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|---|---|
| <p>Executive Directors V. Atchyuta Rama Raju V. Rajam Raju</p> | <p>Designation Chairman and Managing Director Executive Director</p> |
| <p>Non Executive & Independent Directors V. Srinivas K. V. Krishna Rao K. Vara Prasad Raju</p> | <p>Company Secretary & Compliance Officer Vandana Modani</p> <p>CFO G. Siva</p> |
| <p>Non Executive Director R. Rama Sravanthi</p> | <p>Secretarial Consultants M/s.P.S Rao & Associates Company Secretaries Flat No: 10, 4th Floor # 6-3-347/22/2, Dwarkapuri Colony, Panjagutta, Hyderabad- 082</p> |
| <p>Statutory Auditors M/s. V N S S & Associates., Chartered Accountants 158/B,7-1-277/429, Flat no: 102, Nandhi Villa, Beside Adarsha Bank, S R Nagar, Hyderabad-500038.</p> | <p>Registrar & Share Transfer Agents M/s. Bigshare Services Private Limited 306, Right Wing, Amrutha Ville Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082.</p> |
| <p>Internal Auditors KCR & Associates Chartered Accountants 1-3-176/4/G/9, Gandhi Nagar, Kavadiguda, Hyderabad - 500080.</p> <p>Bankers State Bank of India, Balkampet, Hyderabad Branch HDFC Bank Begumpet, Hyderabad Branch</p> | <p>Registered Office Ground Floor, 8-3-191/147/24 Plot No. B-12, Madhura Nagar S.R. Nagar[Post], Hyderabad 500 038</p> <p>Tel: +91 40 6661 5534 / 6661 9919 Fax: +91 40 2370 8672 Website : www.vamaind.com email Id : investorservices@vama.co.in</p> |
| <p>Corporate Offices</p> <ol style="list-style-type: none"> 1. Ground Floor, 8-2-248/1/7/78/12,13 Block-A, Laxmi Towers, Nagarjuna Hills, Punjagutta, Hyderabad – 500082. 2. Office No: 619, 6th Floor, Maker Chambers - V Nariman Point, Mumbai - 400021. 3. 304, 3rd floor, Somdutt Chambers-II, 9, Bhikaji Cama Place, New Delhi - 110066. 4. House No. 6A,Ground Floor, 2nd Cross Jaladarshini Layout, Bangalore - 560094. | <p>34th Annual General Meeting Date & Time : 25th September, 2019 at 10.00 A.M Day: Wednesday Venue: Hotel Innner Circle, Raj Bhavan Road, Somajiguda, Hyderabad – 082.</p> <p>Book Closure Period From: 19th September, 2019 [Thursday] To: 25th September, 2019 [Wednesday] (Both days inclusive)</p> <p>Cut-off Date (for e -voting) Date: 18th September, 2019 [Wednesday]</p> |

Dear Stakeholders,

Greetings!

This is indeed the time, I feel, for me and my team mates on the Board and other colleagues to share with all of you, the journey we have traversed during the year gone by. I take this privileged opportunity to present certain key glimpses of our Company's performance, its financial position, its industry positioning and the various opportunities before it.

When I peep into my previous year's message, I recollect statements made to you as regards our performance and the growth story thereon. The financial figures of 2018-19 shows a decreasing trend when compared to financial figures of 2017-18 mainly because of the economic slowdown, both at national as well as international level, coupled with various economic and political factors. This slowdown has led to a negative growth for the Company during the FY ended 31st March, 2019. Our business depends largely on government orders, especially defence sector. As you are aware, we were gripped with election mania for considerable part of the previous Financial Year, as we witnessed assembly elections and general elections that concluded during May 2019. In the said scenario, the government orders were kept largely on hold, which impacted our revenues during the Financial year under review.

However, in the backdrop of a stable government, at state as well as national level, we feel upbeat to state that financial year 2019-20 would be path breaking for the Company.

To have territorial reach, we have our offices in Bengaluru and New Delhi also. Our wholly owned Subsidiary in Singapore is running successfully. As the company has its presence at the national and international level, it helps the Company to bridge its gap between the Company and its Clients located overseas.

VAMA has increased the sales and marketing activities for the international market especially for the Engineering Services and ITES business. Vama is working on IOT Project with Machine to Machine Communication. We are confident that with the increase in sales and marketing activities, our international business will grow

VAMA has been implementing projects all over India for Defence and Space sectors and is taking up turnkey projects. Orders which were received from ISRO & CDAC during previous year are very significant to us and based on that, we shall expand our business in different territories in India.

We are confident that with the increase in sales and marketing activities, our international business will also grow on a sustained note. I hope our strategies will yield positive results in the ensuing years and we will be able to present better and better results before you.

I would like to convey my sincere appreciation to the Board of Directors for their guidance.

I would also like to express my heartiest gratitude to all our stakeholders for their enduring faith in Vama

Good luck

Sd/-

V. Atchyuta Rama Raju

Chairman and Managing Director

(DIN : 00997493)

Hyderabad

Notice

34th Annual General Meeting



Notice is hereby given that the Thirty Fourth (34th) Annual General Meeting [AGM] of the members of Vama Industries Limited will be held on Wednesday, 25th day of September, 2019 at 10.00 A.M at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad - 500082, to transact the following items of business :

ORDINARY BUSINESS

Item 1: Adoption of Financial Statement.

To receive, consider and adopt:

- a. the audited Financial Statement of the Company for the Financial Year 2018-19 together with the Report of the Board of Directors and the Auditors thereon; and
- b. the audited Consolidated Financial Statement of the Company for the Financial Year 2018-19 together with the Report of the Auditors thereon.

Item 2: Declaration of Dividend.

To declare final dividend of Re 0.02 per equity share (i.e. 1%) to the shareholders for the financial year ended March 31, 2019.

Item 3: Re-appointment of Director.

To appoint a Director in place of Mr. V. Rajam Raju (DIN: 01314420) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

Item 4: Re-appointment of Mr. K.Vara Prasad Raju (DIN: 01607711), to the office of Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. K.Vara Prasad Raju (DIN 01607711), who was appointed as an Independent Director at the 29th Annual General Meeting of the Company, to hold his office as such for a consecutive period of 5 years, and who is eligible for re-appointment as such and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby reappointed as an Independent Director of the Company for a second term of 5 consecutive years, commencing on 25th September, 2019."

By the Order of the Board
For **Vama Industries Limited**

Sd/-
Vandana Modani
Company Secretary & Compliance Officer

24th August, 2019
Hyderabad

NOTES

1. **A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxy to attend and vote on poll, instead of himself/herself. A proxy need not be a member of the company. The instrument appointing the proxy should be duly completed and deposited at the registered office of the company not less than 48 hours before the commencement of the annual general meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Explanatory Statement, pursuant to section 102 of the Companies Act, 2013, is attached herewith.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
6. Member / Proxies / authorised representatives should bring the duly filled in attendance slip to attend the meeting.
7. **The Register of Members and Share Transfer Books will remain closed from Thursday, September 19, 2019 to Wednesday, September 25, 2019 (both days inclusive).**
8. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours upto the date of the Annual General Meeting.
9. The dividend on Equity shares, if declared at the Meeting, will be dispatched / credited to those members whose names appear on the Company's Register of Members on the close of Wednesday, September 18, 2019 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] as beneficial owners as on that date.
10. Members, who hold shares in the dematerialized form and wish to change / rectify the bank details, should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR code of their Bank to their Depository Participants. While making payment of Dividend, Registrar is obliged to use only the data provided by the Depositories.
11. Physical Shares – Payment of Dividend through NECS: Members holding shares in Physical form are advised to submit particulars of their Bank account viz. Name and Address of the Branch of the Bank, MICR code, type of account and account number to the Registrar and Share Transfer Agent, M/s Bigshare Services Private Limited, Hyderabad.
12. Members holding shares in Physical form are requested to advise any change of address immediately to the Company/ Registrar and Share Transfer Agent.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form may submit their PAN to the Company / M/s Bigshare Services (P) Ltd.

14. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or to the Company's Share Transfer agent, the details of such folios together with the Share Certificates for consolidating their holding into single folio. The Share Certificates will be returned to the members after making requisite changes thereon.
15. Members who wish to claim Dividend, which has remained unclaimed are requested to either correspond with the Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent. Members are requested to note that dividends not encashed or not claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund (IEPF) of Government of India.
16. In terms of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, shall be transferred to IEPF Authority. Details of shares so far transferred to the IEPF Authority are available on the website of the Company. Members may note that shares as well as unclaimed dividend transferred to IEPF Authority can be claimed back therefrom.
17. Members are requested to mandatorily quote their Registered Folio No. or Demat Account No. and Depository Participant Identification Number (DPID No) on all correspondence with the company.

Securities and Exchange Board of India [SEBI] has mandated that securities of Listed Companies can be transferred only in dematerialised form with effect from April 1, 2019. Accordingly, the Company / the RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

18. Members are advised to update their email IDs with Company's RTA and/or concerned Depository participants as soon as possible.
19. As per Secretarial Standards 2 (SS-2), complete particulars of the venue of the Meeting (route map) is attached herewith to the Notice.
20. Information in respect of Directors seeking re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith to the Notice.

21. Remote E-Voting :

The items of business set out in the Notice may be transacted through electronic voting system. Therefore, the Company is providing facility for voting by electronic means. Pursuant to Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and in force as on date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility, as an alternate, to its members in respect of the business to be transacted at the AGM.

The members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, September 18, 2019, i.e. the date prior to the commencement of Book Closure date, are entitled to vote on the resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report may approach the Company for required assistance in connection with generation of the User ID / Password in order to exercise their right to vote by electronic means. The remote e-voting period will commence at 9.00 A.M. on Sunday, September 22, 2019 and will end at 5.00 P.M. on Tuesday, September 24, 2019. The members will not be able to cast their votes electronically beyond the date and time mentioned above.

The Company has appointed Mr. Vikas Sirohiya, Practicing Company Secretary (Membership. No. 15116 and C.P No. 5246) to act as the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner. Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereunder:

PROCEDURE FOR REMOTE E-VOTING:

The remote e voting period begins at 9.00 A.M. on Sunday, September 22, 2019 and will end at 5.00 P.M. on Tuesday, September 24, 2019. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 18, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/ Depositories)

- (i) The shareholders should log on to the remote e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| For Members holding shares in Demat/ Physical Form | |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| DOB | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p> |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter

their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". a confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
 - ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ◆ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ◆ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy of Notice of AGM (for members whose e-mail address are not registered with the Company/Depositories):

Please follow all the steps from Sl. No. (i) to Sl. No.(xvii) to cast vote

The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not

in the employment of the Company and make not later than 48 hours of conclusion of the Meeting a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

Members who do not have access to remote e-voting facility have been additionally provided with the facility of voting through Ballot Form. The facility for physical voting, shall be made available at the Meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

Members have the option to request for physical copy of Ballot Form by sending an e-mail to investorservices@vama.co.in by mentioning their Folio / DP ID and Client ID.

The results declared along with the Scrutinizer's Report will be posted on the Company's website and communicated to the Stock Exchange.

By the Order of the Board
For **Vama Industries Limited**

Sd/-
Vandana Modani
Company Secretary & Compliance Officer

24th August, 2019
Hyderabad

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

Item No. 4

As the members are aware, Mr. K.Vara Prasad Raju was appointed as an Independent Director of the Company by the members in their Annual General Meeting held on 25th September, 2014 for a period of 5 consecutive years. Pursuant to the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, an Independent Director may be reappointed for another term of 5 years, if approved by members by way of Special Resolution.

The Company has received a notice in writing under the provisions of Section 160(1) of the Act, from a member of the Company proposing the candidature of Mr. K.Vara Prasad Raju to the office of Independent Director of the Company for a second term of 5 years. Further, considering the experience of Mr. K.Vara Prasad Raju, the Nomination and Remuneration Committee has recommended his reappointment to the said office for another term.

Mr. K.Vara Prasad Raju has given his consent to the said proposed reappointment and has also confirmed that he is not disqualified in terms of Section 164 of the Act. Further, the Company has received a declaration from Mr. K.Vara Prasad Raju that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. K.Vara Prasad Raju fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. K.Vara Prasad Raju is independent of the management and possesses appropriate skills, experience and knowledge.

Copy of draft Letter of appointment of Mr. K.Vara Prasad Raju setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company.

In view of the aforesaid, the Board of Directors have proposed the said reappointment for your consideration.

Brief profile of Mr. K.Vara Prasad Raju

Mr. Vara Prasad Raju has been on the Board of the Company since 2004. He serves as an Independent Director on the Board of the Company. He has experience in automobile, mining and engineering industry. He holds a Diploma in automobile engineering.

Performance evaluation summary

Performance evaluation of Mr. Vara Prasad Raju was carried out along with other Directors on the Board of the Company. Further, keeping in view the upcoming reappointment, the Nomination and Remuneration Committee also provided its evaluation Report to the Board of Directors. An overall evaluation suggested that his performance was highly satisfactory. His presence in the Board and committee Meetings was highly contributory on several key issues that were discussed in the Meetings. His education background and experience in Engineering industry played a key role in several Board level decisions.

Except Mr. Vara Prasad Raju, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Explanatory statement together with the accompanying notice may also be regarded as an abstract of the Memorandum of interest of Directors under the provisions of the Companies Act, 2013.

By the Order of the Board
For **Vama Industries Limited**

Sd/-
Vandana Modani
Company Secretary & Compliance Officer

24th August, 2019
Hyderabad

Information in respect of Directors seeking re-appointment as required under SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by ICSI.

| Name of the director | V. Rajam Raju | K. Vara Prasad Raju |
|--|--|---|
| Date of first appointment on the Board | 01.04.2010 | 07.05.2004 |
| Date of Appointment | N/A (Retires by rotation and offers himself for Re-appointment) | N/A (Proposed for Re-appointment as Independent Director) |
| Date of Birth | 10.05.1967 | 16.03.1965 |
| Expertise in Specific Functional areas | Having more than a decade of experience in Production Engineering related operations | Rich experience in automobile and Engineering industry. |
| Educational Qualification | Graduation in Mechanical Engineering | Diploma in automobile engineering |
| Directorships in other Companies including Listed Companies. | Vama Infrastructure and Equipment Pvt Ltd. (resigned w.e.f 22.01.2019) | Nil |
| Membership / Chairmanships of committees of Board (other than Vama) | Nil | Nil |
| Shareholding in the Company as on 31.03.2019 | 58,02,500 | 1,500 |
| Relationship between Directors inter se | Brother of V. Atchyuta Rama Raju | NA |
| Terms and conditions of re-appointment along with details of remuneration sought to be paid and the remuneration last drawn | Appointed as Executive Director who is liable to retire by rotation. Same remuneration as previous years 18 Lakhs. | Appointed as Independent Director. |
| Number of Meetings of the Board attended during the year 2018-19 | 8 (eight) | 8 (eight) |

Dear Members,

The Board of Directors are pleased to present the Company's 34th Annual Report and the Company's Audited Financial Statement (Standalone & Consolidated) for the financial year ended March 31, 2019.

FINANCIAL PERFORMANCE

Our Financial Performance for the year ended March 31, 2019 is summarized below:

(₹ In Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|----------------|----------------|-----------------|-----------------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Turnover | 3837.08 | 6863.00 | 5379.16 | 10354.59 |
| Other Income | 93.81 | 233.41 | 93.81 | 69.79 |
| Total Income | 3930.89 | 7096.41 | 5472.97 | 10424.38 |
| PBIDT | 479.81 | 840.87 | 218.58 | 788.64 |
| Less: (i) Interest | 331.02 | 174.99 | 335.99 | 185.12 |
| (II) Depreciation | 34.49 | 31.94 | 34.49 | 31.94 |
| Profit Before Exceptional Item and Tax | 114.30 | 633.94 | (151.90) | 571.58 |
| Exceptional Item | - | - | - | - |
| Profit Before Tax | 114.30 | 633.94 | (151.90) | 571.58 |
| Less: Provision for Tax | | | | |
| - Current | 30.28 | 171.41 | 30.28 | 178.12 |
| - Deferred | 4.25 | (7.37) | (22.36) | (10.66) |
| Profit After Tax | 79.77 | 469.90 | (159.82) | 404.12 |
| Earnings Per Share (EPS) | 0.15 | 0.89 | (0.30) | 0.77 |
| Balance Carried to B/S | 612.42 | 557.32 | 476.27 | 658.13 |

PERFORMANCE SUMMARY AND STATE OF AFFAIRS

At the outset, we feel candid to report that economic slowdown, both at national as well as international level, coupled with various economic and political factors, has led to a negative growth for the Company during the FY ended 31st March, 2019. Our business depends largely on government orders, especially defense sector. As you are aware, we were gripped with election mania for the substantial part of the previous Financial Year, as we witnessed elections at our State level followed by general elections that concluded during the first quarter of the current Financial Year. In the said scenario, the government orders were kept largely on hold, which impacted our revenues during the Financial year under review. However, in the backdrop of a stable government, at state as well as national level, we feel upbeat to state that Financial year, 2019-20 would be path breaking for the Company.

A comparative analysis at Consolidated Level and at Standalone Level, year on year basis is hereunder:

Consolidated Level

As you are aware, we have a Wholly Owned Subsidiary in Singapore under the name and style "Vama Technologies Pte Ltd", which contributes substantially to the topline as well as to the bottomline of the Company at consolidated level. On account of reasons summarized above, we have reported a fall of about 50% in our topline vis a vis that of the prior year and a negative PBT for the FY 2018-19. We recorded an operational turnover of ₹ 5379.16 lacs for the FY 2018-19 when compared to ₹ 10354.59 lacs for the FY 2017-18. Similarly, we recorded a loss of ₹ 159.82 lacs for the FY 2018-19 when compared to a Net Profit of ₹ 404.12 lacs for the FY 2017-18.

Standalone Level

At Standalone Level, we have achieved an operational turnover of ₹ 3837.08 lakhs and Profit after Tax i.e., PAT of ₹ 79.77 lacs for the FY 2018-19 as against an operational turnover of ₹ 6863 lacs and profit after tax of ₹ 469.90 Lacs for the FY 2017-18.

With the aforesaid performance in the hindsight, we, at management level, pledge our unflinching efforts to put up a better show in the ensuing Financial Year.

We have resolved not to propose any amount to be transferred to the Reserves for the current Financial Year.

Consolidated Financial Statement

In accordance with the provisions of the Companies Act, 2013 and Ind AS 110 – Consolidated Financial Statements read with other applicable Accounting Standards and principles, the audited financial figures of our Subsidiary have been merged and consolidated with that of our Company and the audited consolidated Financial Statement is provided in the Annual Report.

BUSINESS OPERATIONS AND FUTURE OUTLOOK

VAMA is a System Integrator providing solutions to Space and Defence customers. VAMA has won Open Stack Cloud Project from Defence.

VAMA has been implementing projects all over India for Defence and Space sectors and is taking up turnkey projects. With India becoming a dominant player in the Space sector, ISRO will launch multiple satellites during the coming years and the need for Data Center infrastructure will increase rapidly. ISRO is trying to increase its capacity to deliver by scaling up the frequency of launches by building more satellites and lowering the cost of access to space, VAMA will get several opportunities to bid for infrastructure projects. With the growth in Space and Defense sectors we are confident that we will continue to get opportunities to work on major turnkey projects.

VAMA has increased the sales and marketing activities for the international market especially for the Engineering Services and ITES business. Vama is working on IOT Project with Machine to Machine Communication. We are confident that with the increase in sales and marketing activities, our international business will grow.

MATERIAL CHANGES AFFECTING THE COMPANY & NATURE OF BUSINESS

There have been no material changes and commitments effecting the financial position of the company between the end of the financial year and date of this report.

There has been no change in the nature of Business of our Company during the FY ended 31st March, 2019.

DIVIDEND

We recommend a final dividend of 1% (Re. 0.02 per share) on the capital of ₹ 10,50,80,000 comprising 5,25,40,000 fully paid equity shares of ₹ 2/- each for the year ended March 31, 2019.

The proposed dividend, if declared by the members would result in a cash outflow of ₹ 10,50,800 towards dividend payout and ₹ 2,15,939 as dividend Tax.

The dividend, upon approval by the members, will be paid in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Pursuant to Regulation 43A of SEBI (LODR) Regulations, 2015 we have framed a Dividend Distribution Policy and the same is herewith annexed as '**Annexure XI**' to this report. The Dividend Distribution Policy is posted on the website of the Company and may be accessed at https://www.vamaind.com/Policies/Dividend_Distribution_Policy.pdf

ISSUE AND ALLOTMENT OF SECURITIES / CHANGES IN SHARE CAPITAL

During the FY 2018-19 there was no change in the share capital of the Company.

The Capital Structure, as on date, stands as follows:

Authorised Capital : ₹ 11 Crores

Issued, subscribed and Paid up Capital :10.51 Crores

SUBSIDIARY, JOINT VENTURES & ASSOCIATE COMPANIES

Our Wholly Owned Subsidiary in Singapore, under the name and style “Vama Technologies Pte Ltd.,” is engaged in the business of Information Technology (IT) and IT enabled services. For the FY ended 31st March, 2019, it has recorded a turnover of USD 23.39 lacs. At consolidated level, it contributed ₹ 1542.08 Lacs (28.67%) to the operational revenue. We firmly believe that in view of the strategic position of the said subsidiary, it will play a major role in strengthening the overall performance of our Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the Subsidiary in the prescribed format AOC 1 is provided as **Annexure-I** to this Report. The statement also provides the details of performance, financial position of the said subsidiary.

