54)
Finance Cost	670.63	1,984.76
Allowance for expected credit loss	(63.07)	125.61
Unrealised Foreign Exchange Difference	(11.03)	(57.12)
Preliminary Expenses Written Off	-	-
Loss on Sale of Property, Plant & Equipment	-	0.76
Earlier year income tax adjustment	-	-
-For Discontinued Operation (refer Note - 40)	-	-
<b>Operating profit before working capital changes</b>	<b>1,898.72</b>	<b>4,610.24</b>
<b>Changes in Working Capital:</b>		
- For Continuing Operation		
(Increase) / Decrease in Assets :		
Trade Receivables	1,397.47	(1,052.28)
Other financial assets	-	(62.44)
Other Current Assets	(756.60)	(3,402.20)
Inventories	(4,016.85)	(4,258.05)
Increase / (Decrease) in Liabilities :		
Other Financial Liabilities	13.63	(835.81)
Other liabilities	(68.77)	(486.55)
Trade Payables	(993.19)	2,894.60
Provisions	305.33	735.34
(4,119.05)	(6,469.20)	
-For Discontinued Operation (refer Note - 40)	0.41	(1.09)
<b>Cash generated/(used) from operations</b>	<b>(2,219.92)</b>	<b>(1,860.06)</b>
Income taxes paid (Net of Refund)	(21.96)	(431.13)
<b>Net cash generated/(used) from operating activities (A)</b>	<b>(2,241.88)</b>	<b>(2,291.19)</b>
<b>B. Cash flow from investing activities</b>		
- For Continuing Operation		
Purchase of Property, Plant and Equipment (including CWIP)	(471.69)	(5,634.69)
Proceeds from the sale of Property, plant and Equipment	-	41.86
Margin Money Deposited with bank (Net)	(123.33)	(1,035.33)
Other Financial Asset (Non Current)	1.70	(27.43)
Interest Income	88.94	64.34
Share of Company in (Profit)/ Loss in Firm	-	-
Advance for Capital Goods (Net)	10.81	1,073.25
(493.78)	(5,517.79)	
-For Discontinued Operation (refer Note - 40)	-	-
<b>Net cash generated/(used) in investing activities (B)</b>	<b>(493.78)</b>	<b>(5,517.79)</b>
<b>C. Cash flow from financing activities</b>		
- For Continuing Operation		
Proceeds from Issue of Equity Shares	-	1,185.33
Proceeds from Current Borrowings	4,886.89	12,475.17
Repayment of Current Borrowings	(1,645.36)	(7,076.13)
Proceeds from Non - Current Borrowings	1,480.87	5,177.26
Repayment of Non - Current Borrowings	(1,364.76)	(2,733.61)
Payment of Lease Liability	(1.33)	(6.12)
Prepaid IPO Expenses	(4.48)	48.88
Finance Cost	(669.90)	(1,981.66)
2,681.73	7,089.12	
-For Discontinued Operation (refer Note - 40)	-	-
<b>Net cash generated/(used) in financing activities (C)</b>	<b>2,681.73</b>	<b>7,089.12</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(53.93)</b>	<b>(719.87)</b>
Cash and cash equivalents at the beginning of the year	88.90	808.77
Cash & Csh Equivalents as at End of the Year	34.97	88.90
<b>Cash and Cash Equivalent Includes</b>		
Cash in hand	17.58	17.44
Balances with Banks		
-In Current Accounts	17.39	71.46
Fixed Deposits (with original maturity less than three months)	-	-
<b>Total Cash and Cash Equivalents</b>	<b>34.97</b>	<b>88.90</b>



VMS TMT LIMITED  
CIN :- U27204GJ2013PLC074403

Special Purpose Standalone Interim Financial Statements  
Statement of Cash Flows

(All amount are ₹ in Lacs unless otherwise stated)

Notes to Cash Flow Statement:

1. Disclosure as per Ind AS 7 Statement of Cash Flows:

The Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). In this regards the Company has provided the following information.

Changes in liabilities arising from financing activities

Particulars	As at 1st April, 2025	Cash Flows	Others	As at 30th June, 2025
Long-term Borrowings Including Current Maturities	14,601.66	1,480.87	(1,365.87)	14,716.66
Lease Liability	29.42	(1.53)	(0.22)	27.67
<b>Total</b>	<b>14,631.08</b>	<b>1,479.34</b>	<b>(1,366.09)</b>	<b>14,744.33</b>

Particulars	As at 1st April, 2024	Cash Flows	Others	As at 31st March, 2025
Long-term Borrowings Including Current Maturities	12,160.57	(2,733.61)	5,174.70	14,601.66
Lease Liability	32.80	(6.12)	2.71	29.42
<b>Total</b>	<b>12,193.37</b>	<b>(2,739.73)</b>	<b>5,177.41</b>	<b>14,631.08</b>

2. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 001359N

[ CA Shyamunder Nanwani  
Partner  
Membership No: 128896



For and on behalf of the Board of Directors of  
VMS TMT LIMITED

*Jain*  
Manoj Jain  
Managing Director  
DIN:- 03502561

*Rishabh Singh*  
Rishabh Singh  
Whole time Director  
DIN:- 09342922

*Vikram Patel*  
Vikram Patel  
Chief Financial Officer  
PAN:- ATKPP2317C

*Vijay Boliya*  
Vijay Boliya  
Company Secretary  
M. No:- A68332

Place : Ahmedabad  
Date : 20/08/2025

Place : Ahmedabad  
Date : 20/08/2025



## A Significant Accounting Policies

### 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, 1956, having its registered office at Survey No. 214, Near Water Tank, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220. The Company is engaged in the business of manufacturing of TMT Bars and dealing into other Steel Items.

## B Material accounting policies:

### 1.1 Basis of preparation

The Special Purpose Standalone Interim Financial Statements as at June 30, 2025 comprises of Standalone Balance sheet as at June 2025, Standalone Statements of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for year period ended June 30, 2025, (hereinafter collectively referred to as "Special Purpose Standalone Interim Financial Statements ('SPSFS') of VMS TMT Limited") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") or Red Herring Prospectus (RHP) or Prospectus, to be filed by the company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer of equity shares of Rs 10 each (referred to as the 'Issue'). The SPSFS have been approved by the Board of Directors of the company on August 20, 2025

These SPSFS have been prepared in accordance with the requirement of the Companies Act 2013 ("the Act"), the companies (Indian Accounting Standards) Rules 2015 (Ind AS) as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

The comparative financial statements of the Company for the year ended March 31, 2025 included in these SPSFS are based on the Audited Standalone Ind AS Financial Statements, which were prepared in accordance with Ind AS 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 which have been approved by the Board of Directors at their meeting held on August 20, 2025

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, for all the years presented in the said SPSFS.

These SPSFS correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the SPSFS where applicable.

The preparation of the said SPSFS requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the SPSFS, or areas involving a higher degree of judgement or complexity.

### 1.2 Functional and presentation currency

The SPSFS are presented in Indian Rupee (INR), which is also the Company's functional currency.

All amounts included in the SPSFS are reported in Rupees in Lacs up to two decimals except shares and per share data unless otherwise stated. Due to rounding off the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

### 1.3 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.

### 1.4 Summary of significant accounting policies

#### 1. Property, Plant and Equipment.

**Recognition and measurement:**  
Freehold land is carried at cost.



Property, plant and equipment held for use in the production or/and supply of goods are stated in the balance sheet at cost, less any accumulated depreciation and sale or disposal (if any).

Cost of an item of Property, plant and equipment acquired comprises its purchase price after deducting any trade discounts and rebates and further includes any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognised in the Statements of Profit and Loss.

**Subsequent measurement:**

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.

**Intangible Assets**

**Recognition and measurement:**

Intangible asset purchased are measured at cost less accumulated amortization and accumulated impairment, if any and are amortized as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.

**Subsequent measurement:**

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the company.

**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
Freehold Land	Non Depreciable
Building	30 Years
Plant & Machinery	20 Years
Electrification	10 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Vehicles	8 Years
Computers	3 Years
Intangible Asset	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 Advances**

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advances under "other non-current assets"

**Capital work in process**

Unallocated expenditures in Capital Work in Progress (CWIP) refer to costs incurred during the construction or development of an asset that are not yet assigned to a specific asset. Such expenditures may include overheads, related expenses, or preliminary project costs.

Unallocated expenditures in CWIP are treated as part of the cost of an asset until it is ready for intended use. Costs that cannot be directly attributed to specific assets are accumulated in CWIP and allocated when the assets are completed and become operational.

**2. Inventories**

Inventories of Raw Materials and Stores and spares parts are stated at Cost. Work-in-Progress, Finished Goods, and Purchase in stock - Traded Goods Stock-in-trade and Coal are stated 'at cost or net realisable value, whichever is lower'. Mill Scale /Waste / Scrap 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**

Based on the "Management Approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. The Managing Director (MD) has been identified as CODM.



The Company has evaluated the requirements of Ind AS 108 and determined that it does not have any distinct segments that meet the criteria for separate disclosure. As a result, segment reporting is not applicable.

**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.

**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 liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

**7. Revenue recognition**

**(i) Revenue From Operations**

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

Sales of Goods:

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from sale of goods is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products and which coincides with the dispatch of goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any. Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the company on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the company. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns. The contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. This is determined basis when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the company is entitled to payment.

**(ii) Other 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**

**Defined benefit plan**

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 period. 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.

**Defined Contribution Plan**



A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

## 9. Income tax

### Current 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 Tax

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.

## 10. Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

### (i) Right-of Use Assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### (ii) Lease Liabilities

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

## 11. Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Companies accounting policies. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Financial Instruments

Financial assets (except for trade receivables) 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 measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### (A) Financial assets

##### Initial Recognition and measurement :

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement :

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### (i) Classification and measurement of financial assets

##### a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if both of the following criteria are met

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### c) Financial assets at fair value through profit & loss (FVTPL)

All financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

#### (ii) Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses on a forward looking basis. However, if the credit risk on the financial instruments has increased significantly since the initial recognition, then the Company measures lifetime ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized under the head 'Other Expenses' in the statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

##### Financial assets measured as at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. This allowance reduces the net carrying amount.

##### Debt instruments measured at FVTPL:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Change in fair value is taken to the statement of Profit and Loss.

##### Debt instruments measured at FVTOCI:

Since financial assets are already reflected at Fair Value, impairment allowance is not further reduced from its value. Company does not have any Purchased or Originated Credit Impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

#### (iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily



derecognised (i.e. removed from the Company's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

## **(B) Financial liabilities and equity instruments**

### **(i) Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans, trade credits and borrowings (including bonds) are subsequently measured at amortised cost using effective interest rate method.