Further, we undertake that the Annual Accounts of the subsidiary Company and the related detailed information will be made available to the shareholders and to the shareholders of the subsidiary company seeking such information at any point of time. Further, the Annual Accounts of the subsidiary Company shall also be kept for inspection by any shareholder at our Registered office and that of the subsidiary Company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statement and related information of the Company and audited accounts of the subsidiary, are available on our website www.vamaind.com.

The Company does not have any other subsidiary / wholly owned subsidiary apart from Vama Technologies Pte Ltd., which was incorporated in the FY 2016-17. Further, there were no instances of any new subsidiary / joint venture or associate Company becoming or ceasing to be as such during the year under review.

The policy on material subsidiaries as per SEBI (LODR) Regulations, 2015 as approved by the Board is uploaded on the website of the Company and may be accessed at https://www.vamaind.com/Policies/Material_Subsiidiary_Determination_Policy.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 152 of the Companies Act, 2013, Mrs. R. Rama Sravanthi (DIN: 07098278) was reappointed to the office of Director in the previous AGM held on 26th September, 2018.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with articles contained in Articles of Association of the Company, Mr. V. Rajam Raju (DIN: 01314420) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Mr. K.Vara Prasad Raju was appointed as an Independent Director of the Company for a term of 5 years in the 29th Annual General Meeting of the Company held on 25.09.2014, whose tenure as such would expire in the forthcoming AGM. However, in view of a written notice received from one of the shareholders of the Company, proposing the candidature of Mr. K. Vara Prasad Raju for a second term of 5 consecutive years and further based on the recommendation of Nomination and Remuneration Committee of the Company, we propose the said reappointment for your consideration.

Accordingly, an appropriate resolution is laid at Item No.4 in the Notice convening the Annual General Meeting, attached herewith.

Mr. K.Vara Prasad Raju, if appointed in the ensuing AGM, would hold the office of an Independent Director of the Company for a second term of 5 years, commencing on 25.09.2019.

Further, we have received declarations from all our Independent Directors, stating that they meet the criteria of independence as per the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPOSITION OF BOARD COMMITTEES

We have in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report.

The following are the committees of the Board:

Audit Committee

| | |
|---------------------------|------------|
| Mr. V. Srinivas | – Chairman |
| Mr. K.Venkata Krishna Rao | – Member |
| Mr. K. Vara Prasad Raju | – Member |

Nomination and Remuneration Committee

| | |
|---------------------------|------------|
| Mr. K.Venkata Krishna Rao | – Chairman |
| Mr. V. Srinivas | – Member |
| Mr. K. Vara Prasad Raju | – Member |

Stakeholders Relationship Committee

| | |
|---------------------------|------------|
| Mr. K.Venkata Krishna Rao | – Chairman |
| Mr. V. Srinivas | – Member |
| Mr. V.Atchyuta Rama Raju | – Member |

Risk Management Committee

| | |
|--------------------------|------------|
| Mr. V. Srinivas | – Chairman |
| Mr. V.Atchyuta Rama Raju | – Member |
| Mr. V. Rajam Raju | – Member |

Further, we have in place a Committee under the name and style “**Internal Complaints Committee**” which looks into various matters concerning harassment, if any, against women at workplace. Details of composition etc., of the said committee are provided in the section on Corporate Governance.

BOARD EVALUATION

In terms of the requirements of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and that of the Committees.

During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and peer evaluation of directors. Further, the Independent Directors carried out annual performance of the Chairman. The exercise was led by the chairman of Nomination and Remuneration Committee of the Company. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and its committees, experience and competencies, performance of special duties and obligations, governance issues etc. As an outcome of the exercise, it was noted that the Board as a whole is functioning as cohesive body which is well versed with different perspectives. Further, evaluation was also carried out for Mr. K. Vara Prasad Raju, who is due for reappointment as an Independent Director. Further, performance evaluation was also carried out for Mr. V. Rajam Raju, who retires by rotation and being eligible, has offered himself for reappointment.

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION ETC.,

We have devised the following policies, which are attached herewith and marked as **Annexure –VIII and IX** respectively:

- a. Policy for selection of Directors and determining Directors Independence; and evaluation mechanism.
- b. Remuneration Policy for Directors, Key managerial Personnel and other employees.

The aforesaid policies are uploaded on the website of the Company and may be accessed at

- i. https://www.vamaind.com/Policies/Policy_for_Selection_of_Directors.pdf and
- ii. https://www.vamaind.com/Policies/Remuneration_Policy.pdf

MEETINGS OF THE BOARD OF DIRECTORS

The meetings of the Board are scheduled at regular intervals to discuss and decide on business performance, policies, strategies and other matters of significance.

The Board duly met 8 times during the Financial Year 2018-19 i.e., 12th April 2018, 30th May 2018, 20th July 2018, 13th August 2018, 24th August 2018, 05th November, 2018, 14th November 2018, 14th February 2019. The intervening gap between any two consecutive Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013.

Detailed information regarding the meetings of the Board, Directors attendance etc., is provided in the report on Corporate Governance, which forms part of the Board's Report.

RISK MANAGEMENT

We have a Risk Management Committee in place whose primary role is to identify potential risks, develop compatible Risk Management Systems and framework or modify the existing ones to make the same adaptable and to mitigate the risk appropriately.

We have been following the principle of risk minimization vis a vis our business needs and the industry norms.

Further, it is entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework and (b) overseeing that all the risks that the organization faces such as financial, liquidity, security, property, IT, legal, regulatory, reputational and other risks that have been identified and assessed.

The details of the Committee and its terms of reference are set out in the Corporate Governance Report attached herewith. Our Risk Management Policy may be accessed at:http://www.vamaind.com/Policies/Risk_ManagementPolicy.pdf

INTERNAL FINANCIAL CONTROL SYSTEMS

We have adopted policies and procedures which enables implementation of appropriate internal financial controls across the organization and also ensures the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. Internal Financial Controls are an integrated part of the Risk Management Process, addressing financial and financial reporting risks. The Internal Financial Controls have been documented, digitized and embedded in the business process.

We conduct regular management reviews in order to ascertain the effectiveness of our Internal Financial Controls. Further, it is also obtained through our management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the Internal Auditor during the course of audits. We believe that these systems provide reasonable assurance that our Internal Financial Controls are commensurate with the requirements of our organization.

AUDITORS

Statutory Auditors:

M/s. V N S S & Associates, Chartered Accountants, who were appointed as the Statutory Auditors of the Company at the 33rd Annual General Meeting held on 26th September, 2018 for a period of 5 years shall continue to hold their office as such till the conclusion of 38th Annual General Meeting. The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

Auditors Observation(s):

The Notes on Financial Statements referred in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditors:

The Board of Directors, based on the recommendations of the Audit Committee has reappointed M/s. KCR & Associates, Chartered Accountants, Hyderabad, as the Internal Auditors of the Company. The Internal Auditors submits their Report on quarterly basis.

Secretarial Auditors :

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. Vikas Sirohiya, P. S. Rao & Associates, Company Secretaries to undertake the secretarial audit of the Company for the FY 2018-19.

The Secretarial Audit Report, issued by M/s P. S. Rao & Associates is attached herewith and marked as **Annexure –III**.

Further, we would like to clarify that the instances of delay reported by the Secretarial Auditor were just clerical in nature and self explanatory. In view of the said, no further explanation is being provided thereon.

COST RECORDS:

We confirm that the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence accounts and records related thereto are not required to be made or maintained.

SECRETARIAL STANDARDS:

The Directors state that applicable secretarial standards i.e., SS-1 and SS-2 relating to 'Meeting of the Board of Directors' and 'General Meetings' respectively, have been duly followed by the Company.

CONTRACTS OR AGREEMENTS WITH RELATED PARTIES

All contracts / agreements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arm's length basis.

We have not entered into any transactions with any related party other than with our Wholly owned subsidiary "Vama Technologies Pte Ltd. All the transactions during the year were conducted on arm's length basis without any element of risk as to potential conflict of interest with that of the Company at large. During the year, we have not entered into any contract / arrangement / transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions and there were no materially significant related party transactions which could have potential conflict of interest with that of the Company at large.

Members may refer Note 2.30 to the standalone financial statements which sets out related party disclosure pursuant to IndAS. The policy on Materiality of Related Party Transactions may be accessed on the Company's website https://www.vamaind.com/Policies/Related_Party_Transactions_Policy.pdf

However, pursuant to the applicable provisions of the Companies Act, 2013, the prescribed details of the aforesaid Related Party Transactions are provided in Form No. **AOC -2** annexed herewith and marked as **Annexure –II**.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 205C of the Companies Act, 1956 and Section 124(5) of the Companies Act, 2013, any dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account needs to be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government. During the FY 2018-19, the unclaimed dividend in respect of financial year 2010-11 amounting to Rs.59,287 (Rupees Fifty Nine Thousand Two hundred Eighty seven) has been transferred to IEPF by the Company.

The details related to dividend remaining unpaid (out of the dividend declared during the last 7 years) till date may be accessed on our website, www.vamaind.com.

TRANSFER OF SHARES TO IEPF

The IEPF Rules mandate Companies to transfer shares of members whose dividends remain unpaid / unclaimed for a continuous period of 7 years to the Account of IEPF Authority. The members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

The details of shares transferred to the Investor Education and Protection Fund (IEPF), in terms of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, may be accessed on our website, www.vamaind.com. The Company has appointed a Nodal officer under the provisions of IEPF, the details of which are available on the website of the Company <https://vamaind.com/investor-contact.html>.

QUALITY INITIATIVES

We continue to maintain successfully the following ISO Certifications during the year.

- ISO 27001: 2013 – Information Security Management System
- ISO 20000-1: 2011 – IT Service Management System
- ISO 9001 : 2015 – Quality Management System

Further IT services and consulting division was appraised at CMMI maturity level 3 of the CMMI institutes capability maturity model integration.

FIXED DEPOSITS

We have neither accepted nor repaid any deposits during the FY ended 31st March, 2019. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the FY 2019. Hence, there are no details to be provided pursuant to Rule 8 (5) (v) & (vi) of Companies (Accounts) Rules, 2014.

Further, the details of unsecured loans borrowed from Directors during the FY ended 31st March, 2019 and /or outstanding as on the said date are as hereunder:

| Sl. No. | Name | Borrowings during the year (₹ In lacs) | Amt. outstanding as on 31st March, 2019 (₹ In lacs) |
|---------|-----------------------|---|---|
| 1. | V. Atchyuta Rama Raju | 25.34 | 25.34 |
| 2. | V. Rajam Raju | - | 9 |

Further, the said Directors have provided declaration(s) in writing that the amounts lent by them are their own funds and not been given out of funds acquired by them by borrowing or accepting loans or deposits from others.

ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format i.e. Form MGT -9 is appended as **Annexure –V** to this Report and the same is uploaded on the website of the Company https://www.vamaind.com/Annual_Report/Annual_Return_FY_2018_19.pdf

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formalized the process and institutionalized 'Whistle Blower Policy' within the Company, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage/misappropriation of assets to the Company.

The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee.

The details of the vigil mechanism are provided in the Corporate Governance Report and are set out in **Annexure X** to this Report. The Vigil Mechanism and Whistle Blower Policy may be accessed on our Website at the link: https://www.vamaind.com/Policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the provisions of SEBI (LODR) Regulations, 2015, a Report on the Management Discussion and Analysis is set out in **Annexure–VI** attached to this Report.

CORPORATE GOVERNANCE:

Highest standards of Corporate Governance practices are maintained and followed in every walk of life of our Company. A separate report on Corporate Governance is provided together with a certificate from Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015.

A certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, etc., forms part of the said Report.

DISPATCH OF ANNUAL REPORTS

In compliance with the applicable provisions, we shall dispatch the Annual Report for the FY 2018-19 in electronic format to all our members whose E-Mail addresses are registered and updated with our Registrar & Transfer Agents. To all the other members, the Annual Report will be sent in physical format.

LISTING & TRADING

Our Equity Shares are listed on BSE Limited, Mumbai. The listing fee for the FY 2018-19 has been duly paid. You may further note that the listing/ trading was never suspended at any time during the financial year 2018-19.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended in respect of our employees, is attached herewith and marked as **Annexure –VII (i)**.

We do hereby affirm that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Further, we do not have any employee whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) (i)& (ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended i.e. ₹ 8.5 lakhs per month or ₹ 1.02 Crores per annum, as the case may be.

Further, details of top ten employees in terms of remuneration drawn during the financial year ended 31st March, 2019 as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended is attached herewith and marked as **Annexure- VII (ii)**.

LOANS, GUARANTEES OR INVESTMENTS

As you are aware, we have a Wholly Owned Subsidiary (VAMA Technologies Pte. Ltd. wherein we have made an aggregate investment of ₹ 3,89,040 (equivalent to 6000 USD), currently standing at ₹ 4.16 lacs, owing to exchange fluctuations, towards subscription of 8680 equity shares, i.e., 100% stake. Further, in order to meet its short term business requirements, unsecured Loans have been provided during the year under review and the same stands at ₹ 137.96 lacs which shall be repayable on demand.

Apart from the aforesaid, we have not given any fresh loan or made new investment or given guarantee or provided security as envisaged under Section 186 of the Act.

DEMATERIALIZATION OF SHARES

99.82% of the total paid up equity shares of our Company are in dematerialized form as on 31st March, 2019.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- i. In the preparation of the Annual Accounts for the FY ended 31st March, 2019, the applicable Accounting Standards have been followed and that no material departures are made from the same ;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the Financial year and of the profits of the company for the year ended 31st March, 2019;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no orders passed by the Regulators / Courts which would impact the going concern status of our Company and its future operations. Further, we confirm that there were no instances of fraud to be reported by the Auditors vide their Report for the FY 2018-19.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

We strongly support the rights of all our employees to work in harassment – free environment. We have adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”) and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure.

Further, we have in place a Committee under the name and style “**Internal Complaints Committee**” in compliance of POSH Act, which looks into various matters concerning harassment, if any, against women at workplace, addresses concerns and complaints of sexual harassment and recommends appropriate action. Details of composition etc., of the said committee are provided in the section on Corporate Governance.

We further confirm that during the year under review, there were no cases filed pursuant to the said Act.

CORPORATE SOCIAL RESPONSIBILITY

Since our Company does not fall within any of the parameters specified under the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, reporting pursuant to Section 134(3) (o) is Not Applicable.

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

The Particulars as prescribed pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are provided in **Annexure – IV** to this Report.

ACKNOWLEDGEMENTS AND APPRECIATIONS

We wish to place on record our deep sense of appreciation for the contribution made by the employees of the Company and acknowledge their hard work and dedicated services. Further, we express our sincere appreciation towards all the customers, suppliers, banks, financial institutions, advisors, Government of India and Government Departments, concerned State Governments and other authorities for their sustained support and co-operation towards contributing to the Company's success.

Further, we are deeply indebted to our shareholders for their trust and cooperation in our journey.

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju

Chairman and Managing Director

DIN:00997493

24th August, 2019
Hyderabad

Form AOC-1

(Pursuant to section 129 (3) read with Rule 5 of Companies (Accounts) Rules), 2014

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

| Sl.No | Particulars | |
|-------|--|---------------------------------|
| 1. | Name of the subsidiary | Vama Technologies Pte. Ltd |
| 2. | Reporting Period of subsidiary | 01.04.2018 to 31.03.2019 |
| 3. | Reporting Currency | USD |
| 4. | Exchange rate used for conversion | |
| | i. as on the last date of FY (for Balance Sheet items) | 69.1713 |
| | ii. average yearly rate for P & L items | 67.1077 |
| 5. | Share Capital | \$ 6,000 |
| 6. | Reserves & Surplus | \$ -218,335 (Retained Earnings) |
| 7. | Total Assets | \$ 383,335 |
| 8. | Total Liabilities | \$ 383,335 |
| 9. | Investment | -- |
| 10. | Turnover | \$ 2,339,904 |
| 11. | Profit/(Loss) before taxation | \$ -394,762 |
| 12. | Provision for taxation | \$ 3,794 |
| 13. | Profit/(Loss) after taxation | \$ -390,968 |
| 14. | Proposed Dividend | -- |
| 15. | % of Shareholding | 100 |

Part "B" Associates and Joint Ventures – Not Applicable

As per my report of even date
For VNSS & Associates.,
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Membership No:225281
Firm Regn No. 018367S

Sd/-
V Atchyuta Rama Raju
Managing Director
(DIN: 00997493)

Sd/-
V Rajam Raju
Executive Director
(DIN:01314420)

24th August, 2019
Hyderabad

Sd/-
G Siva
Chief Financial Officer

Sd/-
Vandana Modani
Company Secretary

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

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

Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the financial year ended March, 2019, which were not at arm's length basis.

Details of contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March, 2019 are as follows:

| SL. No. | Particulars | Details |
|---------|---|---|
| 1. | Name (s) of the related party & nature of relationship | Vama Technologies Pte. Ltd., (Wholly Owned subsidiary) |
| | Nature of contracts/arrangements/transaction | Service |
| | Duration of the contracts/arrangements/transaction | 1 year |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | Upto a maximum value of Rs.5 Crores |
| | Date of approval by the Board | 12.04.2018 |
| | Amount paid as advances, if any | Nil |

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju
Chairman and Managing Director
(DIN : 00997493)

24th August, 2019
Hyderabad

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and
Remuneration Personnel) Rules, 2014]**

To,
The Members,
Vama Industries Limited,
Hyderabad-500038

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vama Industries Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Vama Industries Limited ("the Company") and made available to us for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and overseas Direct Investment (ODI). However, during the year under review, there were no instances of any new FDI into the Company or any new ODI by the Company. The Company does not have any transaction pertaining to External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**(Not applicable to the Company during the audit period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period);** and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- There was delay in filing of Forms with the Registrar of Companies in certain instances.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied the following laws applicable specifically to the Company:

a) Software Technologies Parks of India rules and regulations

However, there was delay in filing of Monthly Performance Reports & Quarterly Performance Reports with the Software Technology Park of India in certain instances.

b) The Trade Marks Act, 1999.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman and Independent Directors. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board or Committees of the Board, as the case may be.

We further report that

- as per the information provided by the management, and based on the review of compliance reports by the respective department / functional heads, duly taken on record by the Board of Directors of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

- during the audit period, there were no such specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For P S Rao & Associates
Company Secretaries

Vikas Sirohiya
Partner
M. No.15116
C.P. No.5246

Place: Hyderabad
Date: 24th August, 2019

[This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.]

To,
The Members,
Vama Industries Limited,
Hyderabad-500038

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practises we followed provide a reasonable basis for our opinion.
3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

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

For P S Rao & Associates
Company Secretaries

Vikas Sirohiya
Partner
M. No.15116
C.P. No.5246

Place: Hyderabad
Date : 24th August, 2019

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

Particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy : Not Applicable

- i. the steps taken or impact on conservation of energy;
- ii. the steps taken by the company for utilizing alternate sources of energy;
- iii. the capital investment on energy conservation equipments;

B. Technology Absorption : Not Applicable

- i. the efforts made towards technology absorption;
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. the expenditure incurred on Research and Development.