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

### **(ii) Derecognition of Financial Liability**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

## **12. Use of estimates & Judgments**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make informed judgments, reasonable assumptions and estimates that affect the amounts reported balances of Assets and Liabilities, disclosures of contingent Liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Evaluation of recoverability of deferred tax assets / liability (Net); and
- Provisions and Contingencies



**13. Earnings per share**

Basic earnings per share are calculated by dividing the net profit (PAT) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax (if any) thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, Right Shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

**14. Foreign Currencies**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**Exchange difference**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous Restated summary statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

The Company's Restated summary statements are presented in Indian Rupee. The Company determines the functional currency as Indian Rupee on the basis of primary economic environment in which the entity operates.

**15. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of Statement of Cash Flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the company's cash management, are also included as a component of cash and cash equivalents.

**16. Cash flow Statements**

Statement of Cash flows is being prepared in accordance with the indirect method prescribed in Indian Accounting Standard – 7 on 'Statement of Cash flow', whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing, and financing activities of the Company are segregated.

**17. Rounding Off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirements of Schedule III, unless otherwise stated.





**VMS TMT LIMITED**

**Note No. : 2a**

**Notes:**

- a) The Company has assessed the impairment of assets and is of the opinion that since the company is going concern, there is no indication exist for the impairment of the PPE.
- b) The useful life of the PPE have been defined in the accounting policies.
- c) No PPE have been classified as held for sale in accordance with Ind AS 105.
- d) The company has not revalued its Property, Plant & Equipment (including right of use assets).
- e) No Capital expenses was incurred on Assets not owned by the the company during the year .
- f) There is no obsolete asset which has been so far held under Property, Plant & Equipment.
- g) There is no restriction on title of PPE and nothing has been pledged as security (except the hypothecation of commercial vehicles against the lien taken from FII's) and liability.
- h) There is no amount to be received on account of compensation from third party for items of PPE that were impaired, lost or given to the company that is to be recognized in the statement of profit & Loss account.
- i) There are no temporarily idle PPE.
- j) The company does not hold any benami property and there are no proceedings which have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**Note No. : 2b Capital Work-In-Progress**

Particulars	As at 30th June, 2025	As at 31st March , 2025
Balance at the beginning	5.93	5,168.42
Add : Additions	17.90	4,222.35
Less : Capitalised during the year	-	9,384.83
<b>Balance at the end</b>	<b>23.83</b>	<b>5.93</b>

**Ageing of Capital Work-in-Progress**

**Ageing Schedule of capital work-in-progress as at 30th June, 2025**

Particulars	Amount in CWIP for period of				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	
Project in progress	5.93	17.90	-	-	23.83

**Ageing Schedule of capital work-in-progress as at 31st March, 2025**

Particulars	Amount in CWIP for period of				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	
Project in progress	5.93	-	-	-	5.93

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 30th June 2025 & 31st March 2025.



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

**Note: 3 Other Financial Assets - Non Current**

Particulars	As at	As at
	30th June, 2025	31st March, 2025
Security Deposits	59.59	63.46
Balance Held as Margin Money	493.28	487.35
Interest Receivable and Due	7.75	5.57
<b>Total</b>	<b>560.62</b>	<b>556.39</b>

# Balance Held as Margin Money of ₹ 493.28 Lacs under the head of Other financial assets (non-current) represented by deposit of ₹ 373.73 Lacs provided to HDFC Bank as Margin money for Bank Guarantee issued to UGVCL and as a Cash Collateral to secure credit facilities. Further, Deposit of ₹ 119.55 Lacs provided to ICICI Bank as cash collateral to secure credit facilities sanctioned to us on account of non-availability equivalent Collateral coverage.

# Balance Held as Margin Money of ₹ 487.35 Lacs under the head of Other financial assets (non-current) represented by deposit of ₹ 367.35 Lacs provided to HDFC Bank as Margin money for Bank Guarantee issued to UGVCL and as a Cash Collateral to secure credit facilities. Further, Deposit of ₹ 120.00 Lacs provided to ICICI Bank as cash collateral to secure credit facilities sanctioned to us on account of non-availability equivalent Collateral coverage.

**Note: 4 Other Non - Current Assets**

Particulars	As at	As at
	30th June, 2025	31st March, 2025
Capital Advances	42.58	53.39
<b>Total</b>	<b>42.58</b>	<b>53.39</b>

**Note: 5 Inventories**

Particulars	As at	As at
	30th June, 2025	31st March, 2025
Raw Materials	175.19	1,590.36
Finished Goods	10,944.09	11,003.28
Stores and Spare parts	1,732.82	1,511.81
Work In Progress	5,984.07	823.40
Purchase in stock - Traded Goods	21.28	21.44
Mill Scale /Waste / Scrap (valued at net realisable value)	307.15	189.77
Coal	46.93	54.61
<b>Total</b>	<b>19,211.52</b>	<b>15,194.68</b>

Inventories of Raw Materials and Stores and spares parts are stated at Cost. Work-in-Progress, Finished Goods, and Purchase in stock - Traded Goods Stock-in-trade and Coal are stated "at cost or net realisable value, whichever is lower". Mill Scale /Waste / Scrap 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.

**Note: 6 Trade Receivables**

Particulars	As at	As at
	30th June, 2025	31st March, 2025
Trade receivable considered good- Unsecured	977.44	2,625.06
Credit Impaired	250.15	-
<b>Total</b>	<b>1,227.59</b>	<b>2,625.06</b>
Less : Expexted Credit Loss Allowance	(62.54)	(125.61)
<b>Total</b>	<b>1,165.05</b>	<b>2,499.45</b>

For More Details Refer Annexure - "A"

\*Trade Receivables are hypothecated as security against bank borrowings (Details given in Note no.13 - Borrowing)

**Note: 7 Cash and Cash Equivalents**

Particulars	As at	As at
	30th June, 2025	31st March, 2025
Balances with banks		
In current account	17.39	71.46
Cash In Hand	17.58	17.44
<b>Total</b>	<b>34.97</b>	<b>88.90</b>

**Note: 7A Bank balance other than Cash and Cash Equivalents**

Particulars	As at	As at
	30th June, 2025	31st March, 2025
Balance held as depository margin money having Maturity more than three months*	1,130.10	1,012.50
<b>Total</b>	<b>1,130.10</b>	<b>1,012.50</b>



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

- \* In Compliance with sanction letter and term sheet of Rupee term loan sanctioned by HDFC Bank Limited, Company has maintain Debt service reserve account in form of Fixed deposit having maturity of more than 3 months, which shall be rollover and will subsist till the tenure of loan.

Note: 8 Other Financial Assets - Current

Particulars	As at	
	30th June, 2025	31st March, 2025
Security Deposits	112.44	112.44
<b>Total</b>	<b>112.44</b>	<b>112.44</b>

Note: 9 Current Tax Asset

Particulars	As at	
	30th June, 2025	31st March, 2025
Advance Income Tax (Net)	125.88	103.93
Less: Provision for Income tax	(505.60)	(282.94)
<b>Total</b>	<b>(379.71)</b>	<b>(179.01)</b>
Current Tax Assets	-	-
Current Tax Liabilities	379.71	179.01

Note: 10 Other Current Assets

Particulars	As at	
	30th June, 2025	31st March, 2025
Advance to Suppliers	2,432.60	1,845.38
GST & Subsidy Receivables	1,894.78	1,726.71
Prepaid Expenses	664.53	657.15
Advance to Employees	0.61	2.06
Interest accrued but not due (Interest Receivable)	-	0.06
<b>Total</b>	<b>4,992.52</b>	<b>4,231.36</b>

Note: 11 Equity Share Capital

Particulars	As at	
	30th June, 2025	31st March, 2025
Authorised Share Capital (1) 5,10,00,000 Equity Shares of ₹ 10/- (2,00,00,000 - FY 2023-2024) Equity Shares of ₹ 10/- each	5,100.00	5,100.00
<b>Total</b>	<b>5,100.00</b>	<b>5,100.00</b>
Issued, Subscribed and Paid-up Share Capital (2) 3,46,31,210 (As at 31st March 2024 -	3,463.12	3,463.12
<b>Total</b>	<b>3,463.12</b>	<b>3,463.12</b>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

Particulars	As at 30th June, 2025		As at 31st March, 2025	
	No. Shares	Amount	No. Shares	Amount
At the beginning of the Year	3,46,31,210.00	3,463.12	1,33,37,124.00	1,333.71
Add : Issued During the Year	-	-	2,12,94,086.00	2,129.41
<b>Outstanding at the end of the year</b>	<b>3,46,31,210.00</b>	<b>3,463.12</b>	<b>3,46,31,210.00</b>	<b>3,463.12</b>

b. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

c. Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 30th June, 2025		As at 31st March, 2025	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity Shares of ₹ 10 each fully paid				
Manojkumar Jain	1,02,81,250	29.69%	1,02,81,250	29.69%
Sangeeta Jain	25,46,275	7.35%	25,46,275	7.35%
Rishabh Sunil Singhi	1,20,14,760	34.69%	1,20,14,760	34.69%
Varun Jain	85,00,000	24.54%	85,00,000	24.54%
<b>Total</b>	<b>3,33,42,285</b>	<b>96.28%</b>	<b>3,33,42,285</b>	<b>96.28%</b>



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

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

e. Details of Shareholding of

Equity Shares of ₹ 10 each fully paid	No. of shares	% of total shares	% Change during the year
<b>As at 30th June, 2025</b>			
Manojkumar Jain	1,02,81,250	29.69%	0.00%
Sangeeta Jain	25,46,275	7.35%	0.00%
Rishabh Sunil Singhi	1,20,14,760	34.69%	0.00%
Varun Jain	85,00,000	24.54%	0.00%
<b>As at 31st March, 2025</b>			
Manojkumar Jain	1,02,81,250	29.69%	#REF!
Sangeeta Jain	25,46,275	7.35%	#REF!
Rishabh Sunil Singhi	1,20,14,760	34.69%	#REF!
Varun Jain	85,00,000	24.54%	#REF!

Note: 12 Other Equity

Particulars	As at 30th June, 2025	As at 31st March, 2025
<b>Retained Earnings*</b>		
Opening Balance	3,213.35	2,653.84
Add: Change in accounting policy or prior period errors	-	-
Less: Short Provision for Earlier Year	-	-
Add/Less : Profit / (Loss) for the Period / year after tax	857.64	1,473.60
Less: Bonus Share Issued	-	(914.09)
<b>Total</b>	<b>4,070.99</b>	<b>3,213.35</b>
<b>Securities Premium</b>		
Opening Balance	623.94	653.93
Add/(Less): During the Period / year	-	1,088.14
Less: Bonus Issue during the period	-	(1,118.13)
Closing Balance	623.94	623.94
<b>Other Comprehensive Income remeasurement of net defined benefit plan</b>		
Opening Balance	18.59	9.88
Less: Change in accounting policy or prior period errors	-	-
Add/(Less): During the Period / year	0.83	8.71
Closing Balance	19.42	18.59
<b>Total</b>	<b>4,714.35</b>	<b>3,855.88</b>

Note:

\* **Retained Earnings** : Retained earnings (in the event of availability of profits) represents the amount that can be distributed by the company as dividends considering the requirements of the Companies' Act, 2013.

Note: 13 Borrowings

Particulars	As at 30th June, 2025	As at 31st March, 2025
<b>Secured - At Amortised Cost</b>		
From Bank		
Rupee Term Loan	7,864.80	8,295.15
<b>Total</b>	<b>7,864.80</b>	<b>8,295.15</b>
Less : Unamortised Borrowing Cost	(12.03)	(13.14)
Less : Amount disclosed under the head "current borrowing" (Refer Note : 17)	(1,829.58)	(1,765.28)
<b>Total (a)</b>	<b>6,023.20</b>	<b>6,516.73</b>
<b>Unsecured - At Amortised Cost</b>		
From Other		
Less: Current maturities (Refer Note: 17)	2,092.55	1,775.21
	(333.33)	(333.33)
From Related Parties	1,759.22	1,441.88
<b>Total (b)</b>	<b>4,759.30</b>	<b>4,531.30</b>
<b>Total (a+b)</b>	<b>12,541.72</b>	<b>12,489.90</b>

For More Details Refer Annexure - "B"



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

Note: 14 Lease Liability

Particulars	Non-Current		Current	
	As at	As at	As at	As at
	30th June, 2025	31st March, 2025	30th June, 2025	31st March, 2025
Lease liabilities ( Refer Note 41 )	27.67	29.42	4.33	3.38
<b>Total</b>	<b>27.67</b>	<b>29.42</b>	<b>4.33</b>	<b>3.38</b>

Note: 15 Provisions

Particulars	Non-Current		Current	
	As at	As at	As at	As at
	30th June, 2025	31st March, 2025	30th June, 2025	31st March, 2025
Employee Defined Benefit Liabilities				
Provision for Gratuity (Refer Note : 34)**	32.81	29.79	0.62	0.56
Provision for Expenses	-	-	1,165.75	864.32
<b>Total</b>	<b>32.81</b>	<b>29.79</b>	<b>1,166.37</b>	<b>864.88</b>

Note: \*The company has adopted policy for not allowing carry forwarding of Outstanding leaves as on the closure of financial year. Accordingly, the company has not made  
\*\* The company has made the provision of Gratuity. However, the same has not been funded.

Note : 16 Deffered Tax Asset (Net)

Particular	As at	As at
	30th June, 2025	31st March, 2025
Deferred tax liabilities		
Opening Balance	(685.54)	(534.27)
Fixed Assets : Impact of tax	(69.60)	(151.27)
Right of use assets : Ind AS Impact		
Gross deferred tax liabilities	<u>(755.14)</u>	<u>(685.54)</u>
Deferred tax asset		
Opening Balance	9.00	6.19
Effect of expenditure debited to profit		
a. Effect of Provision for gratuity in the financial reporting period	0.77	1.45
b. Effect of Right of Use Assets	1.26	1.36
Gross deferred tax Assets	<u>11.03</u>	<u>9.00</u>
<b>Net deferred tax (liabilities) / assets</b>	<b>(744.11)</b>	<b>(676.54)</b>

(a) Movement in Deferred Tax Assets/(Liabilities) (Net) for the Period Ended 31st March, 2025

Particulars	Opening Balance as at 1st April, 2025	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 30th June 2025
Tax effect of items constituting deferred tax liabilities:				
Difference between carrying amount	(685.54)	(69.60)	-	(755.14)
M2M gain on Mutual Funds	-	-	-	-
<b>Total</b>	<b>(685.54)</b>	<b>(69.60)</b>	<b>-</b>	<b>(755.14)</b>
Tax effect of items constituting deferred tax assets:				
Difference arising on account of creation pf provision for gratuity	7.64	0.77	-	8.41
Expenses allowable for tax purposes when paid (u/s sec. 40(a) / 43B of the Inc)	-	-	-	-
Lease expenses	-	-	-	-
Unamortised Government Grant	-	-	-	-
Rights of Hedge Reserve	-	-	-	-
Difference arising on account Right of Use Assets	1.36	1.26	-	2.62
<b>Total</b>	<b>9.00</b>	<b>2.03</b>	<b>-</b>	<b>11.03</b>
<b>Net Deferred Tax Asset/ (Liability)</b>	<b>(676.54)</b>	<b>(67.57)</b>	<b>-</b>	<b>(744.11)</b>

Particulars	Opening Balance as at 1st April, 2024	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2025
Tax effect of items constituting deferred tax liabilities:				
Difference between carrying amount	(534.27)	(151.27)	-	(685.54)
<b>Total</b>	<b>(534.27)</b>	<b>(151.27)</b>	<b>-</b>	<b>(685.54)</b>
Tax effect of items constituting deferred tax assets:				
Difference arising on account of creation pf provision for gratuity	6.19	1.45	-	7.64
Difference arising on account Right of Use Assets	-	1.36	-	1.36
<b>Total</b>	<b>6.19</b>	<b>2.81</b>	<b>-</b>	<b>9.00</b>
<b>Net Deferred Tax Asset/ (Liability)</b>	<b>(528.07)</b>	<b>(148.46)</b>	<b>-</b>	<b>(676.54)</b>



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

**Note : 17 Current Financial Liabilities - Borrowings**

Particular	As at	As at
	30th June, 2025	31st March, 2025
<b>Secured Borrowings - At mortised Cost</b>		
Current maturities of long-term borrowings (Refer Note no. 13)	1,829.58	1,765.28
From Banks		
Cash Credit	9,797.76	9,477.91
Buyer's Credit	4,781.75	2,390.82
<b>Total</b>	<b>16,409.09</b>	<b>13,634.02</b>
<b>Unsecured Borrowings</b>		
Current maturities of long-term borrowings (Refer Note no. 13)	333.33	333.33
From Others	1,634.04	1,114.31
<b>Total (B)</b>	<b>1,967.37</b>	<b>1,447.64</b>
<b>Total (A+B)</b>	<b>18,376.46</b>	<b>15,081.66</b>

**Note : 18 Trade Payables**

Particular	As at	As at
	30th June, 2025	31st March, 2025
<b>Trade Payables</b>		
Total outstanding dues of creditor micro enterprise and small enterprise	95.01	64.29
Total outstanding dues of creditor other than micro enterprise and small enterprise	3,020.83	4,045
<b>Total</b>	<b>3,115.83</b>	<b>4,109.02</b>

For More Details Refer Annexure - "C"

**Note : 19 Other Financial Liabilities - Current**

Particular	As at	As at
	30th June, 2025	31st March, 2025
Interest accrued but not due on borrowings	33.42	50.34
Payable for Property, Plant and Equipment	57.67	27.12
<b>Total</b>	<b>91.09</b>	<b>77.46</b>

**Note : 20 Other Current Liabilities**

Particular	As at	As at
	30th June, 2025	31st March, 2025
Statutory Liabilities	146.70	65.38
Salary Payable	62.89	54.68
Advance from Customer	67.33	225.62
<b>Total</b>	<b>276.91</b>	<b>345.68</b>

**Note : 21 Revenue From Operations**

Particular	For the period ended	For the period ended
	30th June, 2025	31st March, 2025
<b>Revenue from Contract with customers</b>		
Sale of Good		
- Domestic Sales	21,125.29	76,024.83
- Export Sales - SEZ	-	212.02
<b>Other Operating Income</b>		
Subsidy Income from GST	100.63	782.25
<b>Total</b>	<b>21,225.92</b>	<b>77,019.10</b>

**Note : 22 Other Income**

Particular	For the period ended	For the period ended
	30th June, 2025	31st March, 2025
Interest Income From Bank	25.87	64.54
Foreign Exchange Gain	24.49	57.12
Expected Credit Loss Allowance Reversal	63.07	
<b>Total</b>	<b>113.43</b>	<b>121.66</b>



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

Particular	For the period ended	For the period ended
	30th June, 2025	31st March, 2025
Opening Stock	1,590.36	139.06
Raw Material Purchase	15,258.73	54,232.41
Less: Closing Stock	(175.19)	(1,590.36)
<b>Total</b>	<b>16,673.90</b>	<b>52,781.10</b>

Particular	For the period ended	For the period ended
	30th June, 2025	31st March, 2025
Purchase of Trading goods	3,783.26	12,415.76
<b>Total</b>	<b>3,783.26</b>	<b>12,415.76</b>

Particular		For the period ended	For the period ended
		30th June, 2025	31st March, 2025
Opening Inventories	Purchase in stock - Traded Goods	21.44	10.47
	Work In Progress	823.40	-
	Finished Goods	11,003.28	9,867.43
	Mill Scale /Waste / Scrap (valued at net realisable value)	189.77	117.95
		<b>12,037.90</b>	<b>9,995.86</b>
Less: Closing Inventories	Purchase in stock - Traded Goods	(21.28)	(21.44)
	Work In Progress	(5,984.07)	(823.40)
	Finished Goods	(10,944.09)	(11,003.28)
	Mill Scale /Waste / Scrap (valued at net realisable value)	(307.15)	(189.77)
		<b>(17,256.59)</b>	<b>(12,037.90)</b>
<b>Total</b>		<b>(5,218.69)</b>	<b>(2,042.04)</b>

Particular	For the period ended	For the period ended
	30th June, 2025	31st March, 2025
Salaries, Wages and Bonus	426.12	1,230.43
Contribution to Provident and Other Funds	1.02	3.83
Gratuity Expenses	3.91	14.45
Staff welfare & Other expenses	16.94	73.66
<b>Total</b>	<b>447.98</b>	<b>1,322.37</b>

Particular	For the period ended	For the period ended
	30th June, 2025	31st March, 2025
(a) Interest Expenses on :		
Interest Expenses on Bank Loan	428.79	1,285.67
Interest Expenses on Unsecured Loan	179.97	632.94
Interest Expenses on Buyer's Credit	56.24	12.45
Interest on Lease Obligation	0.73	3.10
Interest Expenses on Trade Credits & Others	3.79	5.77
Interest on Late Payment of Income Tax	1.11	-
	<b>670.63</b>	<b>1,939.94</b>
(b) Other borrowing costs :		
Processing Fees	-	44.82
	-	44.82
<b>Total</b>	<b>670.63</b>	<b>1,984.76</b>

\*(Considered as Exceptional Item during the Previous Year)



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

**Note : 28 Depreciation and Amortisation Expenses**

Particular	For the period	For the period
	ended	ended
	30th June, 2025	31st March, 2025
Depreciation on PPE	242.12	675.93
Amortisation on ROU	1.09	4.36
Amortisation on Intangible Assets	0.06	0.24
<b>Total</b>	<b>243.27</b>	<b>680.53</b>