C. Foreign Exchange Inflow and Outflow during the year (Rs. In lacs)

- | | |
|----------------------------|-----------|
| i. Foreign Exchange Earned | : 198.92 |
| ii. Foreign Exchange Outgo | : 1419.61 |

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju
Chairman and Managing Director
(DIN : 00997493)

24th August, 2019
Hyderabad

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

| | | |
|------|---|---|
| i. | CIN | L72200TG1985PLC041126 |
| ii. | Registration Date | 13.03.1985 |
| iii. | Name of the Company | VAMA INDUSTRIES LIMITED |
| iv. | Category/ Sub-Category of the Company | Public Limited Company/Limited by Shares |
| v. | Address of the Registered office and Contact Details | Ground Floor, 8-31-191/147/24, B-12, Madhura Nagar, Hyderabad – 500038 Ph. No : 040-66619919 E-mail ID: cs@vama.co.in Web Site: www.vamaind.com |
| vi. | Whether Listed Company | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent | Bigshare Services Pvt. Ltd 306, 3rd Floor, Right Wing, Amrutha Ville Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda , Hyderabad- 500082. Mobile: 9848098088 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10 % or more of the total turnover of the Company shall be stated:

| S. No. | Name and Description of main products / services | NIC Code of the products / services | % to total turnover of the company |
|--------|--|-------------------------------------|------------------------------------|
| 1 | IT, ITES and System Integration, Hardware & Software, Installation support and Maintenance | 4651 & 6202 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

| S. No | Name and Address of the Company | CIN/GLN/UIN | Holding/ Associate/ Subsidiary | % of Shares held | Applicable Section |
|-------|--|---------------|--------------------------------|------------------|--------------------|
| 1 | Vama Technologies Pte Ltd 10, Jalan Besar, #10-03, Sim Lim Tower, Singapore – 208787 | HYWAZ20161408 | Wholly Owned Subsidiary | 100 | 2(87)(ii) |

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):
i) Category-wise Shareholding

| Category of Shareholder | No. of Shares held at the beginning of the Year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|--------------|-----------------|---------------|---|--------------|-----------------|---------------|--------------------------|
| | Demat Shares | Physical | Total | % of | Demat Shares | Physical | Total | % of Total | |
| A. Promoters | | | | | | | | | |
| 1. Indians | | | | | | | | | |
| a) Individual/HUF | 22561830 | - | 22561830 | 42.94 | 22561830 | - | 22561830 | 42.94 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| e) Banks/FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (1) | 22561830 | - | 22561830 | 42.94 | 22561830 | - | 22561830 | 42.94 | - |
| 2. Foreign | | | | | | | | | |
| a) NRI - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter | | | | | | | | | |
| A= (A)(1) + (A)(2) | 22561830 | - | 22561830 | 42.94 | 22561830 | - | 22561830 | 42.94 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FII's | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others | - | - | - | - | - | - | - | - | - |
| Sub Total (B) (1) | - | - | - | - | - | - | - | - | - |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 5579827 | - | 5579827 | 10.62 | 5531923 | - | 5531923 | 10.53 | (0.09) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 5615966 | 93600 | 5709566 | 10.87 | 5336933 | 93600 | 5430533 | 10.34 | (0.53) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 17908815 | 0 | 17908815 | 34.09 | 18638954 | 0 | 18638954 | 35.48 | 1.39 |
| c) Others | 779962 | 0 | 779962 | 1.48 | 376760 | 0 | 376760 | 0.72 | (0.76) |
| Sub-total (B) (2) | 29884570 | 93600 | 29978170 | 57.06 | 29884570 | 93600 | 29978170 | 57.06 | (0.00) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 29884570 | 93600 | 29978170 | 57.06 | 29884570 | 93600 | 29978170 | 57.06 | (0.00) |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 52446400 | 93600 | 52540000 | 100.00 | 52446400 | 93600 | 52540000 | 100.00 | (0.00) |

ii) Shareholding of Promoter

| Sl. No | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in shareholding during the year |
|--------|----------------------|---|---------------------------------|---|-------------------------------------|---------------------------------|---|--|
| | | No of Shares | %of total shares of the company | % of Shares Pledged/ encumbered to total shares | No of Shares | %of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1. | V.Atchyuta Rama Raju | 12555120 | 23.90 | NA | 12555120 | 23.90 | NA | 0 |
| 2. | V. Rajam Raju | 5802500 | 11.04 | NA | 5802500 | 11.04 | NA | 0 |
| 3. | G.A. Rama Raju | 2997210 | 5.70 | NA | 2997210 | 5.70 | NA | 0 |
| 4. | Bangarraju Mudundi | 90000 | 0.17 | NA | 90000 | 0.17 | NA | 0 |
| 5. | V. Sarada | 85000 | 0.16 | NA | 85000 | 0.16 | NA | 0 |
| 6. | M. Krishnaveni | 84000 | 0.16 | NA | 84000 | 0.16 | NA | 0 |
| 7. | V. Pushpavathi | 70000 | 0.13 | NA | 70000 | 0.13 | NA | 0 |
| 8. | Mohan RajuIndukuri | 53500 | 0.10 | NA | 53500 | 0.10 | NA | 0 |
| 9. | Uma Vani Indukuri | 50000 | 0.10 | NA | 50000 | 0.10 | NA | 0 |
| 10. | V Parvathi | 774500 | 1.47 | NA | 774500 | 1.47 | NA | 0 |
| | TOTAL | 22561830 | 42.94 | NA | 22561830 | 42.94 | NA | 0 |

iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Shareholding pattern of Promoters during the financial year 2018-19

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Anil Unnikrishnan | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 6700000 | 12.75 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 6700000 | 12.75 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 2. | Nirant Technologies Private Limited | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 2500000 | 4.76 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 2500000 | 4.76 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 3. | Sainaren Properties Private Limited | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 2000000 | 3.81 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 2000000 | 3.81 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|----------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 4. | Nitin Siddamsetty | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 1657781 | 3.16 | | |
| | Changes during the Year | 01-06-2018 | Transfer | 1 | negligible | 1657782 | 3.16 |
| | At the end of the year | 31.03.2019 | | | | 1657782 | 3.16 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 5. | V V S Murty | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 800000 | 1.52 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 800000 | 1.52 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|----------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 6. | Grandeur Products Limited | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 771255 | 1.47 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 771255 | 1.47 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 7. | Subba Rao Vitakula | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 750000 | 1.43 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 750000 | 1.43 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 8. | T V APPARAO | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 725445 | 1.38 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 725445 | 1.38 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 9. | N Ramesh Kumar | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 392336 | 0.75 | | |
| | Changes during the Year | 14.12.2018 | Sale | (3500) | (0.0067) | 388836 | 0.74 |
| | At the end of the year | 31.03.2019 | | | | 388836 | 0.74 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 10. | Jayarama Prasad Munnangi | | No. of | | | | |
| | At the beginning of the year | 01.04.2018 | | 330450 | 0.63 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 330450 | 0.63 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | V. Atchyuta Rama Raju | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 12555120 | 23.90 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 12555120 | 23.90 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 2. | V. Rajam Raju | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 5802500 | 11.04 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 5802500 | 11.04 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 3. | K. Vara Prasad Raju | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 1500 | Negligible | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 1500 | Negligible |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 4. | Rama Sravanthi Rambatla | | | | | | |
| | At the beginning of the year | 01.04.2018 | | Nil | Nil | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | Nil | Nil |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 5. | Vitakula Srinivas | | | | | | |
| | At the beginning of the year | 01.04.2018 | | Nil | Nil | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | Nil | Nil |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 6. | K. Venkata Krishna Rao | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 34750 | 0.07 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 34750 | 0.07 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 7. | Gavireddy Siva | | | | | | |
| | At the beginning of the year | 01.04.2018 | | 4880 | 0.009 | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | 4880 | 0.009 |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 8. | *M K Bhaskara Teja | | | | | | |
| | At the beginning of the year | 01.04.2018 | | Nil | Nil | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | Nil | Nil |

| Sl. No | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|------------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 9. | **Vandana Modani | | | | | | |
| | At the beginning of the year | 01.04.2018 | | Nil | Nil | | |
| | Changes during the Year | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 31.03.2019 | | | | Nil | Nil |

*Resigned w.e.f 04.11.2018

**Appointed w.e.f 05.11.2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 3,95,86,436 | 3,54,00,564 | - | 7,49,87,000 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | - | | - | |
| Total (i +ii+iii) | 3,95,86,436 | 3,54,00,564 | - | 7,49,87,000 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 37,829,950 | 12,660,931 | - | 50,490,881 |
| Reduction | 541,013 | 14,643,567 | - | 15,184,580 |
| Net Change | 37,288,937 | (1,982,636) | | 35,306,301 |
| Indebtedness at the end of the financial year | - | - | - | - |
| i) Principal Amount | 76,875,373 | 33,417,928 | - | 110,293,301 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | - | | - | |
| Total (i +ii+iii) | 76,875,373 | 33,417,928 | - | 110,293,301 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|--------|---|------------------------------|--------------------|------------------|
| | | MD: V. Atchyuta Rama Raju | WTD: V. Rajam Raju | |
| 1 | Gross salary | 19,80,000 | 18,00,000 | 37,80,000 |
| a | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 19,80,000 | 18,00,000 | 37,80,000 |
| b | Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil |
| c | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission | Nil | Nil | Nil |
| | -as % of profit | Nil | Nil | Nil |
| | -others | Nil | Nil | Nil |
| 5 | Others | Nil | Nil | Nil |
| | Total | 19,80,000 | 18,00,000 | 37,80,000 |
| | Ceiling as per the Act | 84 Lakhs | 84 Lakhs | |

B. Remuneration to other directors: NIL

None of the Directors of the Company other than mentioned above were paid any remuneration during the financial year. In addition, no performance linked incentives were paid to any of the directors of the company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER / WTD

₹

| Sl. No | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|---|---|---|-------------------------|------------------|
| | | *M K Bhaskara Teja (Company Secretary) | **Vandana Modani (Company Secretary) | Gavireddy Siva (CFO) | Total |
| 1. | Gross salary | 3,90,000 | 1,50,000 | 10,64,000 | 16,04,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,90,000 | 1,50,000 | 10,64,000 | 16,04,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2. | Stock Option | Nil | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil | Nil |
| 4. | Commission -as % of profit -others | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| 5. | Others | Nil | Nil | Nil | Nil |
| | Total | 3,90,000 | 1,50,000 | 10,64,000 | 16,04,000 |

*Mr. M.K. Bhaskara Teja resigned from the office of the Company Secretary with effect from 04.11.2018

**Ms Vandana Modani was appointed on 05.11.2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|--|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty Punishment Compounding B. DIRECTORS Penalty Punishment Compounding C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding | NOT APPLICABLE | | | | |

Management Discussion and Analysis Report

1. Competitive position of the Company

(a) Industry structure and developments.

According to the market research group IBISWorld, the U.S. information technology consulting industry is a \$376 billion business. There are nearly 433,000 information technology consulting businesses in the United States, employing more than 2 million people. Application design, development, and integration services account for almost 25 percent of total IT consulting industry revenue. A growing number of small and medium-sized companies are hiring IT consultants to help them develop and create custom software or fine-tune their existing software and hardware applications to improve their business operations. Over the five years to 2019, shifting technological trends toward cloud computing and data analytics have caused larger operators to acquire smaller companies and develop new products to stay relevant.

Information technology consulting continues to be in demand by businesses, governments, non-profit organizations, and schools. The growth of mobile devices, cloud computing, the Internet, social media, and other technological innovations have added to the areas that information technology consultants cover for their clients.

The explosion of “computer-to-computer” communication in the twenty-first century is triggering a growth phase for IT consultants. By the end of the decade, more than 60 percent of the computer communications will be computer-to-computer. Computer-to-computer vastly speeds up the pace of business. For example, end-to-end supply chains can be automatically adjusted by point-of-sale computers directly communicating with warehouse computers, which in turn directly communicate with manufacturer computers, and, again in the chain, manufacturers’ computers directly communicate with their supplier computers. In addition, computer-to-computer communications can track demand and adjust logistic systems to automatically direct product to geographical points of demand.

According to Deloitte’s State of AI in the enterprise, 2nd Edition,³ the most popular path to acquiring AI capabilities is enterprise software with integrated AI. Overwhelmingly, this software is cloud-based, either through public or private cloud deployments. Fifty-seven percent of our AI survey respondents globally use it now, and an additional 37 percent plan to use it within the next two years.

60 percent of enterprises are expected to move their IT systems to cloud by 2019 as a part of their digital transformation initiatives.⁴ As the primary value proposition of cloud continues to shift from “cost/efficiency” to “innovation acceleration,” multicloud strategies should play a crucial role in this transformation. A recent executive survey suggests that 67 percent of executives are either using a hybrid model (a mix of on-premise and public/private cloud) or considering it as a future option. As people and devices increasingly become connected, identity/privacy protection has become a prime concern. Both blockchain and biometrics promise to provide a robust way to secure and manage user identities. Companies may even combine these technologies to make their offerings more secure. In parallel, blockchain provides a robust, incorruptible, and encrypted method of recordkeeping that is easily verifiable. Consortiums such as R3 are likely to play an important role in establishing the roots of blockchain.

(b) Opportunities and Threats.

In a world of growing complexities, it is critical to ensure sufficient distribution of the existing knowledge throughout the company. Large consultants will face structural problems. This would limit their ability to raise capital and slow down decisions and changes. Some might even consider going public due to enormous management incapacities. This would be an opportunity for other players to enter some poorly serviced fields. Also, small firms are consistently thriving by becoming exquisitely specialized. They could network to fulfil complex needs which would enable them to become medium sized consultancy on project basis.

Getting new customers is significant for an IT services company. Considering the fact that IT consulting firms primarily work on a contract basis, it’s always important for them to focus on gaining new clients. A contract isn’t permanent. Because of this, while working with one or more clients, efforts are always being put into finding new ones, which can become quite a nerve-racking effort.

Threat of new entrants always lingers on the IT industry. However, Small-to-medium consulting services firms are challenging the bigger, more established firms with their ability to innovate and their agile pricing and service models.

The enablers and drivers of growth of the IT consulting industry have been several. First, innovation in frameworks and methodologies along with trained professionals have provided value-added services uniquely available from the consulting firm. Newness and complexity have been a second driver. A third driver has been the building to critical mass high levels of expertise not economical to maintain in a particular company.

A fourth driver is the demand for process and behavior change that IT implementation puts on most organizations. IT was not just a new technology. To capture the value IT represented, organizations had to address change in structure, culture, people, process, and leadership. Many organizations turned to the consulting industry for help in understanding and managing these significant changes.

Finally, the IT consulting industry enjoyed an unprecedented frenzy of convergence of 1) adoption of systems such as ERP and CRM; 2) management improvements such as BPRE; 3) problems to solve such as Y2K; and 4) new territory to pioneer such as e-business.

(c) Segment-wise or product-wise performance.

Company Performance Highlights:

- CMMI Level 3 certified Company
- ISO 27001:2013 certified – Information Security Management System
- ISO 9001:2015 certified – Quality Management Systems
- ISO 20000-1:2011 certified – Service Management System
- Registered with National Small Industries Corporation (NSIC)
- Registered with Software Technology Park of India (STPI)
- Registered with Micro, Small & Medium Enterprises (MSME)

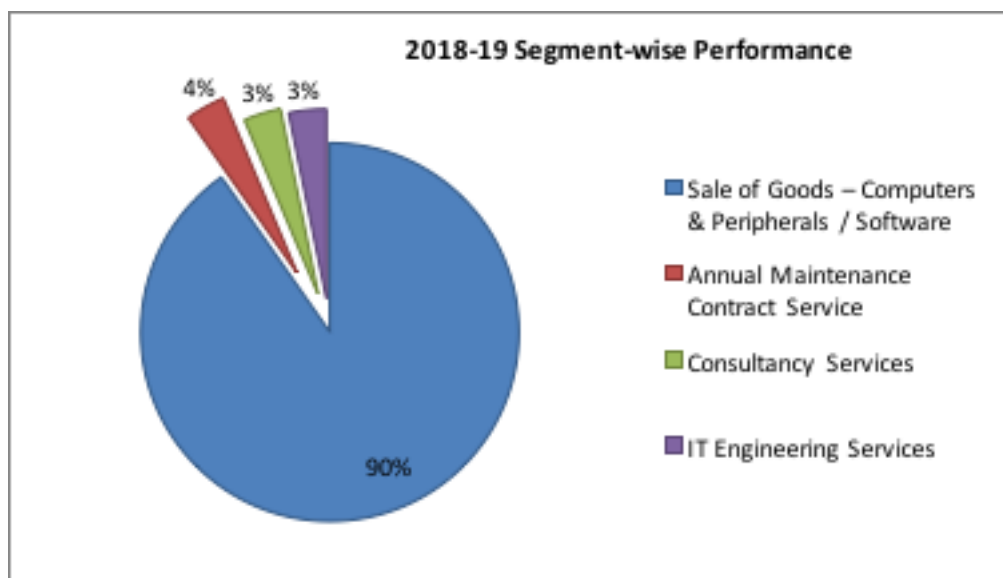
Business Operations:

- IT Services and Consulting
- Engineering Services
- IT Infrastructure Solutions
- Mobile Application
- Internet of Things
- Cloud Technologies
- BI and Analytics
- Manual and Automation Testing
- Software Development
- Database Services and Blockchain
- CAD and Engineering Data Management
- Product Design and Development
- Product Sales and Support
- Data Center Implementation
- High Performance Computing (HPC)
- Remote Infrastructure Management Services
- IT Infrastructure Consulting
- Infrastructure Management Services
- Openstack Cloud Projects
- IoT Machine to Machine Communication Projects
- End to End Data Center Implementation Projects
- Engineering Product Design Projects

Segment-wise performance: The business operations mentioned supra are being divided into following segments and the revenue generated from each segment is indicated below:

Rs.In Lakhs

| Revenue | 2018-19 | 2017-18 |
|--|----------|-----------|
| Sale of Goods – Computers & Peripherals / Software | 4,855.36 | 9,624.86 |
| Annual Maintenance Contract Service | 181.06 | 346.05 |
| Consultancy Services | 170.59 | 181.62 |
| IT Engineering Services | 172.15 | 202.06 |
| Total Revenue | 5,379.16 | 10,354.59 |



(d) Outlook

VAMA has been implementing projects all over India for Defence and Space sectors and is taking up turnkey projects. With India becoming a dominant player in the Space sector, ISRO will launch multiple satellites during the coming years and the need for Data Center infrastructure will increase rapidly. ISRO is trying to increase its capacity to deliver by scaling up the frequency of launches by building more satellites and lowering the cost of access to space, VAMA will get several opportunities to bid for infrastructure projects. With the growth in Space and Defence sectors we are confident that we will continue to get opportunities to work on major turnkey projects.

VAMA has increased the sales and marketing activities for the international market especially for the Engineering Services and ITES business. Vama is working on IOT Project with Machine to Machine Communication. We are confident that with the increase in sales and marketing activities; our international business will grow.

(e) Risks and concerns.

- Retraining great talent
- Building a reputation of being innovative
- Data Breaches
- Cost competitiveness
- Prominent assaults on internet infrastructure by hackers commanding a hijacked army of connected devices should spur companies to reassess how security vulnerabilities in the Internet of Things might increasingly jeopardize critical operations and networks.

(f) Internal control systems and their adequacy.

The internal control systems adopted by the Company are adequate and appropriate to its operations. The system has been designed to ensure that assets and interest of the Company are protected and dependability of accounting data and its accuracy are ensured with proper checks and balances.

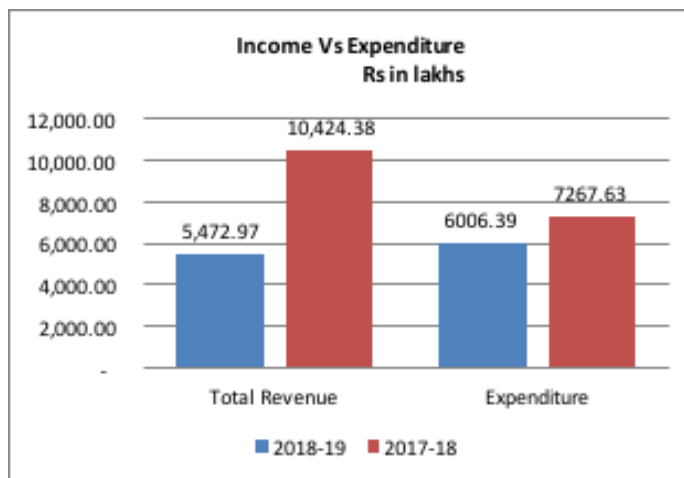
(g) Discussion on financial performance with respect to operational performance

Rs.In Lakhs

| INCOME | 2018-19 | 2017-18 |
|-----------------------------------|----------------|-----------------|
| Export Revenue | | |
| IT Services | 181.25 | 202.06 |
| Sales of computers & Peripherals | 1616.86 | 3583.55 |
| Domestic Revenue | | |
| Services / Consultancy / Projects | 342.55 | 527.67 |
| Sales of computers & Peripherals | 3238.50 | 6041.31 |
| Other Income | 93.81 | 69.79 |
| Total Revenue | 5472.97 | 10424.38 |

Rs.In Lakhs

| EXPENDITURE | 2018-19 | 2017-18 |
|--|----------------|-----------------|
| Material Consumed | 4692.02 | 6486.81 |
| Employee Benefit Expenses | 498.54 | 362.18 |
| Finance Cost | 183.64 | 132.22 |
| Depreciation and Amortisation Expenses | 34.49 | 31.94 |
| Other Expenses | 597.70 | 254.48 |
| Total Revenue | 6006.39 | 10424.38 |



- (h) Material developments in Human Resources / Industrial Relations front, including number of people employed.

When it comes to talent in the tech sector, one thing is certain: The “shelf life” of skills is getting shorter and shorter. As a result, retraining has become crucial: Companies should invest more in educating and training workforces for the digital era. According to Deloitte’s recent AI Survey, 30 percent of respondents said they face a major (23 percent) or extreme (7 percent) skills gap.

Our pro-human resources policy helps us in controlling the attrition rate amongst our employees and maintain cordial relations across the organization. Further, our human resource strategy has enabled us to attract, integrate, develop and retain the best talent required for driving business growth.

| Sr.No | Category | Number of employees as on 31/03/2019 |
|-------|--------------------------------|--------------------------------------|
| 1 | *Executive Director | 2 |
| 2 | Key Managerial Personnel (KMP) | 2 |
| 3 | Other employees | 116 |
| | Total | 120 |

*V. Atchyuta Rama Raju is the Chairman & Managing Director of the Company and also designated as KMP but counted as one under the category of Executive Director.