**Note : 29 Other Expenses**

Particular	For the period	For the period
	ended	ended
	30th June, 2025	31st March, 2025
<b>Manufacturing Expenses</b>		
Coal Consumption	173.39	871.94
Store and spares consumables	367.09	656.14
Repairs - Others	1.93	13.90
Repairs - Plant & Machinery	2.66	10.81
Factory Expenses	44.56	127.33
Oxygen and LPG Expenses	19.71	33.52
Loading Charge	20.23	10.10
Testing Expenses	0.75	1.79
Water Charges	-	6.84
Power and Fuel expenses	2,271.66	3,692.96
Insurance expenses - PM	-	3.59
<b>Administration, Selling and Distribution Expenses</b>		
Computer, Internet & Software Expenses	0.57	4.50
Bank Charges & Other banking Costs	85.66	158.34
Postage & Telegram/Communications	0.38	0.74
Fees & Subscription Expenses	0.86	5.91
Stationery & Printing	1.41	4.20
Conveyance Expenses	1.08	4.15
Travelling, Conveyance & Vehicle Expenses	2.03	7.97
Office Expenses	0.20	1.41
Legal & Professional Charges	15.29	50.60
Loss on sale of Asset	-	0.76
Rates & Taxes	0.11	1.89
Rent	2.85	10.68
CSR Expense	-	22.46
Auditor's Remuneration	-	-
a) Statutory Audit Fees	0.38	1.25
b) Tax Audit Fees	-	0.25
Insurance Expenses	4.60	3.93
Kasat & Vatv Expenses	0.15	0.64
Expected Credit Loss Allowance	-	125.61
<b>Selling &amp; Distribution Expenses</b>		
Commission On Sales	-	1.47
Miscellaneous expense	218.32	736.57
Freight & Cartage On Sales	347.16	1,384.31
Director Sitting Fees	-	3.00
Distribution Expense	-	1.31
Travelling Expenses	8.13	28.99
<b>Total</b>	<b>3,591.14</b>	<b>7,989.88</b>

**Note i -Payment to auditors -**

	For the period	For the period
	ended	ended
	30th June, 2025	31st March, 2025
Statutory Audit Fees	0.38	1.25
<b>Total</b>	<b>0.38</b>	<b>1.25</b>

**Note : 30 Income Tax**

Income Tax Expense :	For the period	For the period
	ended	ended
	30th June, 2025	31st March, 2025
<b>Current Tax:</b>		
In respect of Current year	222.66	318.18
<b>Deffered Tax</b>		
In respect of Current year	67.57	148.46
<b>Total</b>	<b>290.22</b>	<b>466.64</b>

The income tax expense for the year can be reconciled to the accounting profit as follows :



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

	For the period ended 30th June, 2025	For the period ended 31st March, 2025
Accounting profit / (loss) before tax	1,147.86	1,940.84
- From Continuing Operations	1,147.86	2,008.98
- From Discontinued Operations	-	(68.15)
Income tax using the company's domestic tax rate @ 25.17%	288.89	488.47
Tax Effect of :		
i) Permanent Disallowances	-	5.65
ii) Expense not allowed as deduction for tax purposes	64.92	178.39
iii) Additional allowable for tax purposes	(131.16)	(389.57)
iv) Income tax in respect to previous year	-	35.23
v) Deferred Tax for the reporting period	67.57	148.46
Total Tax Expense for the year	290.22	466.64
Tax Provision:		
Current tax for the year	222.66	318.18
Income tax in respect to previous year	-	-
Deferred Tax (Including adjustments for earlier years)	67.57	148.46
Total Tax Expense for the year	290.22	466.64

Note : 31 Earning Per Share

Particular		For the period ended 30th June, 2025	For the period ended 31st March, 2025
<b>a</b>	<b>EPS From Continuing Operations</b>		
	Earning Per Share without considering the Bonus Effect		
	Basic and Diluted EPS		
	Profit/ (Loss) attributable to Equity Shareholders	857.64	1,541.75
	No of Equity Shares Outstanding at the beginning	Number 3,46,31,210	1,33,37,124
	Share issue during the year	Number -	2,12,94,086
	No of Equity Shares Outstanding at the end	Number 3,46,31,210	3,46,31,210
	Weighted Average Number of	Number 3,46,31,210	3,43,52,060
	Nominal Value of Equity Share	10.00	10.00
	Basic EPS	2.48	4.49
	Diluted EPS	2.48	4.49
	Earning Per Share After considering the Bonus Effect		
	Basic and Diluted EPS		
	Profit/ (Loss) attributable to Equity Shareholders	857.64	1,541.75
	No of Equity Shares Outstanding at the beginning	Number 3,46,31,210	3,36,59,310
	Share issue during the year	Number -	9,71,900
	No of Equity Shares Outstanding at the end	Number 3,46,31,210	3,46,31,210
	Weighted Average Number of	Number 3,46,31,210	3,43,52,060
	Nominal Value of Equity Share	10.00	10.00
	Basic EPS	2.48	4.49
	Diluted EPS	2.48	4.49
<b>b</b>	<b>EPS From Discontinued Operations</b>		
	Basic and Diluted EPS		
	Profit/ (Loss) attributable to Equity Shareholders	-	(68.15)
	No of Equity Shares Outstanding at the beginning	Number 3,46,31,210	1,33,37,124
	Share issue during the year	Number -	2,12,94,086
	No of Equity Shares Outstanding at the end	Number 3,46,31,210	3,46,31,210
	Weighted Average Number of	Number 3,46,31,210	3,43,52,060
	Nominal Value of Equity Share	10.00	10.00
	Basic EPS	-	(0.20)
	Diluted EPS	-	(0.20)
	Earning Per Share After considering the Bonus Effect		
	Basic and Diluted EPS		
	Profit/ (Loss) attributable to Equity Shareholders	-	(68.15)
	No of Equity Shares Outstanding at the beginning	Number 3,46,31,210	3,36,59,310
	Share issue during the year	Number -	9,71,900
	No of Equity Shares Outstanding at the end	Number 3,46,31,210	3,46,31,210
	Weighted Average Number of	Number 3,46,31,210	3,43,52,060
	Nominal Value of Equity Share	10.00	10.00
	Basic EPS	-	(0.20)
	Diluted EPS	-	(0.20)



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

c EPS From Continuing and Discontinued Operations			
Basic and Diluted EPS			
Profit/ (Loss) attributable to Equity Shareholders		857.64	1,473.60
No of Equity Shares Outstanding at the beginning	Number	3,46,31,210	1,33,37,124
Share issue during the year	Number	-	2,12,94,086
No of Equity Shares Outstanding at the end	Number	3,46,31,210	3,46,31,210
Weighted Average Number of	Number	3,46,31,210	3,43,52,060
Nominal Value of Equity Share		10.00	10.00
Basic EPS		2.48	4.29
Diluted EPS		2.48	4.29

Earning Per Share After considering the Bonus Effect

Basic and Diluted EPS			
Profit/ (Loss) attributable to Equity Shareholders		857.64	1,473.60
No of Equity Shares Outstanding at the beginning	Number	3,46,31,210	3,36,59,310
Share issue during the year	Number	-	9,71,900
No of Equity Shares Outstanding at the end	Number	3,46,31,210	3,46,31,210
Weighted Average Number of	Number	3,46,31,210	3,43,52,060
Nominal Value of Equity Share		10.00	10.00
Basic EPS		2.48	4.29
Diluted EPS		2.48	4.29



VMS TMT LIMITED

Notes to Restated financial statements for the Period ended on 30th June 2025, 31st March 2025  
(All amount in ₹ in Lacs unless otherwise stated)

Annexure - A to Note - 6 Trade Receivables

Trade Receivables ageing Schedule

Particulars	Outstanding for following periods from the date of receipt					Total
	Less than 6 months	6 months - 1 year	1 - 2 year	2-3 years	More than 3 years	
As at 30th June, 2025	977.44	-	-	-	-	977.44
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	250.15	-	-	-	250.15
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>977.44</b>	<b>250.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,227.59</b>
Less: Allowance for Trade Receivables which have significant increase in Credit Risk	-	-	-	-	-	-
Less: Allowance for Expected Credit Loss Allowance	-	-	62.54	-	-	62.54
<b>Total</b>	<b>977.44</b>	<b>-</b>	<b>187.61</b>	<b>-</b>	<b>-</b>	<b>1,165.05</b>

Trade Receivables ageing Schedule for the period ended March 31, 2025

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2025	2,122.62	-	-	-	-	2,122.62
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	502.44	-	-	-	502.44
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,122.62</b>	<b>502.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,625.06</b>
Less: Allowance for Trade Receivables which have significant increase in Credit Risk	-	-	-	-	-	-
Less: Allowance for Expected Credit Loss Allowance	-	-	125.61	-	-	125.61
<b>Total</b>	<b>2,122.62</b>	<b>-</b>	<b>376.83</b>	<b>-</b>	<b>-</b>	<b>2,499.45</b>

\* The credit terms offered to trade receivables differ among parties, typically ranging from 6 to 15 days.



**Expected Credit Loss (ECL)**

The company is engaged in supply of TMT Bars, where the company is generally receiving its sales proceeds from customers within in 6 months. However, the company has implemented an Expected Credit Loss (ECL) policy to create provisions for credit losses on overdue debtors. According to this policy, no provision is required to be made for debtors outstanding for less than 12 months. For Debtors having outstanding for more than 1 year but less than 2 years, the company has created provision for Expected Credit loss of Rs.125.31 Lacs @ 25.00% of Outstanding debtors for 1-2 years i.e 502.44 Lacs.

**Movement in impairment allowance – Trade Receivables**

Reconciliation of Loss Allowance	Loss allowance
Expected credit loss (ECL) Recognized/ (Reversal)	125.61
Impairment Loss allowance on 31st March, 2025	125.61
Expected credit loss (ECL) Recognized/ (Reversal)	(63.07)
Impairment Loss allowance on 30th June, 2025	62.54



**VWS TMT LIMITED**

Notes to Restated financial statements for the period ended on 30th June 2025, 31st March 2025  
(All amounts are in Lacs unless otherwise stated)

**Annexure - B to Note - 13 & 17 - Borrowings**

Borrowings	Secured/ Unsecured	Name of Banks / FMS / NBFCs	Terms of Security
			<b>Primary security</b> <b>Collateral Security</b> 1 RM of Plot No. 05 (06) I to No 72) of Nhambung, 8th Eternal White Rose Shantinagar, 8th Eternal Honda Showroom Bhawanagar, Gujarat standing in the name of Eternal Automobiles. 2 RM of Plot No. 73 of Nhambung, 8th Eternal White Rose Shantinagar, 8th Eternal White Rose Bhawanagar, Gujarat standing in the name of Eternal Automobiles. 3 RM of Shop No. 105, block D, First Floor, Madhera Cross Road, Jayes, Inbhawan, Nr. Central Pns Depot, Malsama, Gujarat, standing in the name of Yashwantrao Singhi 4 RM of Shop No. 106, block D, First Floor, Madhera Cross Road, Jayes, Inbhawan, Nr. Central Pns Depot, Malsama, Gujarat, standing in the name of Yashwantrao Singhi 5 RM of Shop No. 111, 1st Floor, D block, Madhera Cross Road, Jayes, Inbhawan, Nr. Malsama Central Pns Depot, Malsama, Gujarat, standing in the name of Kishabh Singhi 6 RM of Shop No. 112, 1st Floor, D block, Madhera Cross Road, Jayes, Inbhawan, Nr. Malsama Central Pns Depot, Malsama, Gujarat, standing in the name of Kishabh Singhi 7 RM of Office No. 608, 6th Floor, Iscon Ambli Road, Pimpri, Opp. Double Tree by Hilton, Ahmedabad, standing in the name of Kishabh Singhi 8 RM of Office No. 607, 6th Floor, Iscon Ambli Road, Pimpri, Opp. Double Tree by Hilton, Ahmedabad, standing in the name of Sunny Singh 9 RM of Plot No. 103, 1st Floor, Swarnajal Road, Nr. Pulvadi Chowk, Bhawanagar, Gujarat, standing in the name of Mrs. Sangeta Jain 10 RM of Plot No. B7A, 1st floor, Eternal Honda Centre Point Complex, 8th Eternal White Rose, Bhawanagar, Gujarat, standing in the name of Eternal Automobiles 11 RM of Plot No. B7A, 1st floor, Eternal Honda Centre Point Complex, 8th Eternal White Rose, Bhawanagar, Gujarat, standing in the name of Eternal Automobiles 12 RM of Plot No. B7A, 1st floor, Eternal Honda Centre Point Complex, 8th Eternal White Rose, Bhawanagar, Gujarat, standing in the name of Eternal Automobiles 13 RM of Shop No. 107, 1st Floor, Block D, Madhera Cross Road, Jayes, Inbhawan, Nr. Malsama, Gujarat, standing in the name of Sunny Singh 14 RM of Shop No. 108, 1st Floor, Block D, Madhera Cross Road, Jayes, Inbhawan, Nr. Malsama, Gujarat, standing in the name of Sunny Singh 15 RM of Block No. 214 & 236, Nr. Karshi GIDC, Khata No. 750, Bhamla, Boda, Ahmedabad, standing in the name of company. 16. Survey no. 23172, Viji Bhujis, Tal. Bardi, Ahmedabad, Aha 5167 is not owned by Company. For the Collateral Property - No. 16, 17, 18, all Banks has not executed the Mortgage agreement as per mutual charge over the same. In accordance. * Personal Guarantees of (a) Mr. Manoj Kumar Jain (b) Mrs. Sangeta Jain (c) Mr. Kishabh Sant Singh (d) Mr. Varun Jain (e) Mr. Sunny Sumi Singh (f) Mrs. Parvati Singh * Corporate Guarantees of (except for ECLGS Term loan), of the following - Eternal Automobiles, a Partnership firm Secured by hypothecation in the vehicle purchased
Rupce Loan (Term Loans + Cash Credit) (Other than Vehicle Loans)	Secured	HDFC Bank Limited Axis Bank Limited ICICI Bank Limited SVC Co-Op Bank Limited under Multiple Banking Arrangement	
Rupce Term Loan - Vehicle Loans	Secured	HDFC Bank Limited & ICICI Bank Limited	



VMS TMT LIMITED

Notes to Restated Financial Statements for the Period ended on 30th June 2025, 31st March 2025  
(All amount in ₹ in Lacs unless otherwise stated)

Annexure - B to Note - 13 & 17 - Borrowings

Particulars of loan	Account number	EMIL (in Rs.)	Number Of EMIL Outstanding as on June 30, 2025	Interest rate	Nature of loan
SVC Co-Op. Bank Limited - Term Loan	11431890000109	632,946	29	10.84%	Term Loan
SVC Co-Op. Bank Limited - GECL	11431890000127	Per Month : 310417 Last Month : 310401	34	9.25%	Working Capital Term Loan
ICI Bank Limited - Rupee Term Loan	587619516001001	Per Month : 3477746 Last Month : 720993	34	9.00%	Term Loan
HDFC Bank Limited - Term Loan	84404482	Per Month : 3540246 Last Month : 1829207	32	10.84%	Term Loan
HDFC Bank Limited - Term Loan	86128280	Per Month : 355076 Last Month : 344702	50	10.84%	Term Loan
HDFC Bank Limited - Term Loan	85397987	Per Month : 1420302 Last Month : 1409616	41	10.84%	Term Loan
HDFC Bank Limited - Term Loan	88236654	Per Month : 5345737 Last Month : 1910977	62	9.91%	Term Loan
HDFC Bank Limited - Term Loan	99888395	Per Month : 1946268 Last Month : 1896468	65	10.02%	Term Loan
HDFC Bank Limited - GECL - II	452251047	Per Month : 2160741 Last Month : 132803	21	9.25%	Working Capital Term Loan
HDFC Bank Limited - Vehicle Loan I	122658762	14,619.00	16	7.65%	Vehicle loan
HDFC Bank Limited - Vehicle Loan II	122658224	17,740.00	16	8.50%	Vehicle loan
HDFC Bank Limited - Equipment Loan I	800104367	62,288.00	48	9.00%	Equipment Loan
HDFC Bank Limited - Equipment Loan II	800104361	41,535.00	48	9.00%	Equipment Loan
HDFC Bank Limited - Vehicle Loan III	88547554	43,310.00	38	9.15%	Vehicle loan
HDFC Bank Limited - Vehicle Loan IV	157195651	22,357.00	53	8.96%	Vehicle loan
HDFC Bank Limited - Vehicle Loan V	136405753	71,136.00	30	8.10%	Vehicle loan
ICICI Bank Limited - Vehicle Loan	LAABD00044556880	37,485.00	16	7.50%	Vehicle loan
Oxyzo Financial Service Private Limited		* 27,777,778	200	14.75%	Term Loan

Personal Guarantee of  
1. Mr. Reshah sandi singhi  
2. Mr. Manohar Jain  
3. Mr. Varun Jain

1. SACCI Mandate and 6 undated cheques for the amount equivalent to sanctioned amount from Borrower in favor of respective Lender (i.e., 3 undated cheques in favor of Capsave and 3 undated cheques in favor of Rehabfin)

2. Personal Guarantee of  
a. Mr. Reshah sandi singhi  
b. Mr. Manohar Jain  
c. Mr. Varun Jain

3. 4 undated cheques for the amount equivalent to sanctioned amount from each Personal Guarantor in favor of respective Lender (i.e., 2 undated cheques in favor of Capsave and 2 undated cheques in favor of Rehabfin)

1. To be Repayable in 36 equal monthly installments of Rs.27,777.78 starting from February 2024

2. Security Requirement

The Facility and all Interest, Additional Interest, Default Interest, Penalisation, damages, indemnification payments, fees, costs, expenses, and other amounts owing by the Financial Party to Oxyzo, and all other present and future obligations and liabilities of the Financial Party under the Facility Documents (listed herein below) shall be secured by the following:

1. A demand promissory note and a letter of continuity.

2. Security cheques

3. SACCI Mandate

4. Pre-emptive Charges

Within 36 months 3% on the available sanctioned amount

1. 90 Days from the date of financial

2. You have the below listed option of making repayments:

Repayment by way of RTGS / NEFT / FUND TRANSFER (in case you have an account with HDFC.)



VMS TMT LIMITED

Notes to Restated Financial statements for the Period ended on 30th June 2025, 31st March 2025  
(All amount are in Lacs unless otherwise stated)

Annexure - B to Note - 13 & 17 - Borrowings

The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those set out below:

Name of Bank	Aggregate working capital limit sanctioned (Rs. In Lacs)	Nature of current assets offered as securities	Quarter ended	Particulars	Amount disclosed as per quarterly returns/statements (Rs. In Lacs)	Amount in books of account (Rs. In Lacs)	Difference (Rs. In Lacs)	Reason for difference
HDFC Bank Limited, ICICI Bank Limited, Axis Bank Limited & SVC Co-Op Bank Limited	7600.00	Part Pledge charge on stocks and receivables	September 30, 2024	Stock	10,646.11	10,732.15	(86.04)	The increase in the Valuation of stock is primarily on account of allocation of expense to costing of finished goods
				Debitors(1)	98.38	98.27	0.11	Rectification of entries in books on account of adding goods
				Creditors(2)	(596.46)	(591.46)	(295.00)	The Lower reporting of Creditors in the Stock statement is primarily on account of Booking of Fiscal deposits amounting to Rs.21,091 Lacs provided for issuance of letter of credit as per the terms of Banks and on account of audit, the advance of Rs.24,500 Lacs was made, of which loan taken from the party on account of Wrong Entry in the books
				Notes	14,146.52	14,146.52	-	
HDFC Bank Limited, ICICI Bank Limited, Axis Bank Limited & SVC Co-Op Bank Limited	7600.00	Part Pledge charge on stocks and receivables	December 31, 2024	Stock	13,339.03	13,345.45	(6.42)	The minor increase in the Valuation of stock is primarily on account of allocation of expense to costing of finished goods
				Debitors(1)	2,718.29	2,700.25	18.04	Rectification of entries in books on account of adding goods
				Creditors(2)	2,927.53	3,356.06	(608.53)	The Lower reporting of Creditors in the Stock statement is primarily on account of Booking of Fiscal deposits amounting to Rs.616.09 Lacs provided for issuance of letter of credit as per the terms of Banks
				Sales	10,178.83	10,378.81	-	
				Stock	15,516.00	15,194.68	321.32	The minor increase in the Valuation of stock is primarily on account of allocation of expense to costing of finished goods
				Debitors(1)	1,231.00	2,273.83	(1,042.83)	Rectification of entries in books on account of adding
				Creditors(2)	2,459.00	4,534.47	(2,105.47)	The Lower reporting of Creditors in the Stock statement is primarily on account of Booking of Fiscal deposits amounting to Rs.797.50 Lacs provided for issuance of letter of credit as per the terms of Banks
				Sales	20,008.00	20,948.75	(975)	Further, Creditors for Expense has been included in the Summary Creditors of PS and the same is not included in the Calculation of Drawing Power
				Stock	18,840.00	19,211.52	(371.52)	The minor increase in the Valuation of stock is primarily on account of allocation of expense to costing of finished goods
				Debitors(1)	1,061.00	1,097.72	(36.72)	Rectification of entries in books on account of adding
				Creditors(2)	3,239.00	5,464.98	(2,234.98)	The Lower reporting of Creditors in the Stock statement is primarily on account of Booking of Fiscal deposits amounting to Rs.290.60 Lacs provided for issuance of letter of credit as per the terms of Banks
				Sales	21,125.29	21,125.29	-	Further, Creditors for Expense has been included in the Summary Creditors of PS and the same is not included in the Calculation of Drawing Power