- (i) details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

| | | 2018-19 | 2017-18 | Explanation |
|-----|---|---------|---------|---|
| i | Debtors Turnover | 0.46 | 0.78 | Fall in turnover due to external factors (explained in Directors Report) |
| ii | Inventory Turnover | 2.65 | 8.76 | Fall in turnover due to external factors (explained in Directors Report) |
| iii | Interest Coverage Ratio | 1.62 | 5.79 | Fall in net profits. |
| iv | Current Ratio | 1.52 | 1.48 | Normal change(less than 25%.) |
| v | Debt Equity Ratio | 0.54 | 0.38 | On account of increase in working capital limits. |
| vi | Operating Profit Margin (%) | 9.16% | 8.39% | Normal change(less than 25%.) |
| vii | Net Profit Margin (%) or sector-specific equivalent ratios, as applicable | 0.02 | 0.07 | Though change is more than 25%, its negligible in absolute terms. |

2. Disclosure of Accounting Treatment

We carried out a comprehensive and intensive exercise in order to converge our financial statements in tune with Ind AS and compliances. The Company has prepared financial statements which comply with IndAS applicable for periods ending on 31st March 2019, together with the comparative period data as at and for the year ended 31st March 2018, as described in the summary of significant accounting policies.

A treatment different from that prescribed in an Accounting Standard has not been followed in the preparation of financial statements. Further, the financial statements represent a true and fair view of the underlying business transactions.

3. Cautionary Statement

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc. available on the public domain which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. We assume no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Details pertaining to remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- A. The ratio of the remuneration of each director to the median employees remuneration and other details in terms of sub section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto.

(Rs. in Lakhs)

| Sr. No. | Name of Director / KMP and Designation | Financial Year 2018-19 | | |
|---------|--|--------------------------------|----------------------------|--|
| | | Remuneration of Director / KMP | % increase in Remuneration | Ratio of Remuneration of each Director / KMP to median remuneration of employees |
| 1 | Mr. V.A Rama Raju Chairman & Managing Director | 19.80 | Nil | 8.20 |
| 2 | Mr.V. Rajam Raju Executive Director | 18.00 | Nil | 7.45 |
| 3 | Mr. V. Prasad Raju Independent Director | Nil | Nil | N.A |
| 4 | Ms. R. Rama Sravanthi Non-Executive Director | Nil | Nil | N.A |
| 5 | Mr. V. Srinivas Independent Director | Nil | Nil | N.A |
| 6 | Mr. K. Venkata Krishna Rao Independent Director | Nil | Nil | N.A |
| 7 | Mr. G. Siva CFO | 10.64 | Nil | 4.41 |
| 8 | Ms. Vandana Modani Company Secretary (wef.05.11.2018) | 1.50 | N.A | 1.49 |
| 9 | Mr. M K BhaskaraTeja Company Secretary (upto 04.11.2018) | 3.90 | Nil | 2.76 |

B. Percentage Increase in the median remuneration of all employees in the Financial Year 2018-19:

The median annual remuneration of employees of the Company during the financial year was Rs.2.42 lacs In the financial year, there was a decrease of 13.88 % in the median remuneration of employees.

C. Number of permanent employees on the rolls of Company as on 31st March 2019

There were 120 permanent employees on rolls of the Company as on March 31, 2019

D. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.

Average percentile increase already made in the salaries of the employees other than the managerial personnel in this financial year i.e., 2018-19 is 14.34% whereas there was an increase in the managerial personnel remuneration of 2.67% for the said financial year.

E. Affirmation that the remuneration is as per the remuneration Policy of the Company:

Yes, it is hereby affirmed that the remuneration is as per the remuneration Policy of the Company:

For and on behalf of the Board

Sd/-

V. A. Rama Raju

Chairman and Managing Director
(DIN : 00997493)

24th August, 2019
Hyderabad

Annexure – VII (ii)

Statement of Particulars of employees pursuant to Provisions of Rule 5(2) of Section 197 (12) of the companies Act 2013 Read with Companies (Appointment & remuneration of Managerial Personnel) Rules 2014

Details of top 10 employees (interims of Remuneration), other than executive Directors Employed throughout the Year/Part of the year.

| Sl No | Name of the Employee | Age (Years) | Designation | Qualification | Remuneration (per annum) | Nature of Employment | Experience (Years) | Date of Commencement of Employment | Previous Employment | Relationship with Directors/Managers | Nature of Duties of employee | % of Share holding in the Company |
|-------|------------------------|-------------|---------------------|--------------------------|--------------------------|----------------------|--------------------|------------------------------------|---|--------------------------------------|-------------------------------|-----------------------------------|
| 1. | SRINIVASA CHARY K | 42 | Project Manager(IT) | B.Sc Computers | 13,80,000 | Permanent | 17 | March 2005 | Micropack Ltd | Not related to any Director | Project Manager | NIL |
| 2 | VEERA PRASAD A | 39 | Project Manager | B.E | 12,48,600 | permanent | 15 | May/2006 | Concurrent Analysis Pvt. Ltd | Not Related to Any Director | Project Manager | NIL |
| 3 | SRINIVAS R | 39 | Project Manager | B.Tech | 12,48,600 | permanent | 14 | Apr/2005 | Concurrent Analysis Pvt. Ltd | Not Related to any Director | Mechanical design Engineering | NIL |
| 4 | T HARISH | 38 | Head HPCC | M.sc. Computers | 12,50,000 | permanent | 10 | Apr/2007 | Locuz Enterprise Solutions | Not Related to any Director | Project Lead | NIL |
| 5 | SUIVARNA B | 38 | Project Manager | B.E | 12,30,000 | permanent | 17 | Apr/2005 | Concurrent Analysis Pvt. Ltd | Not Related to any Director | Mechanical Design Engineering | NIL |
| 6 | SIWA G | 39 | CFO | ICWA(inter), M Com & MBA | 10,64,000 | permanent | 12 | Oct/2007 | K N Murthy & Co | Not Related to any Director | Finance & Accounts | 0.009 |
| 7 | JAGADISH BABU T | 39 | Project | DME | 10,58,520 | permanent | 12 | Apr/2007 | RMSI & Satyam | Not Related to any Director | Engineering Services | NIL |
| 8 | JAVA NAVEEN CH | 39 | Project Manager | MBA(Systems & marketing) | 9,09,000 | permanent | 8 | Apr/2006 | NA | Not Related to any Director | Project Manager | NIL |
| 9 | N M VENKATESH | 34 | Accounts Manager | B. Tech | 8,70,000 | permanent | 10 | Jan/2014 | ICON Design Automation Repository Pvt Ltd | Not Related to any Director | Sales | NIL |
| 10 | SATYENDRA KUMAR BHARTI | 35 | Storage Admin | MBA (IT & marketing) | 8,35,004 | permanent | 7 | Apr/2017 | HCL Technologies Ltd | Not Related to any Director | Storage Admin | NIL |

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS INDEPENDENCE

1. Introduction:

- 1.1 Vama Industries Limited (VAMA) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, VAMA ensures constitution of the Board of Directors with required composition, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 VAMA recognizes the importance of Independent Directors in achieving the effectiveness of the Board.

2. Scope:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a Director appointed to the Board of the Company.
- 3.2 **“Nomination and Remuneration Committee”** means the Committee constituted by Vama Industries Limited’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 3.3 **“Independent Director”** means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4. Policy:

4.1 Qualifications and Criteria

- 4.1.1 The Nomination and Remuneration (NR) Committee and the Board shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s operations.
- 4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as:
- General understanding of the Industry vis a vis Company’s business perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 4.1.3 The proposed appointee shall also fulfill the following requirements:
- Shall possess a Director Identification Number;
 - Shall not be disqualified under the Companies Act, 2013;
 - Shall give his written consent to act as a Director;

- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall disclose his concern or interest in any Company or Companies or Bodies Corporate, Firms including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013, are as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director :

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b.
 - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.
- 4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as a Director in more than 20 companies of which not more than shall be 10 Public Limited Companies.

For and on behalf of the Board

Sd/-
V. A. Rama Raju
Chairman and Managing Director
(DIN : 00997493)

24th August, 2019
Hyderabad

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**1. Introduction:**

Vama Industries Limited (VAMA) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration is based on such parameters reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a director appointed to the Board of the company.

3.2 "Key Managerial Personnel" means

- (I) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 "Nomination and Remuneration Committee" means the committee constituted by the Board of Directors of Vama Industries Limited in accordance with the provisions of Section 178 of the Companies Act, 2013.

4. Policy:**4.1 Remuneration to Executive Directors and Key Managerial Personnel**

4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

4.2 Remuneration to Non-Executive Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders, if any.

4.3 Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju
Chairman and Managing Director
(DIN : 00997493)

24th August, 2019
Hyderabad

WHISTLEBLOWER POLICY

As referred in the Directors Report and the Report on Corporate Governance, the Company has framed and adopted the Whistleblower policy that covers our directors and employees. The policy is subject to need based review and modifications, if required, from time to time. The Policy, as applicable currently, is laid hereunder and is also posted on our website www.vamaind.com

Scope and purpose:

Vama Industries Limited (Vama) is committed to complying with the foreign and domestic laws that apply to it, satisfying the Company's Code of Conduct and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. If potential violations of Company policies or applicable laws are not recognized and addressed promptly, both the Company and those working for or with the Company could face governmental investigation, prosecution, fines, and other penalties. That may have cascading impact and may prove fatal. Consequentially, and to promote the highest ethical standards, the Company will maintain a workplace that facilitates the reporting of potential violations of Company's policies and applicable laws. Employees must be able to raise concerns regarding such potential violations easily and free of any fear of retaliation. That is the purpose of this policy (the 'Policy' or the 'Vigil Mechanism and Whistle Blower Policy'). You are required to read this Policy and acquaint yourself with the same.

Report at the earliest - Nip at the bud

Everyone is required to report to the Company any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct. It is important that you report all suspected violations. This includes possible accounting or financial reporting violations, insider trading, bribery, harassment, discrimination in your employment etc.

It is the policy of the Company that you must, when you reasonably suspect that a violation of an applicable law or the Company's Code of Conduct has occurred or is occurring, report that potential violation. Reporting is crucial for early detection, proper investigation and remediation, and deterrence of violations of Company's policies or applicable laws. You should not fear any negative consequences for reporting reasonably suspected violations because retaliation for reporting suspected violations is strictly prohibited by Company policy. Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and such failure will be addressed with appropriate disciplinary action, including possible termination of employment.

How & Where to Report

You must report all suspected violations to (i) your immediate supervisor; (ii) the nodal officer, i.e., the Company Secretary; at or (iii) anonymously, by sending an email to: whistleblower@vama.co.in

If you have reason to believe that your immediate supervisor or the Company Secretary is involved in the suspected violation, your report may be made to the Chairman of the Audit Committee at:

Chairman, Audit Committee, Vama Industries Limited, Ground Floor, B-12, Madhura Nagar, Hyderabad.

Because you have several means of reporting, you need never report to someone you believe may be involved in the suspected violation or from whom you would fear retaliation.

Your report should include as much information about the suspected violation as you can provide. Where possible, it should describe the nature of the suspected violation; the identities of persons involved in the suspected violation; a description of documents that relate to the suspected violation; and the time frame during which the suspected violation occurred. Where you have not reported anonymously, you may be contacted for further information.

Post reporting Investigation

All reports under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. Everyone working for or with the Company has a duty to cooperate in the investigation of reports of violations. Failure to cooperate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company's policy.

Zero - Retaliation policy

No one may take any adverse action against any employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Company's Code of Conduct and Ethics. The Company takes reports of such retaliation seriously. Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment. Those working for or with the Company who engage in retaliation against reporting employees may also be subject to civil, criminal and administrative penalties.

Modification

The Audit Committee or the Board of Directors of Vama can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with national, state or local regulations and / or accommodate organizational changes within the Company.

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju
Chairman and Managing Director
(DIN : 00997493)

24th August, 2019
Hyderabad

DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the "Board") of Vama Industries Limited (the "Company") at its meeting held on April 24, 2017 has adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Company has had an uninterrupted dividend payout since listing. In future, the Company would endeavor to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook for next three to five years
- Expected future capital / liquidity requirements
- Any other relevant factors and material events

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged

UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and regulations or as deemed fit on a review.

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju
Chairman and Managing Director
(DIN : 00997493)

24th August, 2019
Hyderabad

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are glad to present the following report detailing of the systems and processes of Corporate Governance at Vama Industries Limited (VAMA):

I. Our philosophy on Code of Governance:

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long term. At Vama Industries, we feel proud to belong to a company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of business, as demonstrated in its organization culture at all levels.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At Vama Industries, we are committed to doing things in a right way which means taking business decisions and acting in a way that is ethical and is in compliance with governing legislations.

To succeed, we believe, it requires high standards of corporate behavior towards everyone we work with, the community we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our members, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors plays a crucial role in overseeing how the management serves the short and long-term interest of members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under review and benchmark ourselves to best practices across the globe.

II. Board of Directors

a) Composition and category of directors

The Board of your company has a good mix of executive and non-executive directors with half of the Board of the Company comprising independent directors. As on date of this report, the board consists of 6 directors - comprising 2 Executive directors, 3 Independent directors, and 1 non executive woman director. The composition of the board represents an optimal mix of professionalism, knowledge, experience and enables the board to discharge its responsibilities and provide effective leadership to the business.

The company obtains from each director - on an annual basis - details of the board and board committee positions he/she occupies in other companies and changes, if any, regarding their directorship. In addition, the independent directors provide an annual confirmation that they meet criteria of independence as defined under section 149(6) of the companies act, 2013.

The Board composition is in conformity with the provisions of Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination and Remuneration Committee periodically evaluates the criteria with respect to qualifications, independence, remuneration, performance etc of directors.

b) Meetings and Attendance

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from statutory and other business. The Board meetings are pre-scheduled and a tentative annual calendar of the Board meetings is circulated to the directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board generally considers important corporate actions and events including but not limited to:-

- Quarterly and annual results announcements;
- Oversight of the performance of the business;
- Dividend(s);
- Development and approval of overall business strategy;
- Board succession planning;
- Review of the functioning of the committees;
- Other strategic, transactional and governance matters as required under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable legislations.

The notice of the Board meeting is given well in advance to all the directors. The agenda of the Board meeting is set by the Company Secretary in consultation with the Chairman and the Managing Director. The agenda is circulated a week prior to the date of the meeting that includes an Action Taken Report detailing the implementation of the decisions taken at the previous Board Meeting, business to be discussed at the meeting, statutory compliance status etc

The Company obtains prior approval from the Directors to call, convene, and hold Board meetings at shorter notice.

Attendance of Directors in the Board Meetings:

| Name | Category | Attended |
|---|--------------------------------|----------|
| Promoter & Executive Directors | | |
| Mr. V. Atchyuta Rama Raju | Chairman and Managing Director | 8/8 |
| Mr. V. RajamRaju | Executive Director | 8/8 |
| Non - Promoter & Non - Executive Directors | | |
| Mr. K. Vara Prasad Raju | Independent Director | 8/8 |
| Ms. R. Rama Sravanthi | Non-Executive Director | 8/8 |
| Mr. V. Srinivas | Independent Director | 8/8 |
| Mr. K. Venkata Krishna Rao | Independent Director | 8/8 |

Attendance at the last Annual General Meeting held on 26.09.2018.

| Name | Yes / No |
|----------------------------|----------|
| Mr. V. Atchyuta Rama Raju | Yes |
| Mr. V. RajamRaju | Yes |
| Mr. K. Vara Prasad Raju | Yes |
| Ms. R. Rama Sravanthi | Yes |
| Mr. V. Srinivas | Yes |
| Mr. K. Venkata Krishna Rao | Yes |

c) Membership in other Boards or Committees

| Name | No. of Memberships in other Companies (including Private Limited Companies) | | |
|----------------------------|---|------------|--------------|
| | Board | Committees | |
| | | Membership | Chairmanship |
| Mr. V. Atchyuta Rama Raju | 1 | Nil | Nil |
| Mr. V. Rajam Raju | Nil | Nil | Nil |
| Mr. K. Vara Prasad Raju | Nil | Nil | Nil |
| Ms. R. Rama Sravanthi | Nil | Nil | Nil |
| Mr. V. Srinivas | Nil | Nil | Nil |
| Mr. K. Venkata Krishna Rao | Nil | Nil | Nil |

Moreover, no director is a Board member of any other listed company.

d) Number and Date of Board Meetings

During the FY 2018-2019, 08 (Eight) Board Meetings were held on 12th April, 2018, 30th May, 2018, 20th July, 2018, 13th August, 2018, 24th August, 2018, 05th November, 2018, 14th November, 2018 and 14th February, 2019. The time-gap between any two consecutive meetings is not more than 120 days.

e) Disclosure of relationship between Directors inter-se

Mr. V. Atchyuta Rama Raju and Mr. V. Rajam Raju are brothers and share no relationship with any other Director on the Board. Except the above two directors, no other Director is related to any other Director on the Board.

f) Holding of Non-Executive Directors

| Sl. No | Name | No of Equity Shares | % of shares held | No. of Convertible Instruments |
|--------|----------------------------|---------------------|------------------|--------------------------------|
| 1 | Mr. K. Vara Prasad Raju | 1500 | 0.0029 | 0 |
| 2 | Ms. R. Rama Sravanthi | 0 | 0 | 0 |
| 3 | Mr. V. Srinivas | 0 | 0 | 0 |
| 4 | Mr. K. Venkata Krishna Rao | 34,750 | 0.066 | 0 |

g) Familiarization programme for Independent Directors:

The Board familiarization programme comprises the following:

- Induction programme for new Independent Directors
- A bird's eye-view on the Company's business and functional issues
- Workshop session on proposed business verticals
- Strategy session

The new Independent Directors are taken through a detailed induction and familiarization programme. As part of the induction session, the Managing Director provides an overview of the organization, its history, values and purpose. The Independent Directors are made aware of their roles and responsibilities at the time of their appointment and detailed letter of appointment is issued to them.

Our Familiarization Programme may be accessed on our Website at:

http://www.vamaind.com/Policies/Familiarisation_Programme_for_Independent_Directors.pdf

Separate Independent Directors' meeting:

In compliance with schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors held their meeting on 14th February, 2019, without the presence of non-independent directors and members of the management, inter alia, to discuss the following:

- Noting the report of performance evaluation of the Board from the Chairman of the Board;
- Review of the performance of non-independent directors and the Board;
- Review of the performance of the Chairman of the Company;
- Assessment of the quality and quantity and timeliness of flow of information to the Board; and
- Review of informal meeting with senior management personnel

All independent directors were present at the aforesaid meeting.

h) Skills / Expertise / Competence of the Board of Directors

The following Skills / Expertise / Competencies are identified by the board as required in the context of the company to function effectively :

- Wide Management and Leadership experience
- Information Technology
- Diversity
- Functional and Managerial Experience
- Personal Values
- Corporate Governance

The above mentioned skills are collectively available with the Board.

i) Confirmation about Independent Directors

Our Independent Directors comply with the requirements as stipulated under Section 149 of the Companies Act, 2013 read with Regulation 16(b) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors on our Board are as follows:

- ❖ Mr. K Vara Prasad Raju
- ❖ Mr. V. Srinivas
- ❖ Mr. K. Venkata Krishna Rao

We further confirm that the above directors are independent of management.

j) No independent director resigned from the Board before the expiry of his tenure.

III. Audit Committee

a) A brief description of terms of reference

The role of the audit committee includes the following:

- ❖ To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ❖ To recommend appointment, remuneration and terms of appointment of auditors of the listed entity;
- ❖ To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- ❖ To review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- ❖ To review, with the management, the quarterly financial statements before submission to the board for approval;
- ❖ To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- ❖ To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ❖ To approve or any subsequent modification of transactions of the company with related parties;
- ❖ To scrutinize inter-corporate loans and investments;
- ❖ To value undertakings or assets of the listed entity, wherever it is necessary;
- ❖ To evaluate internal financial controls and risk management systems;
- ❖ To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ❖ To review the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ❖ To discuss with internal auditors of any significant findings and follow up there on;
- ❖ To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ❖ To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ❖ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ❖ To review the functioning of the whistle blower mechanism;
- ❖ To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- ❖ To carry out any other function as directed by the Board of Directors

- ❖ To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

b) Composition, name of members and chairperson

| Name of Member | Designation |
|---------------------------|-------------|
| Mr.V.Srinivas | Chairman |
| Mr.K.Vara Prasad Raju | Member |
| Mr.K. Venkata Krishna Rao | Member |

c) Meetings and Attendance during the year

During the financial year ended on 31st March, 2019, the Audit Committee met 4 times - 30.05.2018, 13.08.2018,14.11.2018, and 14.02.2019 - with a gap of not more than one hundred and Twenty days between any two meetings.

| Name | Meetings held | Meeting entitled to attend | Attended |
|---------------------------|---------------|----------------------------|----------|
| Mr.V.Srinivas | 4 | 4 | 4 |
| Mr.K.Vara Prasad Raju | 4 | 4 | 4 |
| Mr.K. Venkata Krishna Rao | 4 | 4 | 4 |

Ms. Vandana Modani, Company Secretary, acts as the Secretary of the Audit Committee.