(1) - Below have been reduced by the amount of credit balances in the debtors group i.e. for the advance received from the suppliers of goods  
(2) - Creditors relate to creditors for goods (Net of Advances)



VMS TMT LIMITED

Notes to Restated financial statements for the Period ended on 30th June 2025, 31st March 2025

(All amount are ₹ in Lacs unless otherwise stated)

Annexure - C to Note - 18 - Trade Payable

Trade Payables ageing schedule for the year ended at

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	<1 year	1-2years	2-3 years	>3 years	
<b>30th June, 2025</b>						
(a) MSME	-	95.01	-	-	-	95.01
(b) Others	-	2,895.29	125.54	-	-	3,020.83
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	-	<b>2,990.30</b>	<b>125.54</b>	-	-	<b>3,115.83</b>
<b>31st March, 2025</b>						
(a) MSME	-	64.29	-	-	-	64.29
(b) Others	-	3,845.61	199.12	-	-	4,044.73
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	-	<b>3,909.91</b>	<b>199.12</b>	-	-	<b>4,109.02</b>



**VMS TMT LIMITED**

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

**32 Contingent liabilities and Capital Commitments :**

	As at 30th June, 2025	As at 31st March, 2025
<b>(i) Contingent liabilities :</b>		
GST Claim against the company	64.68	64.68
	<b>64.68</b>	<b>64.68</b>
<b>(ii) Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5,677.51	-
<b>Total</b>	<b>5,677.51</b>	<b>-</b>

**33 Related Parties Disclosure :**

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

**A. List of Related Parties**

Particulars	Relation
Mr. Manojkumar Jain	Promoter and Non- Executive Director
Mr. Rishabh Sunil Singhi	Promoter and Whole-time director
Mr. Varun Manojkumar Jain	Promoter and Chairman and Managing Director
Mrs. Sangeeta Manoj Jain	Promoter
Mr. Vikram Patel	Key Managerial Person, Chief Financial Officer ( W.E.F. May 3, 2024)
Mr. Vijay Boliya	Key Managerial Person, Company Secretary ( W.E.F. May 3, 2024)
Nishchay Consultancy	Entity Under Common Control of Promoters, their relatives and KMPs
VMS Industries Limited	Entity Under Common Control of Promoters, their relatives and KMPs
Aditya Ultra Steel Limited	Entity Under Common Control of Promoters, their relatives and KMPs
Aditya Ultra Steel Limited	Entity Under Common Control of Promoters, their relatives and KMPs
Vms Autolink Pvt Ltd	Entity Under Common Control of Promoters, their relatives and KMPs
Eternal Automobiles	Entity Under Common Control of Promoters, their relatives and KMPs
Nidheeshwaramm Ship Recyclers LLP	Entity Under Common Control of Promoters, their relatives and KMPs
Tanishq Ship Recycling Private Limited	Entity Under Common Control of Promoters, their relatives and KMPs

**B. Related Party Transactions**

Name of Related Parties	Nature of Relationship	Nature of Transaction	For the year ended June 30, 2025	For the year ended March 31, 2025
Mr. Manojkumar Jain	Promoter and Non- Executive Director	Remuneration	-	96.00
Mr. Rishabh Sunil Singhi	Promoter and Whole-time director	Remuneration	12.00	48.00
Mr. Varun Manojkumar Jain	Promoter and Chairman and Managing Director	Remuneration	24.00	88.00
Mr. Vikram Patel	Key Managerial Person, Chief Financial Officer	Remuneration	2.28	8.75
Mr. Vijay Boliya	Key Managerial Person, Company Secretary	Remuneration	2.89	7.13
Nishchay Consultancy	Entity Under Common Control of Promoters, their relatives and KMPs	Service Charges	-	-
Vms Autolink Pvt Ltd	Entity Under Common Control of Promoters, their relatives and KMPs	Loan Taken	-	100.00
		Loan Paid	-	100.00
		Interest Paid	-	2.14
		Loan Taken	1,633.00	11,965.00
VMS Industries Limited	Entity Under Common Control of Promoters, their relatives and KMPs	Loan Repaid	1,405.00	11,444.49
		Interest Paid	59.43	130.40
		Rent Paid	1.65	6.60
Aditya Ultra Steel Limited	Entity Under Common Control of Promoters, their relatives and KMPs	Loan Taken	-	1,100.00
Eternal Automobiles	Entity Under Common Control of Promoters, their relatives and KMPs	Vehicle Purchase	19.20	-
		Vehicle Running Expense	-	-
Nidheeshwaramm Ship Recyclers LLP	Entity Under Common Control of Promoters, their relatives and KMPs	Sales	-	9.14
		Purchase	-	13.42
		Loan taken	-	-
Tanishq Ship Recycling Private Limited	Entity Under Common Control of Promoters, their relatives and KMPs	Loan Repaid	-	-
		Interest Paid	-	-



**VMS TMT LIMITED**

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

**C. Related Party Outstanding balances**

Name of Related Parties	Nature of Relationship		As on June 30, 2025	As on March 31, 2025
Mr. Manojkumar Jain	Promoter and Non- Executive Director	-	-	-
Mr. Rishabh Sunil Singhi	Promoter and Whole-time director	-	3.10	-
Mr. Varun Manojkumar Jain	Promoter and Chairman and Managing Director	-	5.65	-
Mr. Vikram Patel	Key Managerial Person, Chief Financial Officer	-	0.71	0.66
Mr. Vijay Boliya	Key Managerial Person, Company Secretary	-	0.77	0.70
Nishchay Consultancy	Entity Under Common Control of Promoters, their relatives and KMPs	-	-	-
Vms Autolink Pvt Ltd	Entity Under Common Control of Promoters, their relatives and KMPs	Unsecured Loan	-	-
VMS Industries Limited	Entity Under Common Control of Promoters, their relatives and KMPs	Unsecured Loan	3,659.31	3,431.30
		Outstanding Rent	-	0.59
Aditya Ultra Steel Limited	Entity Under Common Control of Promoters, their relatives and KMPs	Unsecured Loan	1,100.00	1,100.00
Eternal Automobiles	Entity Under Common Control of Promoters, their relatives and KMPs	-	-	-
Nidheeshwaramm Ship Recyclers LLP	Entity Under Common Control of Promoters, their relatives and KMPs	-	-	-
Tanishq Ship Recycling Private Limited	Entity Under Common Control of Promoters, their relatives and KMPs	-	-	-

34 As per Indian Accounting standard IND AS 19 "Employee Benefits", the disclosure as defined in the accounting standard are given below.

**(a) Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognised in Project Development Expenditure, for the year is as under:

	As at 30th June, 2025	As at 31st March, 2025
Employer's Contribution to Provident Fund	1.02	3.83

**(b) Defined Benefit Plan**

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The status of gratuity plan as required under IND AS-19 "Employee Benefits":

Particulars	As at 30th June, 2025	As at 31st March, 2025
<b>i. Reconciliation of Opening and Closing Balances of defined benefit obligation</b>		
Present Value of Defined Benefit Obligations at the beginning of the Year	30.35	24.61
Current Service Cost	3.43	12.79
Past Service Cost	-	-
Interest Cost	0.48	1.66
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
- Change in demographic assumptions	-	-
- Change in financials assumptions	2.02	1.52
- Experience variance (i.e. Actual experience vs. assumptions)	(2.85)	(10.23)
Liability Transfer In - Out	-	-
Benefits paid	-	-
Net Actuarial loss / (gain) Recognised	-	-
<b>Present Value of Defined Benefit Obligations at the end of the Year</b>	<b>33.43</b>	<b>30.35</b>
<b>ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets</b>		
Fair Value of Plan assets at the beginning of the Year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair Value of Plan assets at the end of the Year	-	-
<b>iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets</b>		
Present Value of Defined Benefit Obligations at the end of the year	33.43	30.35
Fair Value of Plan assets at the end of the Year	-	-
<b>Net Asset / (Liability) recognized in balance sheet as at the end of the year</b>	<b>(33.43)</b>	<b>(30.35)</b>
Current	0.62	0.56
Non-Current	32.81	29.79
<b>iv. Gratuity Cost for the Year</b>		
Current service cost	3.43	12.79
Past Service Cost	-	-
Interest cost	0.48	1.66
Expected return on plan assets	-	-
Actuarial Gain / (Loss)	(0.83)	(8.71)
<b>Expense recognised in P&amp;L</b>	<b>3.07</b>	<b>5.74</b>



**VMS TMT LIMITED**

**Notes to financial statements for the Period ended on 30th June 2025, March 2025**  
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**v. Other Comprehensive Income**

Actuarial (gains) / losses		
- Change in Demographic assumptions		
- Change in financial assumptions	2.02	1.52
- Experience variance (i.e. Actual experiences assumptions)	(2.85)	(10.23)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(0.83)</b>	<b>(8.71)</b>

**vi. Actuarial Assumptions**

Discount Rate (per annum)	6.35%	6.75%
Annual Increase in Salary Cost	7.00%	7.00%
Demographic:		
Retirement Age	70.00	60.00
Attrition Rate	5% to 1%	5% to 1%
Mortality Rate	Indian Assured Live Mortality (2012-14) Ult.	Indian Assured Live Mortality (2012-14) Ult.

**vii. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at 30th June, 2025		As at 31st March, 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	39.38	28.70	35.42	26.31
Salary Growth Rate (- / + 1%)	28.68	39.28	26.28	35.35
Withdrawal Rate (- / + 1%)	33.84	33.08	30.49	30.24

Expected cash flows over the next (valued on undiscounted basis):	As at	As at
	33 June, 2025	31st March, 2025
1 year	0.62	0.82
2 to 5 years	4.32	4.80
6 to 10 years	8.65	8.71

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

**35 Notes on Corporate Social responsibility**

As per section 135 of the Companies Act, 2013, A company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities, the areas for CSR activities are donation to an a non-profit organisation, that works primarily in the domain of Education, Health, Employment, Tourism, Water, Housing, Sports, Technology, Legal, Human Rights, Food & Nutrition, Tribes, Right to Information & Advocacy, Energy & Environment and Livelihood.

CSR committee has been formed by the company as per Act. The funds were primarily allocated to a corpus and utilised through the year on these activities, which are specified in schedule VII of Companies Act 2013.

Particulars	As At and For the Year Ended	
	June 30, 2025	March 31, 2025
Unspent CSR amount during the beginning of the year	-	-
Amount required to be spent by the Company	-	22.42
Amount spent during the year	-	22.46
Shortfall at the end of the year to of the amount required to be spent by the Company during the year	-	-
Total shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities		For Education of underprivileged children



VMS TMT LIMITED

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36 Ratio Analyses

Sr. No.	Financial Ratios	Numerator	Denominator	As at 30th June, 2025	As at 31st March, 2025	% change in Ratio for FY 2025 compared to FY 2024
<i>As per Schedule III</i>						
1	Current Ratio (CA/CL) (In Times)	Current Asset	Current Liability	1.14	1.12	0.45%
			Current Assets	26,646.60	23,139.33	
			Current Liabilities	23,410.70	20,661.10	
2	Debt- Equity Ratio (In Times)	Total Debt	Shareholder equity	3.78	3.77	-11.44%
			Total Debt	30,918.17	27,571.56	
			Shareholder equity	8,177.47	7,319.00	
3	Debt Service Coverage Ratio (In Times)	Earnings Available for Debt Service	Interest + Instalment	1.49	1.08	-14.98%
			Earnings Available for Debt Service	1,771.54	4,138.28	
			Interest + Instalment	1,185.44	3,820.00	
4	Return on Equity Ratio (in %)	Net Profit After Tax	Average Equity	11.07%	24.62%	-27.86%
			Net Profit After Tax	857.64	1,473.60	
			Average Equity	7,748.23	5,985.18	
5	Inventory Turnover Ratio	Net Sales	Average Inventory	6.45	6.45	-24.93%
			Net Sales	21,225.92	77,019.10	
			Average Inventory	15,580.79	11,933.37	
6	Trade Receivables turnover ratio (In Times)	Total Revenue from Customers	Average Accounts Receivable	46.34	37.83	-46.36%
			Total Revenue from Customers	21,225.92	77,019.10	
			Average Accounts Receivable	1,832.25	2,036.11	
7	Trade payables turnover ratio (In Times)	Net Credit Purchase	Average Trade Payables	21.08	25.04	-37.18%
			Net Credit Purchase	19,041.99	66,648.17	
			Average Trade Payables	3,612.43	2,661.72	
8	Net working capital turnover ratio (In Times)	Revenue from Operations	Average Working Capital	29.72	39.08	5.82%
			Revenue from Operations	21,225.92	77,019.10	
			Average Working Capital	2,857.06	1,970.97	
9	Net profit ratio (PAT/Revenue) (In %)	Net Profit After Tax before OCI	Total Revenue from Operations	4.04%	2.00%	32.38%
			Net Profit after Taxes before OCI	857.64	1,541.75	
			Total Revenue from Operations	21,225.92	77,019.10	
10	Return on Capital employed (In %)	EBIT	Average Capital Employed	4.52%	12.78%	-22.74%
			EBIT	1,705.06	3,871.48	
			Average Capital Employed	37,755.82	30,296.73	
11	Return on investment	Income from Investments	Cost of Investment	0.00%	0.00%	0.00%
			Income From Investment	-	-	
			Cost of Investment	-	-	

Notes

Ratio no. 5, 6, 7, and 8 which pertains to Turnover ratio has been annualised for the purpose of reporting

The ratios calculated for the period ended June 30, 2025 pertain solely to continuing operations, except for Return on Equity and Return on Capital Employed, which have been adjusted to account for both continuing and discontinued operations cumulatively

- 1 Current ratio: The Current Ratio is one of the best-known measures of short-term solvency. It is the most common measure of short-term liquidity.

Current ratio = Current Asset/ Current Liabilities

Current Asset = Inventories + Sundry Debtors + Cash and Bank Balances + Receivables/ Accruals + Loans and Advances + Disposable Investments + Any other current assets.

Current Liabilities = Creditors for goods and services + Short-term Loans + Bank Overdraft + Cash Credit + Outstanding Expenses + Provision for Taxation+ Proposed Dividend + Unclaimed Dividend + Any other current liabilities.



- 2 **Debt-Equity Ratio:** This ratio is very often used for making capital structure decisions such as issue of shares and/ or debentures. Lenders are also very keen to know this ratio since it shows relative weights of debt and equity. Debt equity ratio is the indicator of firm's financial leverage.

$$\text{Debt-Equity Ratio} = \frac{\text{Total Debt}}{\text{Shareholders Equity}}$$

**Total Debt:** includes short and long term borrowings from financial institutions, debentures/bonds, deferred payment arrangements for buying capital equipment, bank borrowings, public deposits and any other interest bearing loan.

**Shareholder equity:** includes Equity share capital + Other equity - Preliminary expense (if any) - Revaluation reserve (if any)

- 3 **Debt Service Coverage Ratio (DSCR):** Lenders are interested in debt service coverage to judge the firm's ability to pay off current interest and instalments.

$$\text{Debt Service Coverage Ratio} = \frac{\text{Earnings available for debt service}}{\text{Interest} + \text{Instalment}}$$

**Earnings available for debt service** = Net profit (Earning after taxes) + Non-cash operating expenses like depreciation and other amortizations + Interest on borrowing and lease + other adjustments like loss on sale of Fixed Asset etc.

**Interest + Instalment:** Interest includes Interest on both current and non-current borrowings plus lease and Instalments includes repayment of long term loans.

- 4 **Return on Equity (ROE):** Return on Equity measures the profitability of equity funds invested in the firm. This ratio reveals how profitably of the owners' funds have been utilised by the firm. It also measures the percentage return generated to equity shareholders.

$$\text{Return on Equity (ROE)} = \frac{\text{Net Profit}}{\text{Average equity}}$$

**Net profit after Tax** = Profit after Tax

**Average Equity:** includes Average Equity share capital + Other equity of current and previous period.

- 5 **Inventory Turnover ratio:** This ratio also known as stock turnover ratio establishes the relationship between the cost of goods sold during the year and average inventory held during the year. It measures the efficiency with which a firm utilizes or manages its inventory.

$$\text{Inventory Turnover Ratio} = \frac{\text{Net Sales}}{\text{Average Inventory}}$$

**Net Sales** = Revenue from operations

**Average Inventory** =  $(\text{Opening Stock} + \text{Stock of Stores \& Spares} + \text{Closing Stock} + \text{Stock of Store \& Spares})/2$

- 6 **Receivables (Debtors) Turnover Ratio:** The speed with which these receivables are collected affects the liquidity position of the firm. The debtor's turnover ratio throws light on the collection and credit policies of the firm. It measures the efficiency with which management is managing its accounts receivables.

$$\text{Receivables (Debtors) Turnover Ratio} = \frac{\text{Total Revenue from Customers}}{\text{Average account receivable}}$$

**Total Revenue from Contract with Customers:** Credit sales

**Average account receivable** = Average of Trade receivable of current and previous year

- 7 **Trade Payables Turnover Ratio:** It measures how fast a company makes payment to its creditors. It shows the velocity of payables payment by the firm.

$$\text{Payables Turnover Ratio} = \frac{\text{Net Credit Purchase}}{\text{Average Trade payable}}$$

**Net Credit Purchase:** Credit purchase of raw material + purchase of Traded goods

**Average trade payable:** Average trade payables of current year and previous year.

- 8 **Net working capital turnover ratio:** Net capital turnover is a ratio that measures how efficiently a company is using its working capital to support sales and growth.

$$\text{Net working capital turnover ratio} = \frac{\text{Net capital turnover ratio}}{\text{Average working capital}}$$

**Net capital turnover ratio** = Revenue from operations/ Average working capital

**Average working capital** = (Current asset - Current Liability) of current period and previous period

- 10 **Return on Capital employed:** ROCE is the most important ratio of all. It is the percentage of return on funds invested in the business by its owners and borrowed funds. In short, this ratio tells the owner whether or not all the effort put into the business has been worthwhile.

$$\text{Return on Capital employed} = \frac{\text{EBIT}}{\text{Average Capital Employed}}$$

**EBIT:** Earnings before interest and Tax - Other Income

**Average Capital Employed** = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability - Intangible Asset - ROU Assets

**Reasons for Variance above 25%**

- A. **Debt-Service Coverage Ratio, Net Profit Turnover Ratio and Net Profit Ratio:**  
The Debt Service Coverage Ratio, Net Profit Turnover, and Net Profit Ratio have all shown marked improvement, primarily due to the substantial increase in profitability experienced during the year. This enhanced financial performance represents a significant advancement over the outcomes recorded in previous years.
- B. **Inventory Turnover Ratio:**  
The ratio has decreased primarily on account of substantial increase in average inventory for FY 2023-24 in comparison to FY 2022-23 resulted from increase in closing stock as on 31.03.2024 due to increased production in the month of March, 2024 whereas the turnover of the company for the FY 2023-2024 has remained at Par with that of previous year.
- 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 on account of improved attributable to enhanced collection process and shorter payment terms.
- E. **Return on Equity, Net Profit Ratio and Return on Capital Employed:**  
The above ratio has improved on account of higher profitability during the year as compared to previous year.
- F. **Trade payables turnover ratio**  
The aforesaid ratio has increased on account of higher credit period allowed to the company by its suppliers.



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(All amount are ₹ in Lacs unless otherwise stated)

37 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 Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balances) divided by total capital plus net debt.

Particulars	As at 30th June, 2025	As at 31st March, 2025
Total Borrowings (Including current maturities of long term borrowings)	30,918.17	27,571.56
Less: Cash and bank balances	1,165.06	1,101.39
<b>Net Debt (A)</b>	<b>29,753.11</b>	<b>26,470.17</b>
<b>Total Equity (B)</b>	<b>8,177.47</b>	<b>7,319.00</b>
<b>Total Equity and Net Debt (C=A+B)</b>	<b>37,930.57</b>	<b>33,789.17</b>
<b>Gearing Ratio (A/C)</b>	<b>0.78</b>	<b>0.78</b>

38 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.

(1) Fair Value Measurement :

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.

The carrying value of financial instruments by categories as on 30th June, 2025

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	-	1,165.06	1,165.06
Bank balances other than above	-	-	1,130.10	1,130.10
Trade receivables	-	-	1,165.05	1,165.05
Investments	-	-	-	-
<b>Other Financial Assets (Current + Non Current)</b>	-	-	<b>673.07</b>	<b>673.07</b>
<b>Total</b>	-	-	<b>4,133.28</b>	<b>4,133.28</b>
<b>Financial Liabilities</b>				
Borrowings (Including Current Maturities)	-	-	30,918.17	30,918.17
Trade Payables	-	-	3,115.83	3,115.83
Lease Liabilities (Current + Non Current)	-	-	32.00	32.00
<b>Other Financial Liabilities</b>	-	-	<b>91.09</b>	<b>91.09</b>
<b>Total</b>	-	-	<b>34,157.10</b>	<b>34,157.10</b>

The carrying value of financial instruments by categories as on 31st March, 2025

Particulars	Fair Value through other	Fair Value through Profit or Loss	Amortised Cost	Total
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	-	88.90	88.90
Bank balances other than above	-	-	1,012.50	1,012.50
Trade receivables	-	-	2,499.45	2,499.45
Investments	-	-	-	-
<b>Other Financial Assets (Current + Non Current)</b>	-	-	<b>668.83</b>	<b>668.83</b>
<b>Total</b>	-	-	<b>4,269.67</b>	<b>4,269.67</b>
<b>Financial Liabilities</b>				
Borrowings (Including Current Maturities)	-	-	27,571.56	27,571.56
Trade Payables	-	-	4,109.02	4,109.02
Lease Liabilities (Current + Non Current)	-	-	32.80	32.80
<b>Other Financial Liabilities</b>	-	-	<b>77.46</b>	<b>77.46</b>
<b>Total</b>	-	-	<b>31,790.85</b>	<b>31,790.85</b>



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(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.