In addition to the members of the Audit Committee, the meetings were attended by heads of finance, internal audit departments along with statutory auditor of the Company.

IV . NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference

- ❖ To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- ❖ To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- ❖ To devise a policy on diversity of board of directors;
- ❖ To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- ❖ To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- ❖ To recommend to the board, all remuneration, in whatever form, payable to senior management.

b) Composition, name of members and chairperson

| Name of the Member | Designation |
|---------------------------|-------------|
| Mr.K. Venkata Krishna Rao | Chairman |
| Mr . V.Srinivas | Member |
| Mr. K. Vara Prasad Raju | Member |

All the members of the committee are Non- Executive Independent Directors

Ms. Vandana Modani, Company Secretary, acts as the Secretary of the Nomination and Remuneration Committee.

c) Meeting and attendance during the year

During the financial year ended on 31st March, 2019, the Nomination & Remuneration Committee met 3 times on 30.05.2018, 20.07.2018 and 24.08.2018

| Name | Meetings held | Meeting entitled to attend | Attended |
|---------------------------|---------------|----------------------------|----------|
| Mr.K. Venkata Krishna Rao | 3 | 3 | 3 |
| Mr . V.Srinivas | 3 | 3 | 3 |
| Mr. K. Vara Prasad Raju | 3 | 3 | 3 |

d) Performance evaluation criteria for independent directors

The Board is responsible for undertaking a formal annual evaluation of its own performance, that of its Committees and of individual Directors as per Section 134 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with a view to review their functioning and effectiveness and also for identifying possible paths for improvement. During the year, the Board, in concurrence with Nomination and Remuneration Committee, carried out a performance evaluation of itself, its Committees, and each of the executive/ non-executive/ independent directors through an online survey process.

The Independent directors were evaluated on various performance indicators including aspects relating to:

- Integrity and maintenance of confidentiality
- Commitment and participation at the Board & Committee
- Effective deployment of knowledge and expertise
- Exercise of objective independent judgement in the best interest of Company
- Interpersonal relationships with other directors and management

The board and committees were evaluated on the following parameters:

- Size, structure and expertise of the Board.
- Review of strategies, risk assessment, robust policies and procedures by Board.
- Oversight of the financial reporting process & monitoring company's internal control system.
- Quality of agenda, conduct of meeting, procedures and process followed for effective discharge of functions.
- Effective discharge of functions and duties by Committee as per terms of reference.
- Appropriateness and timeliness of the updates given on regulatory developments.
- Board's engagement with Senior Management team.

The Chairperson had an individual discussion with each director based on the peer analysis. The feedback was collated and discussed with the Board and action points for improvement are put in place.

V. REMUNERATION OF DIRECTORS

a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company

Neither remuneration was paid nor stock options were issued to Non-executive Directors. The Board in consultation with its Nomination and Remuneration Committee adopts generally accepted criteria for determining remuneration to the Non-executive Directors.

We have not entered into any pecuniary transaction with any of our Non-Executive Directors. Hence, no disclosure need to be made in this regard. Further, there are no performance linked incentives to the non-executive directors.

Moreover, no service contracts were entered into by the Company, hence, notice period and severance fees are not applicable.

b) Criteria of making payments to non-executive directors

The remuneration policy describing the criteria of making payment to non-executive directors is mentioned at https://www.vamaind.com/Policies/Remuneration_Policy.pdf

c) Disclosures with respect to remuneration

The information that is mandatorily to be disclosed in the annual report as per the provisions of Sec 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure VII**.

Moreover, the information as required under Regulation 34 Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is as mentioned in **Annexure V**.

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders' Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The role of the committee includes the following:

- ❖ To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ❖ To review measures taken for effective exercise of voting rights by shareholders.
- ❖ To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- ❖ To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

| | | |
|---|--|---------------------------|
| a | Name of non-executive director heading the committee | Mr. K.Venkata Krishna Rao |
| b | Name and designation of compliance officer | Ms. Vandana Modani |
| c | Number of shareholders' complaints received as on March 31, 2019 | Nil |
| d | Number not solved to the satisfaction of shareholders as on March 31, 2019 | Nil |
| e | Number of pending complaints as on March 31, 2019 | Nil |

Composition & Attendance in Meetings

The Stakeholders Relationship Committee met four times on 30.05.2018, 13.08.2018, 14.11.2018 and 14.02.2019 during the year under review.

| Name | Designation | Meetings held | Meeting entitled to attend | Attended |
|---------------------------|-------------|---------------|----------------------------|----------|
| Mr. K.Venkata Krishna Rao | Chairman | 4 | 4 | 4 |
| Mr. V. Srinivas | Member | 4 | 4 | 4 |
| Mr. V. Atchyuta Rama Raju | Member | 4 | 4 | 4 |

Ms. Vandana Modani, Company Secretary, acts as the Secretary of the Stakeholders Relationship Committee.

The Committee has periodic interaction with the representatives of the Registrar and Share Transfer Agent of the Company.

RISK MANAGEMENT COMMITTEE

Your Company has an elaborate Risk Management framework, which is designed to enable risks to be identified, assessed and mitigated appropriately.

a) Functions, Roles and Responsibilities

1. To oversee and approve the Company's Risk Management Framework
2. To monitor and review the risk management plan
3. To oversee that all the organisational risks such as strategic and commercial, safety and operations, compliance and financial risks have been identified with and assessed.
4. To approve structures, analyse risks and benefits, seek independent opinion with regard to structure or views.
5. To assist the Board in fulfilling its oversight responsibilities with regard to Enterprise Risk Management.
6. To review and approve risk related disclosures.
7. To be responsible for day to day oversight risk management including identification, impact assessment, monitoring, mitigation and reporting.
8. To formulate and implement risk management policies and procedures.
9. To provide updates to the Board on enterprise risk and action taken.
10. To ensure compliance with policies and procedures laid down by the Company for specific business units.
11. To maintain and develop supportive culture , in relation to the management of risk appropriately embedded through procedures ,training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
12. To advise the Board on all high level risk matters.
13. To review the effectiveness of the internal control.

b) Composition & Name of Members and Chairperson :

| Name | Designation |
|--------------------------|-------------|
| Mr .V. Srinivas | Chairman |
| Mr.V. Atchyuta Rama Raju | Member |
| Mr. V. RajamRaju | Member |

c) Meeting and attendance during the year

During the financial year ended on 31st March, 2019, the Risk Management Committee met 2 times on 30.05.2018, and 14.11.2018

| Name | Meetings held | Meeting entitled to attend | Attended |
|--------------------------|---------------|----------------------------|----------|
| Mr .V. Srinivas | 2 | 2 | 2 |
| Mr.V. Atchyuta Rama Raju | 2 | 2 | 2 |
| Mr. V. RajamRaju | 2 | 2 | 2 |

Ms. Vandana Modani, Company Secretary, acts as the secretary of the Risk Management Committee.

VII. GENERAL BODY MEETINGS

a. Location and time, where last three annual general meetings held

| Financial Year | Time | Location |
|---------------------|--|--|
| 2017-18 33rd AGM | Sep 26, 2018 (Wednesday) at 10.00 A.M | Hotel Inner Circle , Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 |
| 2016-17 32nd AGM | Sep 25, 2017 (Monday) at 10.00 A.M | Hotel Inner Circle , Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 |
| 2015-16 31st AGM | Sep 26, 2016 (Monday) at 10.00 A.M | Hotel Inner Circle , Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 |

b. Special resolutions passed in the previous three Annual General Meetings

| AGM | Special Resolution |
|---------|---|
| 2017-18 | <ul style="list-style-type: none"> Re-appointment of Mr. V.Atchyuta Rama Raju (DIN: 00997493), to the office of Managing Director of the Company |
| | <ul style="list-style-type: none"> Re-appointment of Mr. V. Rajam Raju (DIN: 01314420), to the office of Executive Director of the Company |
| 2016-17 | <ul style="list-style-type: none"> Increase in Borrowing Limits |
| | <ul style="list-style-type: none"> Create charge/mortgage on the assets of the company |
| 2015-16 | <ul style="list-style-type: none"> Sub-Division of the nominal value of the equity share |
| | <ul style="list-style-type: none"> Amendment to clause V of the Memorandum of Association of the Company |

c. Special resolution passed last year through postal ballot – details of voting pattern and person who conducted the postal ballot exercise

During the financial year under review, no resolution was passed through Postal Ballot. Therefore providing details of person who conducted the Postal Ballot exercise does not arise. Also, no special resolution is being proposed through Postal Ballot as on the date of notice calling the Annual General Meeting. The members of the Company will be intimated appropriately as and when the Postal Ballot need arises.

The procedure for postal Ballot is / shall be as per the provisions mentioned in the Companies Act, 2013 and rules made there under.

d. Procedure for postal ballot

The Postal ballot will be conducted in accordance with the provisions of Sec 110 of The Companies Act, 2013 read with Rule 22 of The Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

VIII. MEANS OF COMMUNICATION

We regularly interact with the shareholders through multiple channels of communication - through print media and website of the Company.

- a) All the communication, may it be results or notices etc, by way of News Papers is published in Financial Express (English) and Andhra Prabha (Telugu) dailies.
- b) Financials are furnished to BSE within the time specified under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and simultaneously, they are also displayed on the Company's website <https://vamaind.com/financials.html>
- c) Event based news releases are posted on our website and also furnished to the Stock Exchange.
- d) No presentations were made to institutional investors or to the analysts during the financial year under review.
- e) The company promptly informs Stock Exchange about all the price sensitive information and all such other matters which in our opinion are material and relevant for the shareholders.

The Company's website: www.vamaind.com contains separate section for investors where shareholders information is made available

IX. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date & Time: September 25, 2019 at 10.00 A.M
Venue: Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500082.

b. Financial Year (2018-2019)

The Financial year under review is 2018-2019 [01st April, 2018 to 31st March, 2019].

c. Dividend:

Board of Directors at its Meeting held on May 29, 2019 recommended a dividend of Re.0.02 (1%) per equity share of ₹ 2/- each for the financial year 2018-19 subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, the dividend will be paid on or before 23 October, 2019 to such shareholders whose names appear in the Company's Register of Members on Wednesday, September 25, 2019 and in respect of the shares held in dematerialized form as on Wednesday, September 18, 2019, the dividend will be paid to members whose names are furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] as beneficial Owners as on that date.

Unclaimed Dividend

As per Section 124(5) of the Companies Act, 2013, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund (IEPF) set up by the Central Government.

In accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the unpaid/unclaimed dividend for the FY 2010-11 was transferred to the said fund in November, 2018.

Unpaid / unclaimed dividend for the financial year 2011-12 shall become due for transfer to the said fund in December 2019. Members are requested to verify their records and send their claim, if any, for the financial year 2011-12, before the amount becomes due for transfer to the fund.

TRANSFER OF SHARES TO IEPF

The Company is in the process of transferring, under section 124(6) of the Companies Act, 2013, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to IEPF.

d. Listing on Stock Exchange

At present, the Equity Shares of the Company are listed on:

BSE Limited (BSE).
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

The Annual Listing fee for the financial year 2019-20 on equity share capital has been paid to BSE.

The Company has paid custodial fees for the year 2019-20 to National Securities Depository Limited [NSDL] and Central Depository Services (India)Limited [CDSL] on the basis of number of beneficial accounts maintained by them as on 31st March, 2019

e. Stock Code

BSE Scrip Code: 512175
Security Id: VAMA
Series: EQ
ISIN: INE685D01022

f. Market Price Data

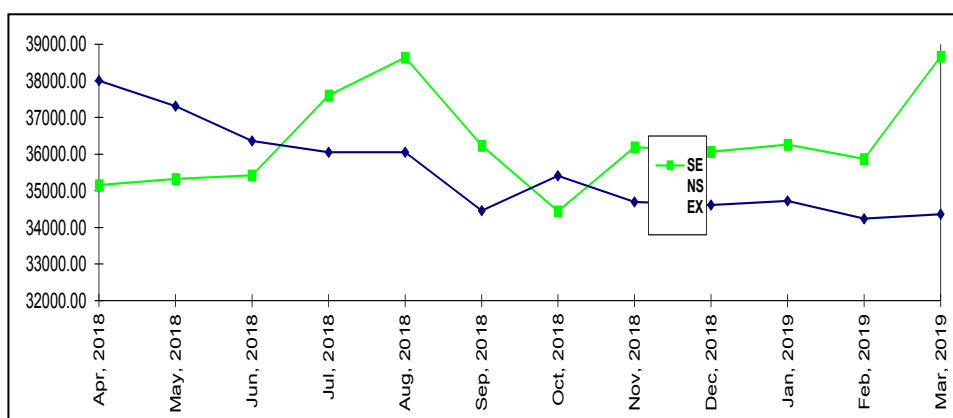
Monthly high, low and the volume of equity shares traded on BSE Limited during the financial year 2018-19:

| Financial Year | High (₹) | Low (₹) | Volume Traded (No. of Shares) |
|----------------|-------------|------------|----------------------------------|
| April 2018 | 24.85 | 21.05 | 516973 |
| May 2018 | 22.15 | 18.45 | 463234 |
| June 2018 | 19.55 | 14 | 294455 |
| July 2018 | 16.8 | 13.95 | 263431 |
| August 2018 | 16.65 | 12.17 | 320498 |
| September 2018 | 15.2 | 8.05 | 265433 |
| October 2018 | 15.8 | 7.74 | 202602 |
| November 2018 | 13.55 | 9.2 | 155572 |
| December 2018 | 11.4 | 9 | 105128 |
| January 2019 | 10.79 | 7.75 | 187429 |
| February 2019 | 9.85 | 6.83 | 359258 |
| March 2019 | 9.25 | 7.13 | 196053 |

Category of Shareholders as on 31.03.2019

| Sl.No | Category of shareholders | No. of shares | Percentage |
|--------------|--------------------------|-------------------|------------|
| 1 | Promoters | 225,61,830 | 42.94 |
| 2 | Public | 240,69,487 | 45.81 |
| 3 | Corporate Bodies | 55,31,923 | 10.53 |
| 4 | Clearing Members | 2,18,570 | 0.42 |
| 5 | Non Resident Indians | 100,530 | 0.19 |
| 6 | Government Companies | 57,660 | 0.11 |
| Total | | 525,40,000 | 100 |

g. Performance in comparison to broad-based indices



h. The trading of our securities was never suspended at any point of time during the FY 2018-19.

i. Registrar and Share Transfer Agent

The Company has appointed M/s. Bigshare Services Private Limited as its share transfer agent and accordingly, all physical transfers, transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc., as well as request for dematerialization / rematerialization is handled by RTA through NSDL and CDSL connectivity.

Bigshare Services Private Limited
 306, Right wing, Amruthaville
 Opp.Yashoda Hospital
 Somajiguda, RajbhavanRoad,
 Hyderabad-500 082.

j. Share Transfer System:

Transfers / transmission are carried out in accordance with the provisions of Section 56 of the Companies Act, 2013 and Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Stakeholders' Relationship Committee takes note of the transfers / transmission affected by our Share Transfer Agent and the same is in turn reported to the Board of Directors.

The Company duly submits half-yearly compliance certificate issued by practicing company Secretary to the Stock Exchange.

Further, as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transfer of securities is being made only in dematerialized form.

k. Distribution of shareholding

(As on 31.03.2019)

| Range of Equity Shares | No of shares | % to capital | No of share holders | % of shareholders |
|------------------------|-----------------|---------------|---------------------|-------------------|
| 1-2500 | 1142702 | 2.1749 | 2260 | 82.3315 |
| 2501-5000 | 598885 | 1.1399 | 160 | 5.8288 |
| 5001-10000 | 793604 | 1.5105 | 105 | 3.8251 |
| 10001-15000 | 618493 | 1.1772 | 49 | 1.7851 |
| 15001-20000 | 461230 | 0.8779 | 26 | 0.9472 |
| 20001-25000 | 455851 | 0.8676 | 20 | 0.7286 |
| 25001-50000 | 1752111 | 3.3348 | 45 | 1.6393 |
| 50001-4999999999 | 46717124 | 88.9173 | 80 | 2.9144 |
| | 52540000 | 100.00 | 2745 | |

The Details of the shareholders (non promoters) holding more than 1% of the equity share capital as on March 31,2019 are as follows :

| Sl. No | Name of the Shareholder | No of shares | % of share capital |
|--------|------------------------------------|--------------|--------------------|
| 1 | Mr. Anil Unnikrishnan | 67,00,000 | 12.75 |
| 2 | M/s. Nirant Technologies Pvt. Ltd. | 25,00,000 | 4.76 |
| 3 | M/s. Sainaren Properties Pvt. Ltd. | 20,00,000 | 3.81 |
| 4 | Mr. Nitin Siddamsetty | 16,57,781 | 3.16 |
| 5 | Mr. V V S Murthy | 8,00,000 | 1.52 |
| 6 | M/s. Grandeur Products Limited | 7,71,255 | 1.47 |
| 7 | Mr. SubbaRao Vitakula | 7,50,000 | 1.43 |
| 8 | Mr. T V AppaRao | 7,25,445 | 1.38 |
| 9 | V. Atchyuta Rama Raju | 12555120 | 23.90 |
| 10 | V.Rajam raju | 5802500 | 11.04 |
| 11 | Gottumukkala Achyuta Rama Raju | 2997210 | 5.70 |
| 12 | V Parvathi | 750000 | 1.43 |

l. Dematerialization of shares and liquidity

As at March 31, 2019, 5,24,46,400 equity shares representing 99.82% of the total equity share capital of the company were held in dematerialized form and the rest in the physical form.

m. Outstanding GDRs / ADRs/ warrants or any convertible instruments, conversion date and likely impact on Equity

The Company has not issued any of these instruments till date.

n. Commodity Price Risk or Foreign Exchange Risk and Hedging activities :

Further, during the year under review, the Company was not exposed to any significant Foreign Exchange Risk or commodity price risks, hence there was no need to enter into any hedging arrangements.

o. Plant Locations:

Since we do not carry out any manufacturing activities, we do not have any plant / factory as such. All the activities are carried out at its office premises only.

p. Address for Correspondence:

Company Secretary & Compliance Officer

VAMA Industries Limited
Ground Floor, 8-3-191/147/24,
Plot No. B-12, Madhura Nagar,
S. R. Nagar [Post], Hyderabad-500 038.
Phone: 040 6661 9919
E-mail: cs@vama.co.in

q. Credit ratings obtained

The Company did not issue any debt instruments during the financial year under review. No fixed deposit programme is in place and the company does not have any plan as on the date of this report to frame a scheme or proposal to mobilize funds.

X. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the year under review, the company has provided consultancy services in the ordinary course of business at arm's length basis to our subsidiary company, i.e., Vama Technologies Pte. Ltd that is in excess of 10% of the annual consolidated turnover as per the last audited financial statement.

All related party transactions during the year were in the ordinary course of the Business and at Arm's length basis.

There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or any other related party that may have a potential conflict of interest with the company at large.

All the Related Party Transactions are placed - for review and approval - before the Audit Committee and the Board.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

We have formulated a policy on "materiality of related party transactions" and the process of dealing with such transaction, which are in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The same is also available on the website of the Company at the link http://www.vamaind.com/Policies/Related_Party_Transactions_Policy.pdf

b. Non-compliance/penalties/strictures

There were neither any non-compliances by the Company nor any penalties / strictures were imposed on the Company by the stock exchange /SEBI/ any other statutory authority on any matter related to capital markets during the last three years.

c. Vigil Mechanism / Whistle Blower Policy:

The Vigil Mechanism / Whistle Blower Policy provides a platform to the directors /employees to report, without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the code of conduct etc., which are detrimental

to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no personnel has been denied access to the Audit Committee.

The Vigil Mechanism and Whistle Blower Policy is attached at Annexure X to the Board's Report and may also be accessed on the Company's Website at the link: http://www.vamaind.com/Policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf

d. Details of compliance of Mandatory and Non- Mandatory Requirements

We have complied with all the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The directors have taken cognizance of the non-mandatory requirements of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall adopt the same at appropriate time.

e. Policy for determining material subsidiaries may be accessed on our website http://www.vamaind.com/Policies/Material_Subsiary_Determination_Policy.pdf

f. Policy on dealing with Related Party Transactions

http://www.vamaind.com/Policies/Related_Party_Transactions_Policy.pdf

g. Commodity Price Risk and Commodity Hedging Risk

Not Applicable

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

Not Applicable

i. Certificate from a Company Secretary in Practice was placed before the Board in its meeting held on 01.04.2019 that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

j. Details of recommendations of any committee that were not accepted by the Board -

Nil

k. Total fees (consolidated basis) paid to Statutory Auditors

| Auditors | VNSS & Associates |
|------------------------|-------------------|
| Audit Fee | 1,00,000 |
| Tax matters | 50,000 |
| Certification Fee | 0 |
| Out of Pocket expenses | 0 |
| Total | 1,50,000 |

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Board has constituted Internal Complaints Committee in accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**"). This Committee was constituted to specifically provide a safe, secure and enabling environment, free from sexual harassment to every woman.