39 Financial Risk Management Framework

The principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support company's operations. The principal financial assets include trade and other receivables and other assets. The company is exposed to market risk, credit risk, interest rate risk and liquidity risk. The finance team oversees the management of these risks. The senior management ensures that the companies financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed.

Market Risk

Market risk arises from the company's use of interest-bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors. Financial instruments affected by market risk include borrowings, fixed deposits etc

Foreign 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

As on 30.06.2025, total outstanding payable to creditors in foreign currency denominations remained at USD 5653273.90. Further, as on the aforesaid date, the company do not have any amount outstanding denominated in foreign currency to be receivable from the customers.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:

Maximum exposure to the credit risk is on account of outstanding balances in the trade receivables account, but as per experience the ageing of debtors is always under six months and there are no bad debts encountered in past. As the company collects its receivables within six months, company has not made any Expected credit loss provision (ECL).



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**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. 24,960.13 Lacs for period ended 30th June, 2025, Rs 23,999.04 Lacs for FY 2024-25.

**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 June 30, 2025, March 31, 2025, would be decrease/ increase by Rs 124.80 Lacs and Rs. 120.00 Lacs respectively. The is mainly attribution to interest rates on variable rate borrowings.

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. 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 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:

\*Note : The amount of unamortized processing charges have not been deducted from the Non current borrowings.

As on 30.06.2025	Less than 1 year	1-2 Year	2-5 years	Over 5 years	Total
<b>Current Borrowings</b>					
Secured	14,579.51	-	-	-	14,579.51
Unsecured	1,634.04	-	-	-	1,634.04
<b>Total Current Borrowings (A)</b>	<b>16,213.55</b>				<b>16,213.55</b>
<b>Non-current Borrowings</b>					
Secured	1,829.58	1,885.07	3,875.90	274.25	7,864.80
Unsecured	333.33	6,518.52	-	-	6,851.85
<b>Total Non-current Borrowings (B)</b>	<b>2,162.91</b>	<b>8,403.59</b>	<b>3,875.90</b>	<b>274.25</b>	<b>14,716.66</b>
<b>Total (A + B)</b>	<b>18,376.46</b>	<b>8,403.59</b>	<b>3,875.90</b>	<b>274.25</b>	<b>30,930.20</b>
<b>Add: Interest accrued but not due on borrowings</b>	<b>33.42</b>				
<b>As on 31.03.2025</b>	<b>Less than 1 year</b>	<b>1-2 Year</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Current Borrowings</b>					
Secured	11,868.74	-	-	-	11,868.74
Unsecured	1,114.31	-	-	-	1,114.31
<b>Total Current Borrowings (A)</b>	<b>12,983.05</b>				<b>12,983.05</b>
<b>Non-current Borrowings</b>					
Secured	1,765.28	1,917.73	4,127.94	484.20	8,295.15
Unsecured	333.33	5,973.18	-	-	6,306.51
<b>Total Non-current Borrowings (B)</b>	<b>2,098.61</b>	<b>7,890.90</b>	<b>4,127.94</b>	<b>484.20</b>	<b>14,601.66</b>
<b>Total</b>	<b>15,081.66</b>	<b>7,890.90</b>	<b>4,127.94</b>	<b>484.20</b>	<b>27,584.70</b>
<b>Add: Interest accrued but not due on borrowings</b>	<b>50.34</b>				



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(All amount are ₹ in Lacs unless otherwise stated)

40 Discontinued Operations:

Accounting Policy

Non-Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-Current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Restated Statement of Assets and Liabilities.

Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed off or is classified as held for sale and that represents a separate line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Restated Statement of Profit and Loss.

(a) Disposal of Pipe Division

(i) Description:

The Company had taken a manufacturing facility at Survey No. 107/8/9, Sihor Ghanghali Road, Ghanghali, Sihor, Bhavnagar - 364240, Gujarat, India for manufacturing of MS Pipes on lease vide lease agreement dated June 04, 2024 for an initial term of five years commencing from July 01, 2024.

The company has decided to discontinue the operations of its Pipe Division due to its inability to achieve the expected revenue and profit margin targets, resulting in losses from the division. Accordingly, the Company has ceased operations at the said facility with effect from December 1, 2024. Furthermore, pursuant to the notice of termination dated December 1, 2024, the lease agreement for the facility shall stand terminated with effect from February 28, 2025.

The company determined that pipe division met the criteria to be classified as held for sale and discontinued operations. As a result, as on March 31, 2025 and June 30, 2025 the related assets and liabilities were classified as held for sale in Restated Statement of Assets and Liabilities. Similarly, the results of pipe division business were classified as discontinued operations and are presented separately in the Restated Statement of Profit and Loss Account.

(ii) Financial Performance:

Particulars	As at 30th June, 2025	As at 31st March, 2025
<b>Income</b>		
Revenue From Operation	-	187.57
<b>Total Income</b>	-	187.57
<b>Expenses</b>		
Cost Of Raw Material Consumed	-	189.58
Changes In Inventories	-	-
Employee Benefit Expense	-	21.57
Other Expenses	-	44.57
<b>Total Expenses</b>	-	255.72
<b>Profit/(Loss) from Discontinued operations before tax</b>	-	(68.15)
<b>Income tax expense of discontinued operations</b>	-	-
<b>Profit/(Loss) from Discontinued operations</b>	-	(68.15)

\*Revenue from operations from Pipe Division includes stock transfer of Rs. 74.91 Lacs to TMT Division



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025  
(All amount are ₹ in Lacs unless otherwise stated)

(iii) Cash Flow Information:

Particulars	As at 30th June, 2025	As at 31st March, 2025
Profit/(Loss) from Discontinued operations before tax	-	(68.15)
Add / (Less) - Adjustments	-	-
<b>Operating profit before working capital changes</b>	-	<b>(68.15)</b>
<b>Changes in Working Capital:</b>		
<b>(Increase) / Decrease in Assets :</b>		
Trade Receivables	-	-
Other financial assets	(0.39)	(1.27)
Other Current Assets	(0.42)	(0.42)
Inventories	-	-
<b>Increase / (Decrease) in Liabilities :</b>		
Trade Payables	-	0.47
Other liabilities	0.12	0.12
<b>Cash generated/(used) from operations</b>	<b>(0.69)</b>	<b>(1.09)</b>
<b>Income taxes paid (Net of Refund)</b>	<b>-</b>	<b>-</b>
Net cash inflow from operating activities	(0.69)	(69.24)
Net cash inflow/ (outflow) from investing activities	-	-
Net cash inflow/ (outflow) from financing activities	-	-
<b>Net increase/(decrease) in cash generated from discontinued operations</b>	<b>(0.69)</b>	<b>(69.24)</b>

(iv) Assets and liabilities of disposal group classified as held for sale:

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at March 31, 2024:

	As at 30th June, 2025
<b>Assets classified as held for sale</b>	
Other Current Assets	0.42
Inventories	
- Raw Material	
- Finished Goods	
Trade Receivables	
ST Loans and Advances	0.39
<b>Total of assets of disposal group held for sale</b>	<b>0.81</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	
Other Current Liabilities	-
Trade Payables	0.12
<b>Total of liabilities of disposal group as held for sale</b>	<b>0.12</b>
<b>Net assets of disposal group held for sale</b>	<b>0.69</b>

Notes:

- The entire amount is attributable to equity holders of the Group.
- The net assets (assets less liabilities) forming part of the disposal group are measured at lower of fair value less cost of disposal and its carrying amount. The Group has estimated the fair value less cost of disposal approximates to the carrying amount of these net assets held for sale.

41 Leases

Particulars	As at 30th June, 2025	As at 31st March, 2025
Non- Current Lease Liability	27.67	29.42
Current Lease Liability	4.33	3.38
<b>Total</b>	<b>32.00</b>	<b>32.80</b>

Lease Liability Reconciliation:

Particulars	As at 30th June, 2025	As at 31st March, 2025
Opening Balance	32.80	35.82
Add: Addition	-	-
Add: Finance cost	0.73	3.10
Less: Net Payment	(1.53)	(6.12)
<b>Closing Balance</b>	<b>32.00</b>	<b>32.80</b>



VMS TMT LIMITED

Notes to financial statements for the Period ended on 30th June 2025, March 2025

(All amount are ₹ in Lacs unless otherwise stated)

- 42 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 Restated 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 Restated Financial Statements.
- 43 **Segment Reporting**
- The company is in the business of manufacturing TMT bars and steel products having similar economic characteristics with operation in India and regularly reviewed by the Chief Operating decision maker ('CODM') for assessment of Company's performance and resource allocation, hence there is one reporting segment.
- 44 There are no such Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- 45 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.
- 46 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.
- 47 The Company has neither traded nor invested in crypto currency during the financial year.
- 48 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).
- 49 There were no scheme of Arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the Companies Act, 2013.
- 50 The provisions of clause (37) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act, 2013.
- 50 The company has no cases of any charge satisfaction yet to be registered / filled with ROC beyond the statutory time limits, except below mentioned
- | Particulars              | Charge ID | Amount (Rs. in Lacs) |
|--------------------------|-----------|----------------------|
| HDFC Bank Equipment loan | 100384271 | 12.20                |
- 51 The Company is not declared as wilful defaulter by any bank or Financial Institution or other lender during the financial year.
- 52 **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.
- 53 The Company did not have any long-term contracts, including derivatives contract for which there were any material foreseeable losses.
- 54 Previous year figures have been regrouped, whenever necessary to confirm to current year classification.

The accompanying notes forms an integral part of the Standalone Financial Statements.

As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 001359N

CA Shyamsunder Nanwal  
Partner  
Membership No: 128896

Place : Ahmedabad  
Date : 20/08/2025

For and on behalf of the Board of Directors  
VMS TMT LIMITED

Vijay Jain  
Managing Director  
DIN:- 03502561

Rishabh Singhi  
Whole time Director  
DIN:- 09342922

Vikram Patel  
Chief Financial Officer  
PAN:- ATKPP2317C

Vijay Boliya  
Company Secretary  
M. No.:- A68332

Place : Ahmedabad  
Date : 20/08/2025