Composition & Attendance in Meetings :

The Committee met 2 times on 30.05.2018 and 14.02.2019 during the year under review

| Name | Designation | Meetings held | Meeting entitled to attend | Attended |
|--------------------------|-------------------|---------------|----------------------------|----------|
| Mrs. V Parvathi | Presiding Officer | 2 | 2 | 2 |
| Mrs. Ch. Lavanya | Member | 2 | 2 | 2 |
| Mr. G Siva | Member | 2 | 2 | 2 |
| Mrs. N. Lakshmi Satyasri | Member | 2 | 2 | 2 |

Ms. Vandana Modani, Company Secretary, acts as the Secretary of the Internal Complaints Committee.

| Sl.no | Particulars | |
|-------|--|-----|
| a | Number of complaints filed during the financial year | Nil |
| b | Number of complaints disposed of during the financial year | Nil |
| c | Number of complaints pending as on end of the financial year | Nil |

m. The status of compliance with discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

- ❖ Modified Opinion in Audit Report: Our Financial Statements are free from any Audit qualifications.
- ❖ Reporting of Internal Auditor : Internal Auditors report directly to the Audit Committee.

n. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details follow:

| Regulation | Particulars of regulations | Compliance status (Yes/No) |
|------------------|---|----------------------------|
| 17 | Board of directors | Yes |
| 18 | Audit committee | Yes |
| 19 | Nomination and Remuneration committee | Yes |
| 20 | Stakeholders Relationship committee | Yes |
| 21 | Risk Management committee | Yes |
| 22 | Vigil mechanism | Yes |
| 23 | Related party transactions | Yes |
| 24 | Corporate Governance requirements with respect to Subsidiary of listed entity | Yes |
| 25 | Obligations with respect to Independent directors | Yes |
| 26 | Obligation with respect to Directors and Senior Management | Yes |
| 27 | Other Corporate Governance requirements | Yes |
| 46(2) (b) to (i) | Website | Yes |

XI. Disclosure with respect to demat suspense account / unclaimed suspense account:

Not Applicable

XII. Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares. The Code requires pre-clearance for

dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

XIII. Code of Conduct:

In compliance with the provisions of the Listing Regulations, the Board has laid down a code of conduct for all Board members and Senior Management of the Company and it is posted on the website of the Company http://www.vamaind.com/Code_of_Conduct.pdf

All the members of the Board and the Senior Management Personnel and Designated Employees of the Company have affirmed compliance to the code of conduct, as at March 31, 2019.

The declaration from our Chairman & Managing Director with regard to compliance of code of conduct by the Board of Directors and Senior Management is enclosed and forms part of this report.

XIV. Auditors Certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in Part E of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This certificate is annexed to the Director's Report and will be sent to the stock exchanges, along with the Annual Reports to be filed by the Company.

XV. CEO and CFO Certification

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8), read with Part-B of schedule II to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

CEO & CFO Certification

[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]



The Board of Directors
VAMA Industries Limited
Hyderabad.

We, V. Atchyuta Rama Raju, Chairman & Managing Director and G. Siva, Chief Financial Officer of Vama Industries Limited, to the best of our knowledge and belief certify that:

- A.** We have reviewed financial statements and the cash flow statement of our Company for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and that we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.
- D.** We have indicated to the auditors and the Audit committee
- I. Significant changes in internal control over financial reporting during the year;
 - II. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-
V. Atchyuta Rama Raju

Chairman and Managing Director
(DIN: 00997493)

Sd/-
G. Siva

Chief Financial Officer

24th August, 2019
Hyderabad.



DECLARATION ON CODE OF CONDUCT

The Members
VAMA Industries Limited.

Sub: Declaration under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended on March 31, 2019.

For VAMA INDUSTRIES LIMITED

Sd/-

V. Atchyuta Rama Raju
Chairman & Managing Director
(DIN: 00997493)

24th August, 2019
Hyderabad

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF VAMA INDUSTRIES LIMITED.

We have examined the compliance of conditions of Corporate Governance by M/s. Vama Industries Limited ("the Company"), for the year ended March 31, 2019, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period April 01, 2018 to March 31, 2019.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

24th August, 2019
Hyderabad

TO THE MEMBERS OF VAMA INDUSTRIES LIMITED**I. Report on the Audit of the Financial Statements:****Opinion**

We have audited the accompanying Standalone Financial Statements of M/s Vama Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and the profit (including Other Comprehensive Income) , changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | The Key Audit Matters | Auditor's Response |
|---------|---|---|
| | <p>Revenue Recognition</p> <p>Revenue from the sale of goods and sale of Service (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods and sale of Service is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 1 to the Standalone Financial Statements - Significant Accounting Policies</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. Evaluating the design and implementation of Company's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. |

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

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

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- i. 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. 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 Standalone 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 audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

h. With respect to the matter to be included in the Auditor's Report under Section 197(16) :

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions under Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

Place: Hyderabad

Date: 29.05.2019

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. Hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Therefore, the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the Company's operations. Therefore the provisions of Clause 3 (vi) of the Order are not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Professional Tax (in the state of Telangana), Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Professional Tax (in the state of Telangana), Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except the Tax Deducted at Source of Rs. 41.33 Lakhs and Dividend Distribution Tax of Rs. 10.70 Lakhs payable for a period of more than six months from the date became payable.
- c) According to the information and explanations given to us, there are no material statutory dues including Provident Fund, Employees' State Insurance, Professional Tax (in the state of Telangana), Income-tax, Customs Duty, Goods and Service Tax, cess and any other material statutory dues pending for deposit with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have dues to financial institutions, government and to debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V N S S & ASSOCIATES
Chartered Accountants

Sd/-
V N S SRINIVASARAO
Proprietor
M. No. 225281
Firm Regn. No. 018367S

Place: Hyderabad
Date: 29.05.2019

Annexure - B to the Independent Auditors' Report :

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s Vama Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

The Company's internal control system for recovery of dues from the customers the credit period, periodical confirmations and reconciliation of customer accounts needs to be strengthened further.

For V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

Place: Hyderabad

Date: 29.05.2019

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2019


(₹ In lakhs)

| Particulars | Note No | As at 31.03.2019 | As at 31.03.2018 |
|------------------------------------|---------|------------------|------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property Plant and Equipment | 2.01 | 256.00 | 265.33 |
| Intangible Assets | 2.02 | 128.63 | 150.47 |
| Tangible Assets Under Developmet | | | |
| Financial Assets | | | |
| Investments | 2.03 | 4.16 | 127.01 |
| Other Financial Assets | 2.04 | 131.91 | 180.12 |
| Other Long term Loans and Advances | 2.05 | 16.80 | 42.45 |
| Other Non-Current Assets | 2.06 | 20.17 | 23.94 |
| | | 557.67 | 789.32 |
| Current Assets | | | |
| Inventories | 2.07 | 1,249.06 | 799.64 |
| Financial Assets | | | |
| Trade Receivables | 2.08 | 1,711.14 | 2,290.33 |
| Cash and Cash equivalent | 2.09 | 878.14 | 493.70 |
| Other Financial Assets | 2.10 | 232.93 | 346.26 |
| Other Current Assets | 2.11 | 453.41 | 318.89 |
| | | 4,524.68 | 4,248.82 |
| Total Assets | | 5,082.35 | 5,038.14 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity Share capital | 2.12 | 1,050.80 | 1,050.80 |
| Other Equity | 2.13 | 982.42 | 927.32 |
| | | 2,033.22 | 1,978.12 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.14 | 37.92 | 174.51 |
| Deffered Tax Liabilities (Net) | 2.15 | 25.01 | 20.76 |
| Other Non-Current Liabilities | | - | - |
| | | 62.93 | 195.27 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 790.78 | 387.14 |
| Trade Payables | 2.17 | 1,594.31 | 2,035.08 |
| Other Financial Liabilities | 2.18 | 108.99 | 39.26 |
| Liabilities for Current Tax (Net) | | - | - |
| Provisions | 2.19 | 40.98 | 171.39 |
| Other Current Liabilities | 2.20 | 451.14 | 231.88 |
| | | 2,986.20 | 2,864.75 |
| Total Assets | | 5,082.35 | 5,038.14 |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date

For VNSS & Associates

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M.No. 225281

Firm Regn No. 0183675

Place : Hyderabad

Date: 29.05.2019

for and on behalf of the Board of Directors

Sd/-

V. Atchyuta Rama Raju

Chairman & Managing Director

DIN : 00997493

Sd/-

G. Siva

Chief Financial Officer

Sd/-

V. Rajam Raju

Executive Director

DIN : 01314420

Sd/-

Vandana Modani

Company Secretary

STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2019


(₹ In lakhs)

| Particulars | Note No | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|---|---------|----------------------------------|----------------------------------|
| Income | | | |
| Revenue from Operations | 2.21 | 3,837.08 | 6,863.00 |
| Other Income | 2.22 | 93.81 | 233.41 |
| Total Revenue | | 3,930.89 | 7,096.41 |
| Expenses | | | |
| Cost of Material Consumed | 2.23 | 3,163.48 | 5,957.15 |
| Changes in Inventories | 2.24 | (449.42) | (309.68) |
| Employee Benefit Expenses | 2.25 | 498.54 | 362.18 |
| Finance Cost | 2.26 | 331.02 | 174.99 |
| Depreciation and Amortisation Expenses | 2.01 | 34.49 | 31.94 |
| Other Expenses | 2.27 | 238.48 | 245.89 |
| Total Expenses | | 3,816.59 | 6,462.47 |
| Profit Before Tax | | 114.30 | 633.94 |
| Tax Expenses | | | |
| i) Current Tax | | 30.28 | 171.41 |
| ii) Deffered tax | | 4.25 | (7.37) |
| Profit for the Year | | 79.77 | 469.90 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to Profit & Loss | | - | - |
| Tax on items that will not be reclassified to profit & Loss | | - | - |
| Items that will be reclassified to Profit or Loss | | | |
| Tax on items that may be reclassified to Profit or Loss | | | |
| Items that may reclassified subsequently to Profit or Loss | | | |
| Total Other Comprehensive Income/Loss for the year net of Taxes | | - | - |
| Total Comprehensive Income for the Year | | 79.77 | 469.90 |
| Earning per Share | | | |
| Basic Earning Per share @ Rs. 2/- Each | | 0.15 | 0.89 |
| Diluted Earning Per share @ Rs. 2/- Each | | 0.15 | 0.89 |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For VNSS & Associates
Chartered Accountants

Sd/-
V N S SRINIVASARAO
Proprietor
M.No. 225281
Firm Regn No. 0183675

Place : Hyderabad
Date: 29.05.2019

for and on behalf of the Board of Directors

Sd/-
V. Atchyuta Rama Raju
Chairman & Managing Director
DIN : 00997493

Sd/-
G. Siva
Chief Financial Officer

Sd/-
V. Rajam Raju
Executive Director
DIN : 01314420

Sd/-
Vandana Modani
Company Secretary

(₹ In lakhs)

Statement of Changes in Equity

| Particulars | Equity Share Capital | Retained Earnings | Securities Premium | Actuarial Gains or Losses | Total Equity |
|--|----------------------|-------------------|--------------------|---------------------------|-----------------|
| Balance as at 01/04/2018 | 1,050.80 | 557.32 | 370.00 | - | 1,978.12 |
| Profit for the Year | - | 79.77 | - | - | 79.77 |
| Excess Provision made for FY 2017-18 | - | 38.57 | - | - | 38.57 |
| Dividend paid | - | (52.54) | - | - | (52.54) |
| Corporate Dividend Tax | - | (10.70) | - | - | (10.70) |
| Amount Transfer to General Reserve | - | - | - | - | - |
| Net Change in Fair Value of FVTPL investments and others | - | - | - | - | - |
| Balance as at 31/03/2019 | 1,050.80 | 612.42 | 370.00 | - | 2,033.22 |
| Particulars | Equity Share Capital | Retained Earnings | Securities Premium | Actuarial Gains or Losses | Total Equity |
| Balance as at 01/04/2017 | 1,050.80 | 150.66 | 370.00 | - | 1,571.46 |
| Profit for the Year | - | 469.90 | - | - | 469.90 |
| Dividend paid | - | (52.54) | - | - | (52.54) |
| Corporate Dividend Tax | - | (10.70) | - | - | (10.70) |
| Amount Transfer to General Reserve | - | - | - | - | - |
| Net Change in Fair Value of FVTPL investments and others | - | - | - | - | - |
| Balance as at 31/03/2018 | 1,050.80 | 557.32 | 370.00 | - | 1,978.12 |

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019


(₹ In Lakhs)

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|--|----------------------------------|----------------------------------|
| A. Cash flow from Operating activities | | |
| Net Profit before tax as per Profit and loss account | 114.30 | 633.94 |
| Adjustments | | |
| Depreciation and Amortisation Expense | 34.49 | 31.94 |
| Dividend and Interest Income | (93.81) | (228.30) |
| Finance Cost | 331.02 | 174.99 |
| Provision for doubtful debts/advances/ impairment | - | - |
| Fair value adj for Investments | - | (5.11) |
| Operating profit before working capital changes | 386.00 | 607.45 |
| Movements in Working Capital | | |
| (Increase)/Decrease in Trade and Other Receivables | 579.19 | (370.78) |
| (Increase)/Decrease in Inventories | (449.42) | (309.68) |
| Changes in Other Financial Assets | 113.33 | (260.40) |
| Changes in Other Current Assets | (203.82) | (62.77) |
| Increase/(Decrease) in Trade Payables | (440.77) | 1,130.37 |
| Increase/(Decrease) in Other Financial Liabilities | 69.73 | 1.47 |
| Increase/(Decrease) in Other Current Liab. | 86.44 | 34.45 |
| Cash generated from Operations | 140.68 | 770.11 |
| Direct Taxes paid | (103.25) | (63.09) |
| Net Cash from Operating activities | 37.43 | 707.02 |
| B. Cash flow from Investing Activities | | |
| (Purchase) / Sale of Fixed Assets (Net) | (3.34) | (15.84) |
| Intangible assets under development | - | - |
| (Purchase) / Sale of Investments (Net) | 122.85 | (118.00) |
| Change in Other Financial Assets(Non current) | 48.21 | (43.28) |
| Changes in Long Term Loans & Advances | 25.65 | 16.30 |
| Changes in Other Non Current Assets | 3.77 | - |
| (Increase)/Decrease in Other Long Term Liab. / Long Term Prov. | - | - |
| Dividend and Interest Income received | 93.81 | 228.30 |
| Net Cash from Investment Activities | 290.95 | 67.48 |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of Share Capital/ Share Application Money | - | - |
| Proceeds / (Repayment) from Long Term Borrowings | (136.59) | 102.54 |
| Proceeds / (Repayment) from Short Term Borrowings | 403.64 | (642.57) |
| Finance Cost | (331.02) | (174.99) |
| Dividend Tax Paid | (52.54) | (52.54) |
| | - | (10.70) |
| Net cash used in financing activities | (116.51) | (778.25) |
| Net (Decrease) / Increase in cash and cash equivalents | 211.87 | (3.75) |
| Cash and cash equivalents at the beginning of the year | 11.63 | 15.38 |
| Cash and Cash equivalents at the end of the year | 223.50 | 11.63 |

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)
- The accompanying notes are an integral part of the financial statements
- We have taken into consideration Cash and Cash equivalents instead of effective Cash and Cash equivalents.

As per our report of even date
for and on behalf of the Board of Directors
For VNSS & Associates

Chartered Accountants

Sd/-
V N S SRINIVASARAO
 Proprietor
 M.No. 225281
 Firm Regn No. 018367S
 Place : Hyderabad
 Date: 29.05.2019

Sd/-
V. Atchuta Rama Raju
 Chairman & Managing Director
 DIN : 00997493

Sd/-
G. Siva
 Chief Financial Officer

Sd/-
V. Rajam Raju
 Executive Director
 DIN : 01314420

Sd/-
Vandana Modani
 Company Secretary

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Vama Industries Limited (the company) is engaged in the Engineering Design & Development Services, System Integration Projects, IT Infrastructure, Data Center Engineering Build and Facility Management Services. The Company is a public limited company incorporated and domiciled in India and has its registered office at S.R.Nagar, Hyderabad, Telangana. The Company has its primary listings on the Bombay Stock Exchange. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation and presentation of Financial Statements

The financial statements of Vama Industries Limited ("Vama" or "the Company") have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

-Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

B. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

i) Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

ii) Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

iii) Fair valuation

Fair value is the market based measurement of observable market transaction or available market information.

C. Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs.

D. Current and noncurrent classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

E. Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Gain/Loss of foreign exchange on settlement of transaction arising on receipt of the amounts receivable, are recognized as income or expense for the period.

Significant Accounting Policies

1) *Property Plant & Equipment Transition to Ind AS*

The Company has elected to continue with the net carrying value of all its property, plant and equipment recognized as of April 1, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost.

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation.

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

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on prorata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

| Type of Asset | Estimated useful life in years |
|----------------------|--------------------------------|
| Computers | 3 |
| Furniture & Fixtures | 10 |
| Air Conditioner | 15 |
| Electrical Fittings | 10 |
| Vehicles | 8 |
| Office Equipment | 5 |

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. Assets not ready for use are not depreciated.

2) Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

| Type of Asset | Estimated useful life |
|-------------------------------|-----------------------|
| Intangible Assets Software | 10 |

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

3) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of

financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (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

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets at fair value through profit or loss (FVTPL)
- Impairment of financial assets

Financial Assets at amortised cost

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- o The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- o Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial Assets at FVTOCI

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

- o The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- o The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned whilst holding FVTOCI is reported as interest income using the EIR method.

Financial Assets at FVTPL

FVTPL is a residual category for Financial Assets. Any asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. These include surplus funds invested in mutual funds.

Investment in Mutual Funds

Mutual funds investment is in scope of Ind AS 109 are measured at fair value. For all other instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

An investment in Mutual funds is within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 April 2016.

Retention Money

Retention money is amount retained by the client/ service receiver under an agreement where, money is not paid instantaneously. There will be a time loss of value of consideration which needs to be recognised by determining the fair value of revenue in accordance with Ind AS 18.

As per Ind AS 113 and 109 discounting of the retention money is required and recognised and designated as revenue or interest as Fair Value Through Profit & Loss (FVTPL).

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration deviation of receivables turnover ratio from normal credit period.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights 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 rights 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.

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 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the 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.

4) Inventories

Inventories consist of goods and are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

5) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6) Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment. Bank overdrafts and Cash Credit that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

7) Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

The Company’s contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

8) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a

pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

9) Revenue Recognition

Sale of goods and services

Revenue from sale of computer hardware is recognized on dispatch of the products from the company for delivery to the customers. Revenue from product sale is shown net of tax separately charged and discounts as applicable.

Revenue from IT Services consists of earnings from services performed on a 'time and material' basis and fixed price contracts. The related revenue is recognized as and when the services are performed and delivered.

Revenue from Annual Maintenance Contracts (AMCs) is recognized on accrual basis as per the Contracts / Agreements entered with the Clients.

Other Income

Interest Income

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

Dividend

Dividend income is recognized when the Company's right to receive dividend is established.

10) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

11) Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

12) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

13) Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

14) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. 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.

a. Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b. Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

c. Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

d. Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

e. Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

f. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

2.01: Property, plant and equipment

(₹.in Lakhs)

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | | Net carrying value | | |
|----------------------|----------------------|-------------|-----------|---------------------------------------|------------------|--------------|-------------------------|-----------|--------------------|------------------|---------------|
| | As at 01.04.2018 | Additions | Disposals | As at 31.03.2019 | As at 01.04.2018 | For the year | Impairment for the year | Disposals | As at 31.03.2019 | As at 31.03.2018 | |
| Computer Software | 24.67 | 1.58 | - | 26.25 | 2.89 | 5.35 | - | - | 8.24 | 18.01 | 21.78 |
| Furniture & Fixtures | 5.46 | 1.24 | - | 6.70 | 2.91 | 0.40 | - | - | 3.31 | 3.39 | 2.55 |
| Air Conditioners | 4.47 | - | - | 4.47 | 0.94 | 0.48 | - | - | 1.42 | 3.04 | 3.53 |
| Electrical Fittings | 3.18 | 0.52 | - | 3.70 | 1.07 | 0.34 | - | - | 1.41 | 2.28 | 2.11 |
| Office Equipment | 1.01 | - | - | 1.01 | 0.33 | 0.03 | - | - | 0.36 | 0.65 | 0.68 |
| Vehicles | 39.06 | - | - | 39.06 | 13.63 | 6.05 | - | - | 19.68 | 19.38 | 25.43 |
| Land | 209.25 | - | - | 209.25 | - | - | - | - | - | 209.25 | 209.25 |
| | 287.10 | 3.34 | - | 290.44 | 21.78 | 12.65 | - | - | 34.42 | 256.00 | 265.33 |

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | | Net carrying value | | |
|----------------------|----------------------|--------------|-----------|---------------------------------------|------------------|--------------|-------------------------|-----------|--------------------|------------------|---------------|
| | As at 01.04.2017 | Additions | Disposals | As at 31.03.2018 | As at 01.04.2017 | For the year | Impairment for the year | Disposals | As at 31.03.2018 | As at 31.03.2017 | |
| Computer Software | 10.67 | 14.00 | - | 24.67 | 1.48 | 1.41 | - | - | 2.89 | 21.78 | 9.19 |
| Furniture & Fixtures | 5.46 | - | - | 5.46 | 2.07 | 0.84 | - | - | 2.91 | 2.55 | 3.39 |
| Air Conditioners | 4.21 | 0.26 | - | 4.47 | 0.47 | 0.47 | - | - | 0.94 | 3.53 | 3.74 |
| Electrical Fittings | 3.18 | - | - | 3.18 | 0.63 | 0.44 | - | - | 1.07 | 2.11 | 2.55 |
| Office Equipment | 1.01 | - | - | 1.01 | 0.17 | 0.16 | - | - | 0.33 | 0.68 | 0.84 |
| Vehicles | 39.06 | - | - | 39.06 | 6.82 | 6.82 | - | - | 13.63 | 25.43 | 32.24 |
| Land | 209.25 | - | - | 209.25 | - | - | - | - | - | 209.25 | 209.25 |
| | 272.84 | 14.26 | - | 287.10 | 11.64 | 10.14 | - | - | 21.78 | 265.33 | 261.20 |

2.02: Property, plant and equipment (₹.in Lakhs)

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | Net carrying value | | |
|-------------------|----------------------|-----------|-----------|---------------------------------------|------------------|--------------|-------------------------|--------------------|------------------|------------------|
| | As at 01.04.2018 | Additions | Disposals | As at 31.03.2019 | As at 01.04.2018 | For the year | Impairment for the year | Disposals | As at 31.03.2019 | As at 31.03.2018 |
| Computer Software | 323.57 | - | - | 323.57 | 173.10 | 21.84 | - | - | 194.94 | 150.47 |
| | 323.57 | - | - | 323.57 | 173.11 | 21.84 | - | - | 194.94 | 150.47 |

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | Net carrying value | | |
|-------------------|----------------------|-------------|-----------|---------------------------------------|------------------|--------------|-------------------------|--------------------|------------------|------------------|
| | As at 01.04.2017 | Additions | Disposals | As at 31.03.2018 | As at 01.04.2017 | For the year | Impairment for the year | Disposals | As at 31.03.2018 | As at 31.03.2017 |
| Computer Software | 321.99 | 1.58 | - | 323.57 | 151.29 | 21.81 | - | - | 173.10 | 170.70 |
| | 321.99 | 1.58 | - | 323.57 | 151.29 | 21.81 | - | - | 173.10 | 170.70 |

2.03 Investments

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|------------------------------------|------------------|------------------|
| Investments in Equity Instruments: | | |
| Investment Subsidiary | 4.16 | 3.90 |
| Investment in Mutual Funds | - | 123.11 |
| | 4.16 | 127.01 |

2.04 Other Financial Assets (Non Current)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------|------------------|------------------|
| Deposits and Others | | |
| Security Deposits | 26.63 | 12.77 |
| Electricity Deposit | 0.96 | 0.96 |
| Telephone Deposit | 0.20 | 0.25 |
| Rental Deposit | 6.62 | 9.61 |
| Other Deposits | 0.04 | 0.04 |
| Retention Money | 97.46 | 156.48 |
| | 131.91 | 180.12 |

2.05 Long Term Loans & Advances

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------------|------------------|------------------|
| Unsecured Considered good | | |
| Other Loans and Advances | 16.80 | 42.45 |
| | 16.80 | 42.45 |

2.06 Other Non-Current Assets

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Un-Secured Considered Good | | |
| Other Advances | 11.70 | 15.47 |
| Deposit with Statutory Authorities | | |
| TDS Receivables | 8.47 | 8.47 |
| | 20.17 | 23.94 |

2.07 Inventories

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| (Valued at Lower of Cost or Net Realisable Value) | | |
| Stock - In Trade | 1,249.06 | 799.64 |
| | 1,249.06 | 799.64 |

2.08 Trade Receivables

(₹ In lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| (Un-Secured Considered Good) "Outstanding for a period exceeding six months from the date they are due for payment" | 804.66 | 190.57 |
| Others * | 1,002.67 | 2,204.06 |
| | 1,807.33 | 2,394.63 |
| Breakup for Security Details | | |
| Un-Secured Considered Good | 1,807.33 | 2,394.63 |
| Less: Probability of Default and Provision for Impairment | 96.19 | 104.30 |
| | 1,711.14 | 2,290.33 |
| Current | 1,711.14 | 2,290.33 |
| Non-Current | - | - |
| | 1,711.14 | 2,290.33 |
| Less: Provision for Doubtful Debts | 65.86 | 65.86 |
| Less: Impairment due to Expected Credit Loss | 30.33 | 38.44 |
| | 96.19 | 104.30 |
| Closing Balance | 1,711.14 | 2,290.33 |

Movement of Impairment in Trade receivables

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Opening Balance | 104.30 | 95.48 |
| Add: Additional Allowance of Expected Credit Loss | - | 8.82 |
| Less: Additional Allowance of Expected Credit Gain | 8.11 | - |
| | 96.19 | 104.30 |

* Trade Receivable include Income Accrued but bills not raised of Rs. 121.69 Lakhs
(Previous Year Rs. 198.49 Lakhs)

2.09 Cash & Bank Balances

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| a) Cash & Cash Equivalents | | |
| Cash on hand | 7.19 | 5.05 |
| Balance in banks | | |
| - Balance in Current Account | 216.31 | 6.58 |
| - Balance in Deposit Account | 654.64 | 482.08 |
| | 878.14 | 493.70 |
| Cash & Cash Equivalents includes Unclaimed Dividend Account | 3.21 | 2.29 |

2.10 Other Financial Assets (Current)

(₹ In lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---------------------------------------|------------------|------------------|
| Loans and Advances to Related Parties | 137.96 | 230.33 |
| Interest Accrued but not due on FD's | 13.55 | 17.31 |
| Security Deposit | - | - |
| Retention Money | 81.42 | 98.62 |
| | 232.93 | 346.26 |

2.11 Other Current Assets

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---------------------------------------|------------------|------------------|
| Prepaid Expenses | 166.75 | 99.57 |
| Loans and Advances to Employees | 8.65 | 91.99 |
| Advance Tax | 18.98 | 48.20 |
| Advance to Suppliers / Expenses | 117.15 | 69.74 |
| Other Advances | 8.56 | 6.79 |
| Service Tax Input/VAT Input/GST Input | 133.32 | 2.60 |
| | 453.41 | 318.89 |

2.12 Share Capital

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Authorised Share Capital 5,50,00,000 Equity Shares of Rs. 2/-Each (Previous Year: 55,000,000 Equity Shares @ Rs. 2/- Each) | 1,100.00 | 1,100.00 |
| Issued Subscribed and paid up Share Capital 52,540,000 Equity Shares @ Rs. 2/- Each, fully paid up* | 1,050.80 | 1,050.80 |
| | 1,050.80 | 1,050.80 |

| Details of Share Holding more than 5% shares | No. of Shares | % Holding | No. of Shares | % Holding |
|---|------------------|-----------|------------------|-----------|
| 1. V Atchyuta Rama Raju | 1,25,55,120 | 23.90% | 1,25,55,120 | 23.90% |
| 2. V Rajam Raju | 58,02,500 | 11.04% | 58,02,500 | 11.04% |
| 3. Anil Unni Krishnan | 67,00,000 | 12.75% | 67,00,000 | 12.75% |
| 4. Gottumukkala Atchyuta Rama Raju | 29,97,210 | 5.70% | 29,97,210 | 5.70% |

2.12.1 Reconciliation of Number of Shares:

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Number of Shares at the beginning of the Year | 105.08 | 105.08 |
| Add: Shares issued during the Year | - | - |
| Number of Shares at the end of the Year | 105.08 | 105.08 |

2.12.2 Rights attached to Equity Shares :

The company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

2.12.3 In the period of five years immediately preceding 31st March,2019 :

** The Company has sub-divided the nominal value of equity share Rs. 10/- to Rs. 2/- per share with effect from 03.11.2016 vide board resolution dated 20.10.2016. The said sub-division of equity share is approved by the members in Annual General Meeting dated 26.09.2016.

** Nirant Technologies Private Limited shareholding has been diluted from 5.12% to 4.76% as at 31.03.2017 being shares issued during the year on conversion of Warrants.

2.13 Other Equity

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Securities Premium | | |
| Opening Balance | 370.00 | 370.00 |
| Add: Premium on Shares Issued during the Year | - | - |
| | 370.00 | 370.00 |
| Retained Earnings | | |
| Opening Balance | 557.32 | 150.66 |
| Add: Excess Provision made for FY 2017-18 | 38.57 | - |
| Add: Net profit Transferred from the Statement of P&L A/c | 79.77 | 469.90 |
| | 675.66 | 620.56 |
| Less: Appropriations | | |
| Dividend | 52.54 | 52.54 |
| Corporate Dividend Tax | 10.70 | 10.70 |
| | | |
| Closing Balance | 612.42 | 557.32 |
| Total Equity | 982.42 | 927.32 |

2.14 Long Term Borrowings

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------------|------------------|------------------|
| Secured | | |
| Vehicle Loans from Banks | 7.31 | 12.61 |
| Unsecured | | |
| Loan from Financial Institutions | 30.61 | 161.90 |
| | 37.92 | 174.51 |

Vehicle Loan from State Bank of India:

1. Secured by hypothecation of Vehicle purchased and repayable in 60 monthly installments of each Rs. 21,095/- commencing from March 2015, balance of installments being 09 (rate of Interest: 9.55%)
2. Secured by hypothecation of Vehicle purchased and repayable in 84 monthly installments of each Rs. 18,670/- commencing from March 2015, balance of installments being 33 (rate of Interest: 9.70%)
3. Secured by hypothecation of Vehicle purchased and repayable in 84 monthly installments of each Rs. 16,634/- commencing from September 2015, balance of installments being 41 (rate of Interest: 9.55%)

Unsecured Business Loans

Magma Fincorp Limited

It is repayable in 24 monthly installments of Rs. 2,52,119/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 18.75%)

Edelweiss Retail Finance Limited

It is repayable in 24 monthly installments of Rs. 2,01,635/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Dewan Housing Finance Corporation Limited

It is repayable in 24 monthly installments of Rs. 1,76,435/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Equitas Small Finance Bank Ltd

It is repayable in 24 monthly installments of Rs. 1,51,230/- each commencing from February 2018, balance of installments being 10 (Rate of Interest: 19.00%)

India Infoline Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 21 (Rate of Interest: 19.00%)

IVL Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 21 (Rate of Interest: 19.00%)

Religare Finvest Limited

It is repayable in 24 monthly installments of Rs. 1,00,817/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Shriram City Union Finance Limited

It is repayable in 24 monthly installments of Rs. 1,76,431/- each commencing from April 2018, balance of installments being 12 (Rate of Interest: 19.00%)

Tata Capital Financial Services Limited

It is repayable in 24 monthly installments of Rs. 1,00,574/- each commencing from February 2018, balance of installments being 10 (Rate of Interest: 18.75%)

2.15 Deferred Tax Liabilities

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Opening Balance | 20.76 | 28.13 |
| Add: on Account of Timing Differences in Property, Plant & Equipment | 2.96 | (6.08) |
| Add: on Account of Others | 1.29 | (1.29) |
| | 25.01 | 20.76 |

2.16 Other Financial Liability

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------------|------------------|------------------|
| Loans Repayable on Demand | | |
| Working Capital Loans from Banks | 756.44 | 378.14 |
| Unsecured | | |
| Loans from Related Parties | 34.34 | 9.00 |
| | 790.78 | 387.14 |

Cash Credit from State Bank of India:

Rate of Interest : 11.70%

Repayment: Repayable On Demand

Primary Security: Hypothecation of stock and receivables of the company

Collateral Security :

1) EM of Flat No. 401, 4th Floor, Plot No. 14 & 16, S No.93, 94 & 95 located at Madhura Nagar, Yousufguda, Hyderabad-38 belongs to Shri. V. Atchyutha Rama Raju.

2) EM of Office Premises No. 619, 6th Floor, Maker Chambers, V Premises Co-op Society Ltd., Plot No.221 of Back bay reclamation, Nariman Point, Mumbai - 400021 belongs to M/s Reliance Tea Private Limited.

3) EM of Plot No. 70, Survey No. 06, Situated at Izzat Nagar Village, Serilingampally Mandal, Ranga Reddy District, admeasuring 450 Sq. yards in the Name of Vama Industries Limited

Personal Gaurantee:

1. Shri V.Atchyuta Rama Raju, MD, S/o. Late V. Venkata Satynarayana Raju
2. Shri V. Rajam Raju, Director, S/o. Late V. Venkata Satynarayana Raju.
3. Smt. V. Parvathi, Guarantor, W/o. Sri V. Atchyuta Rama Raju
4. Corpoarte Gaurantee of M/s Reliance Tea Private Limited

Note : Renewal of Cash Credit Facility from SBI is pending from 23.04.2019 and the above terms and conditions as per Sanction Letter dt 10.11.2017

2.17 Trade Payables

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|------------------------------------|------------------|------------------|
| Due to Micro and Small Enterprises | - | - |
| Due to Others | | |
| for Goods & Service | 1,594.31 | 2,035.08 |
| | - | - |
| | 1,594.31 | 2,035.08 |

2.17.1 There are no transactions with Micro and Small enterprises, hence disclosures are not given as required under MSMED Act, 2006.

2.18 Other Financial Liabilities

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|------------------|------------------|------------------|
| Unpaid Dividned | 3.21 | 2.29 |
| Expenses Payable | 105.78 | 36.97 |
| | 108.99 | 39.26 |

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund

2.19 Short Tem Provisions

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--------------------------|------------------|------------------|
| For Employee Benefits | - | - |
| Others # | 10.70 | - |
| Provision for Income Tax | 30.28 | 171.39 |
| | 40.98 | 171.39 |

include "Dividend Tax Payable"

2.20 Other Current Liabilities

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--------------------------------------|------------------|------------------|
| Other Payables | | |
| Statutory Liabilities | 173.78 | 43.66 |
| Advance received from Customers | 3.12 | - |
| Current Maturities of Long-Term Debt | | |
| Secured | | |
| Vehicle Loan from bank | 5.02 | 5.12 |
| Unsecured | | |
| Loan from Financial Institutions | 269.23 | 183.10 |
| | 451.15 | 231.88 |

2.21 Revenue from Operations

(₹ In Lakhs)

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| Sale of Products | | |
| - Domestic | 3,238.50 | 6,041.31 |
| - Export | - | - |
| Sale of Services | | |
| - Domestic | 342.55 | 527.67 |
| - Export | 256.03 | 294.02 |
| | 3,837.08 | 6,863.00 |
| Sale of Goods Under Broad Head | | |
| Computers & Peripherals/ Software | 3,238.50 | 6,041.31 |
| | 3,238.50 | 6,041.31 |
| Services rendered Under Broad Head | | |
| Annual Maintenance Contract Service | 181.06 | 346.05 |
| Consultancy Services | 245.37 | 273.58 |
| IT Engineering Services | 172.14 | 202.06 |
| | 598.57 | 821.69 |

2.22 Other Income

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|----------------------------|----------------------------------|----------------------------------|
| Interest on Fixed Deposits | 33.77 | 29.73 |
| Other Income | 60.04 | 27.52 |
| Dividend Income - VTPL | - | 176.17 |
| | 93.81 | 233.41 |

2.23 Cost of Material Consumed

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|-------------------------------|----------------------------------|----------------------------------|
| Purchase of Material | 3,108.53 | 5,557.29 |
| Transport/ AMC/Labour Charges | 54.95 | 399.86 |
| | 3,163.48 | 5,957.15 |

2.24 Changes in Inventories

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|--------------------------------------|----------------------------------|----------------------------------|
| Inventories at the end of the year | 1,249.06 | 799.64 |
| Inventories at beginning of the year | 799.64 | 489.95 |
| Net Increase/ (Decrease) | 449.42 | 309.68 |

2.25 Employee Benefit Expenses

(₹ In Lakhs)

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|------------------------------------|----------------------------------|----------------------------------|
| Salaries and Wages | 435.07 | 304.86 |
| Directors Remuneration | 37.80 | 37.80 |
| Contribution to PF and other Funds | 23.67 | 15.96 |
| Staff Welfare Expenses | 2.00 | 3.56 |
| | 498.54 | 362.18 |

2.26 Finance Cost

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|-------------------------|----------------------------------|----------------------------------|
| Interest Expenses | | |
| Interest | 183.64 | 132.22 |
| Interest on others | 81.53 | 26.91 |
| Other Borrowing Cost | | |
| Loan Processing Charges | 23.31 | 0.12 |
| Other Finance Charges | | |
| Bank Charges | 42.54 | 15.74 |
| | 331.02 | 174.99 |

2.27 Other Expenses

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|--|----------------------------------|----------------------------------|
| Advertisement | 2.02 | 3.17 |
| Audit Fees | 1.50 | 1.50 |
| Business Promotion Exp | 11.02 | 1.66 |
| Commission | - | 0.41 |
| Communication Expenses | 4.98 | 5.35 |
| Conveyance | 6.63 | 8.66 |
| Power and Fuel | 11.59 | 12.40 |
| Fees & Taxes | 10.40 | 7.78 |
| Forex Fluctuations | 33.14 | 32.42 |
| Office & General Expenses | 8.40 | 10.42 |
| Insurance | 6.73 | 7.95 |
| LD Clause Charges | 5.04 | - |
| Professional Expenses | 65.83 | 60.86 |
| Printing & Stationery | 2.09 | 2.20 |
| Postage & Telegram | 0.92 | 0.80 |
| Rent | 35.90 | 31.98 |
| Repairs & Maintenance | 1.27 | 1.86 |
| STPI Service Charges | 0.55 | 0.55 |
| Travelling Expenses | 30.11 | 46.11 |
| Vehicle Maintenance | 0.36 | 0.65 |
| Discount/ Miscellaneous written off | - | 0.33 |
| Allowances for Impairment of Receivables | - | 8.82 |
| | 238.48 | 245.90 |

2.28 Auditors Remuneration

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--|-------------|-------------|
| a) Audit Fees | 1.00 | 1.00 |
| b) Other Charges | | |
| Taxation Matters | 0.50 | 0.50 |
| Certification Fees | | |
| c) Reimbursement of out of pocket expenses | - | - |
| Total | 1.50 | 1.50 |

2.29 Earnings per Share

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--|--------------------|--------------------|
| Earnings | | |
| Profit attributable to equity holders | 79.77 | 469.90 |
| Shares | | |
| Number of shares at the beginning of the year | 5,25,40,000 | 5,25,40,000 |
| Add: Equity shares issued | - | - |
| Less: Buy back of equity shares | - | - |
| Total number of equity shares outstanding at the end of the year | 5,25,40,000 | 5,25,40,000 |
| Weighted average number of equity shares outstanding during the year – Basic | 5,25,40,000 | 5,25,40,000 |
| Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS | - | - |
| Weighted average number of equity shares outstanding during the year – Diluted | 5,25,40,000 | 5,25,40,000 |
| Earnings per share of par value Rs.2/- – Basic (INR) | 0.15 | 0.89 |
| Earnings per share of par value Rs.2/- – Diluted (INR) | 0.15 | 0.89 |

2.30 Related Parties

Subsidiary:Vama Technologies Pte Ltd

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of related party of the Company is as below:

| S. No. | Name of the Related Party | Nature of Relation Ship |
|--|--------------------------------|--------------------------------------|
| 1 | V.A. Rama Raju | Key Managerial Personnel |
| 2 | V.Rajam Raju | Key Managerial Personnel |
| 3 | V.Parvathi | Relative of Key Managerial Personnel |
| 4 | Reliance Tea Pvt Ltd | * EDS |
| 5 | Vama Technologies Pte. Ltd | Subsidiary |
| 6 | Gottumukkala Achyuta Rama Raju | Relative of Key Managerial Personnel |
| 7 | Bangarraju Mudundi | Relative of Key Managerial Personnel |
| 8 | V Sarada | Relative of Key Managerial Personnel |
| 9 | M Krishna Veni | Relative of Key Managerial Personnel |
| 10 | Vegetna Pushpavathi | Relative of Key Managerial Personnel |
| 11 | Mohan Raju Indukuri | Relative of Key Managerial Personnel |
| 12 | Uma Vani Indukuri | Relative of Key Managerial Personnel |
| 13 | Gavireddy Siva | Chief Financial Officer |
| 14 | M K BhaskaraTeja | Company Secretary (Till 04.11.2018) |
| 15 | Vandana Modani | Company Secretary (wef 05.11.2018) |
| * Entity over which the director is having significant influence | | |

Related Party Transactions:

(₹ in lakhs)

| S.No | Nature of Transaction | FY 2018-19 | | | | FY 2017-18 | | | | | |
|------|---------------------------------|------------|-----------------|-----|------------|------------|---------|-------------|-----|------------|-------|
| | | KMP | Relative of KMP | EDS | Subsidiary | Total | KMP KMP | Relative of | EDS | Subsidiary | Total |
| 1 | Directors Remuneration / Salary | 53.84 | 2.28 | - | - | 56.12 | 52.44 | 2.28 | - | - | 54.72 |
| 2 | Consultancy Service Income | - | - | - | 83.88 | 83.88 | - | - | - | 91.96 | 91.96 |
| 4 | Salary Advance | - | - | - | - | - | 3.59 | - | - | - | 3.59 |
| 5 | Dividend | 18.36 | 4.20 | - | - | 22.56 | 18.36 | 4.20 | - | - | 22.56 |

Balance with Related Parties:

| S.No | Nature of Transaction | FY 2018-19 | | | | FY 2017-18 | | | | | |
|------|-----------------------|------------|-----------------|-------|------------|------------|---------|-------------|-------|------------|--------|
| | | KMP | Relative of KMP | EDS | Subsidiary | Total | KMP KMP | Relative of | EDS | Subsidiary | Total |
| 1 | Rent Deposit | - | - | 11.70 | - | 11.70 | - | - | 15.47 | - | 15.47 |
| 2 | Salary Advances | - | - | - | - | - | 3.59 | - | - | - | 3.59 |
| 3 | Expenses payable | 9.19 | - | - | - | 9.19 | - | - | - | - | - |
| 4 | Unsecured Loan | 34.34 | - | - | - | 34.34 | 9.00 | - | - | - | 9.00 |
| 5 | Loans & Advances | - | 5.00 | 0.25 | 137.96 | 143.21 | - | 5.00 | 0.25 | 230.33 | 235.58 |
| 6 | Investments | - | - | - | 4.16 | 4.16 | - | - | - | 3.90 | 3.90 |
| 7 | Trade Receivables | - | 6.38 | - | 81.05 | 87.44 | - | 6.38 | - | - | 6.38 |

Transactions with Related Parties during the year:

(₹ In Lakhs)

| S. No. | Particulars | FY 2018-19 | FY 2017-18 |
|--------|--|------------|------------|
| 1 | Directors Remuneration / Salary | | |
| | V.A.Rama Raju | 19.80 | 19.80 |
| | V.Rajam Raju | 18.00 | 18.00 |
| | V.Parvathi | 2.28 | 2.28 |
| | Gavireddy Siva | 10.64 | 8.64 |
| | M K BhaskaraTeja | 3.90 | 6.00 |
| | Vandana Modani | 1.50 | - |
| 2 | Consultancy Service Income Vama Technologies Pte Ltd | 83.88 | 91.96 |
| 3 | Salary Advance G Siva | - | 3.59 |
| 4 | Dividend | | |
| | V Atchyuta Rama Raju | 12.56 | 12.56 |
| | V Rajam Raju | 5.80 | 5.80 |
| | Gottumukkala Atchyuta Rama Raju | 3.00 | 3.00 |
| | Bangarraju Mudundi | 0.09 | 0.09 |
| | V Parvathi | 0.77 | 0.77 |
| | V Sarada | 0.09 | 0.09 |
| | M Krishna Veni | 0.08 | 0.08 |
| | V Pushpavathi | 0.07 | 0.07 |
| | Mohan Raju Indukuri | 0.05 | 0.05 |
| | Uma Vani Indukuri | 0.05 | 0.05 |
| 5 | Rent Deposit Reliance Tea Pvt Ltd | 11.70 | 15.47 |
| 6 | Expenses payable G Siva | 9.19 | - |
| 7 | Unsecured Loan | | |
| | V Atchyuta Rama Raju | 25.34 | - |
| | V Rajam Raju | 9.00 | 9.00 |
| 8 | Loans & Advances | | |
| | Vama Technologies Pte Ltd | 137.96 | 230.33 |
| | Reliance Tea Pvt Ltd | 0.25 | 0.25 |
| | Asha Lube Solutions Pvt Ltd. | 5.00 | 5.00 |
| 9 | Investments Vama Technologies Pte Ltd | 4.16 | 3.90 |
| 10 | Trade Receivables | | |
| | Vama Technologies Pte Ltd | 81.05 | - |
| | Asha Automine Pvt Ltd | 6.38 | 6.38 |

2.31 Earnings / Expenditure in Foreign Currency

Expenditure in Foreign Currency

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|---------------------------|-----------------|-----------------|
| Travel Expenses | - | 3.94 |
| Reimbursement of expenses | 8.28 | 9.83 |
| Purchase Import | 1,409.99 | 1,134.98 |
| Bank Charges | 1.34 | 0.87 |
| Total | 1,419.61 | 1,149.62 |

Earnings in Foreign Currency

| Particulars | FY 2018-19 | FY 2017-18 |
|----------------------|---------------|---------------|
| Engineering Services | 172.14 | 202.06 |
| Consultancy Services | 83.88 | 91.96 |
| | 256.02 | 294.02 |

2.32 Segment Reporting

The Company concluded that there is only one operating segment i.e, IT related services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108, to the extent applicable.

2.33 Employee benefits

Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed Rs. 19.31 Lakhs and Rs. 13.06 Lakhs to the provident fund plan during the years ended 31st March 2019 and 2018, respectively.

2.34 Income Taxes

a. Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following

| Particulars | FY 2018-19 | FY 2017-18 |
|--|--------------|---------------|
| Current taxes expense | | |
| Domestic | 30.28 | 171.41 |
| Deferred taxes expense / (benefit) | | |
| Domestic | 4.25 | (7.37) |
| Total income tax expense/(benefit) recognized in the statement of profit and loss | 34.53 | 164.04 |

b. Income tax expense/ (benefit) recognized directly in equity

Income tax expense/ (benefit) recognized directly in equity consist of the following

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|---|------------|------------|
| Tax effect on actuarial gains/losses on defined benefit obligations | - | - |
| Total income tax expense/(benefit) recognized in the equity | - | - |

c. Reconciliation of Effective tax rate:

| Particulars | FY 2018-19 | FY 2017-18 |
|--|------------|------------|
| Profit before income taxes | 114.30 | 633.94 |
| Enacted tax rate in India | 26.00% | 33.06% |
| Computed expected tax | 29.72 | 209.60 |
| Effect of: | | |
| Expenses not deductible for Tax purposes | 34.49 | 25.28 |
| Expenses deductible for Tax purposes | (32.33) | (82.89) |
| Taxable at Special Rates | - | 19.42 |
| Income tax | 30.28 | 171.41 |
| Effective tax rate | 26.49% | 27.04% |

The Company's average effective tax rate for the years ended March 31, 2019 and 2018 were 26.49% and 27.04%, respectively

d. Deferred tax assets & Liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

| Particulars | FY 2018-19 | FY 2017-18 |
|--|--------------|--------------|
| Deferred tax assets/(liabilities): | | |
| Property, plant and equipment | 25.01 | 22.04 |
| Others | - | (1.29) |
| Net deferred tax assets/(liabilities) | 25.02 | 20.76 |

e. Movement in deferred tax assets and liabilities during the year ended 31st March 2018 & 2019

| Particulars | As at 01.04.2017 | Recognized in statement of profit and loss | Recognized in EQUITY | As at 31.03.2018 |
|--|---------------------|--|-------------------------|---------------------|
| Deferred tax assets/(liabilities) | | | | |
| Property, plant and equipment | 28.13 | (6.08) | - | 22.05 |
| Others | - | (1.29) | - | (1.29) |
| Net deferred tax assets/(liabilities) | 28.13 | (7.37) | - | 20.76 |

e. Movement in deferred tax assets and liabilities during the year ended 31st March 2018 & 2019 (₹ In Lakhs)

| Particulars | As at 01.04.2018 | Recognized in statement of profit and loss | Recognized in EQUITY | As at 31.03.2019 |
|--|---------------------|--|-------------------------|---------------------|
| Deferred tax assets/(liabilities) | | | | |
| Property, plant and equipment | 22.05 | 2.96 | - | 25.01 |
| Others | (1.29) | 1.29 | - | - |
| Net Deferred tax assets/(liabilities) | 20.76 | 4.25 | - | 25.01 |

2.35 Investments

Investments consist of investments in mutual fund measured at Fair value through Profit & Loss Account, Investment in subsidiaries measured at cost, However company has sold investments in SBI Mutual Fund dt 15.02.19 and Gain of Rs 4.97 lakhs of the same is recognised through profit & loss a/c

The details of such investments in mutual funds as of 31st March 2018 are as follows.

| Particulars | cost | Recognized in statement of profit and loss | Gain recognized directly in profit and loss account | Fair Value |
|--------------------------------|---------------|--|---|---------------|
| Non-Current Investments | | | | |
| Investment in Mutual Funds | 118.00 | - | 5.11 | 123.11 |
| | 118.00 | - | 5.11 | 123.11 |

2.36 Retention Money

Retention money is amount retained by the client/ service receiver under an agreement where, money is not paid instantaneously. There will be a time loss of value of consideration which needs to be recognised by determining the fair value of revenue in accordance with Ind AS 18.

As per Ind AS 113 and 109 discounting of the retention money is required and recognised and designated as revenue or interest as Fair Value Through Profit & Loss (FVTPL).

The details of Retention Money as of 31st March 2018 are as follows: (₹ In Lakhs)

| Particulars | As at 01.04.2017 | Recognized in statement of profit and loss | Recognized in EQUITY | As at 31.03.2018 |
|---------------------------------------|---------------------|--|-------------------------|---------------------|
| Opening as on 01.04.2017 | (43.86) | - | - | (43.86) |
| Sale recognition or reversal | - | (33.46) | - | (33.46) |
| Interest income or reversal | - | 22.41 | - | 22.41 |
| Net Adjustment during the year | | | | (54.90) |

The details of Retention Money as of 31st March 2019 are as follows:

(₹ In Lakhs)

| Particulars | As at 01.04.2018 | Recognized in statement of profit and loss | Recognized in EQUITY | As at 31.03.2019 |
|---------------------------------------|---------------------|--|-------------------------|---------------------|
| Opening as on 01.04.2018 | (54.90) | - | - | (54.90) |
| Sale recognition or reversal | - | (25.74) | - | (25.74) |
| Interest income or reversal | - | 46.97 | - | 46.97 |
| Net Adjustment during the year | | | | (33.67) |

2.37 Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

| Particulars | Carrying Value | | Fair value | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Mar-19 | Mar-18 | Mar-19 | Mar-18 |
| Financial assets | | | | |
| Cash and cash equivalents | 878.14 | 493.70 | 878.14 | 493.70 |
| Investments | 3.90 | 121.90 | 4.16 | 127.00 |
| Trade Receivables | 1,807.33 | 2,394.63 | 1,711.14 | 2,290.33 |
| Other financial assets | 437.53 | 581.27 | 364.84 | 526.37 |
| Total | 3,126.90 | 3,591.50 | 2,958.28 | 3,437.40 |
| Financial liabilities | | | | |
| Borrowings | 828.70 | 568.09 | 828.70 | 561.65 |
| Trade payables | 1,594.31 | 2,035.08 | 1,594.31 | 2,035.08 |
| Other financial liabilities | 108.99 | 39.26 | 108.99 | 39.26 |
| Total | 2,532.00 | 2,642.43 | 2,532.00 | 2,635.99 |

2.38 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade Receivables - The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables impairment loss is provided Rs. 30.33 as at 31st March 2019 and Rs. 38.44 at 31st March 2018.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company took into consideration the weighted average number of delays taking into consideration deviation of receivables turnover ratio from normal credit period.

The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

Financial assets that are neither past due nor impaired - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2019.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2019 and 31st March 2018 are as follows:

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|---------------------------------------|--------------|--------------|
| Balance at the beginning of the year | 38.44 | 29.62 |
| Impairment of Trade receivables | 8.11 | 8.82 |
| Balance at the end of the year | 46.55 | 38.44 |

Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31st March 2019 and 2018, the Company had unutilized credit limits from banks of fund based limits of Rs. NIL and 3.72 Crores respectively.

As of 31 March 2019, the Company had working capital (current assets less current liabilities) of Rs. 1,538.48 Lakhs including cash and cash equivalents of Rs. 878.14 Lakhs. As of 31 March 2018, the Company had working capital of Rs. 1,384.07 Lakhs, including cash and cash equivalents of Rs. 493.70 Lakhs and investments in FVTPL financial assets of Rs. 123.11 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019.

(₹. In Lakhs)

| Particulars | 2020 | 2021 | 2022 | Thereafter | Total |
|--|----------|-------|------|------------|----------|
| Trade payables | 1,594.31 | - | - | - | 1,594.31 |
| Long term borrowings # | 274.32 | 34.39 | 3.01 | 0.14 | 311.86 |
| Bank overdraft, short-term loans and borrowings* | 790.78 | - | - | - | 790.78 |
| Other liabilities* | 108.99 | - | - | - | 108.99 |

* The Bank Overdraft and other liabilities are payable on demand.

Long term borrowings include current maturities of long term debt.

Market Risks:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The company mitigates the currency risk with natural hedge arising on export of goods and services.

CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows:

(₹. In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--------------------------|---------------|---------------|
| Total Debt | 3,049.13 | 3,060.02 |
| Total Equity | 2,033.22 | 1,978.12 |
| Debt Equity Ratio | 1.50:1 | 1.55:1 |

2.39 Contingent Liabilities and Commitments:

(₹. In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--|------------|------------|
| Contingent Liabilities | | |
| a) Claims against the company/disputed liabilities not acknowledged as debts | - | - |
| Income | | |
| b) Guarantees | | |
| Bank Guarantees | 1,680.46 | 1,379.00 |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | 2.42 |

TO THE MEMBERS OF VAMA INDUSTRIES LIMITED**I. Report on the Audit of the Financial Statements:****Opinion**

We have audited the accompanying Consolidated Financial Statements of M/s Vama Industries Limited ("the Holding Company") and its wholly owned subsidiary M/s Vama Technologies Pte Ltd., Singapore, ("the Subsidiary") which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and the profit (including Other Comprehensive Income) , changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | The Key Audit Matters | Auditor's Response |
|---------|---|---|
| | <p>Revenue Recognition</p> <p>Revenue from the sale of goods and sale of Service (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods and sale of Service is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Point No 9 to the Consolidated Financial Statements - Significant Accounting Policies</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. Evaluating the design and implementation of Company's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. |

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

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

Responsibility of Management for Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. The respective Board of Directors of the Holding Company and the subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds

and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, respective management of the Holding Company and the subsidiary 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.

Those respective Board of Directors of the Holding Company and the subsidiary are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- i. Identify and assess the risks of material misstatement of the Consolidated 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.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e. On the basis of the written representations received from the Holding Company's directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Holding Company's directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Holding Company and the subsidiary do not have any pending litigations which would impact its financial position.
 - ii. The Holding Company and the subsidiary did not have any long term contracts including derivative contracts for which there were any material foreseeable losses

- iii. There have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- h. With respect to the matter to be included in the Auditor's Report under Section 197(16) : In our opinion and according to the information and explanations given to us, the remuneration paid by the company to Holding Company's directors during the current year is in accordance with the provisions under Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn No. 018367S

Place: Hyderabad

Date: 29.05.2019

Annexure - A to the Independent Auditors' Report :

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s Vama Industries Limited ("the Holding Company") and its wholly owned subsidiary M/s Vama Technologies Pte Ltd., Singapore, ("the Subsidiary") as of 31st March 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

The Holding Company's internal control system for recovery of dues from the customers the credit period, periodical confirmations and reconciliation of customer accounts needs to be strengthened further.

For V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

Place: Hyderabad

Date: 29.05.2019

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019


(₹ In lakhs)

| Particulars | Note No | As at 31.03.2019 | As at 31.03.2018 |
|------------------------------------|---------|------------------|------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property Plant and Equipment | 2.01 | 256.00 | 265.33 |
| Intangible Assets | 2.02 | 128.63 | 150.47 |
| Tangible Assets Under Developmet | | | |
| Financial Assets | | | |
| Investment | 2.03 | - | 123.11 |
| Other Financial Assets | 2.04 | 134.95 | 182.99 |
| Other Long term Loans and Advances | 2.05 | 16.80 | 42.45 |
| Other Non-Current Assets | 2.06 | 20.17 | 23.94 |
| | | 556.55 | 788.29 |
| Current Assets | | | |
| Inventories | 2.07 | 1,333.51 | 799.64 |
| Financial Assets | | | |
| Trade Receivables | 2.08 | 1,734.75 | 2,648.30 |
| Cash and Cash equivalent | 2.09 | 885.40 | 508.21 |
| Other Financial Assets | 2.10 | 120.95 | 207.92 |
| Other Current Assets | 2.11 | 490.76 | 226.89 |
| | | 4,565.37 | 4,390.96 |
| Total Assets | | 5,121.92 | 5,179.25 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity Share capital | 2.12 | 1,050.80 | 1,050.80 |
| Other Equity | 2.13 | 846.27 | 1,028.13 |
| | | 1,897.07 | 2,078.93 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.14 | 37.92 | 174.51 |
| Deffered Tax Liabilities (Net) | 2.15 | 9.89 | 32.25 |
| Other Non-Current Liabilities | | | |
| | | 47.81 | 206.76 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 2.16 | 790.78 | 387.14 |
| Trade Payables | 2.17 | 1,780.48 | 2,053.32 |
| Other Financial Liabilities | 2.18 | 113.66 | 43.11 |
| Liabilities for Current Tax (Net) | | - | - |
| Provisions | 2.19 | 40.98 | 178.12 |
| Other Current Liabilities | 2.20 | 451.14 | 231.87 |
| | | 3,177.04 | 2,893.56 |
| Total Assets | | 5,121.92 | 5,179.25 |

The accompanying Significant accounting policies and notes form an integral part of the Consolidated financial statements.

As per our report of even date

 For VNSS & Associates
Chartered Accountants

 Sd/-
V N S SRINIVASARAO
Proprietor
M.No. 225281
Firm Regn No. 0183675
Place : Hyderabad
Date: 29.05.2019

for and on behalf of the Board of Directors

 Sd/-
V. Atchyuta Rama Raju
Chairman & Managing Director
DIN : 00997493

 Sd/-
G. Siva
Chief Financial Officer

 Sd/-
V. Rajam Raju
Executive Director
DIN : 01314420

 Sd/-
Vandana Modani
Company Secretary

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2019


(₹ In lakhs)

| Particulars | Note No | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|---|---------|----------------------------------|----------------------------------|
| Income | | | |
| Revenue from Operations | 2.21 | 5,379.16 | 10,354.59 |
| Other Income | 2.22 | 93.81 | 69.79 |
| Total Revenue | | 5,472.97 | 10,424.38 |
| Expenses | | | |
| Cost of Material Consumed | 2.23 | 4,692.02 | 6,486.81 |
| Changes in Inventories | 2.24 | (533.87) | 2,532.27 |
| Employee Benefit Expenses | 2.25 | 498.54 | 362.18 |
| Finance Cost | 2.26 | 335.99 | 185.12 |
| Depreciation and Amortisation Expenses | 2.01 | 34.49 | 31.94 |
| Other Expenses | 2.27 | 597.70 | 254.48 |
| Total Expenses | | 5,624.87 | 9,852.80 |
| Profit Before Tax | | (151.90) | 571.58 |
| Tax Expenses | | | |
| i) Current Tax | | 30.28 | 178.12 |
| ii) Deffered tax | | (22.36) | (10.66) |
| Profit for the Year | | (159.82) | 404.12 |
| Other Comprehensive Income | | - | - |
| Items that will not be reclassified to Profit & Loss | | - | - |
| Tax on items that will not be reclassified to profit & Loss | | - | - |
| Items that will be reclassified to Profit or Loss | | | |
| Tax on items that may be reclassified to Profit or Loss | | | |
| Items that may reclassified subsequently to Profit or Loss | | | |
| Total Other Comprehensive Income/Loss for the year net of Taxes | | - | - |
| Total Comprehensive Income for the Year | | (159.82) | 404.12 |
| Earning per Share | | | |
| Basic Earning Per share @ Rs. 2/- Each | | (0.30) | 0.77 |
| Diluted Earning Per share @ Rs. 2/- Each | | (0.30) | 0.77 |

The accompanying Significant accounting policies and notes form an integral part of the Consolidated financial statements.

As per our report of even date

For VNSS & Associates

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M.No. 225281

Firm Regn No. 018367S

Place : Hyderabad

Date: 29.05.2019

for and on behalf of the Board of Directors

Sd/-

V. Atchyuta Rama Raju

Chairman & Managing Director

DIN : 00997493

Sd/-

G. Siva

Chief Financial Officer

Sd/-

V. Rajam Raju

Executive Director

DIN : 01314420

Sd/-

Vandana Modani

Company Secretary

(₹ In Lakhs)

Statement of Changes in Equity

| Particulars | Equity Share Capital | Retained Earnings | Securities Premium | Actuarial Gains or Losses | Total Equity |
|--|----------------------|-------------------|--------------------|---------------------------|-----------------|
| Balance as at 01/04/2018 | 1,050.80 | 658.13 | 370.00 | - | 2,078.93 |
| Profit for the Year | - | (159.82) | - | - | (159.82) |
| Excess Provision made for FY 2017-18 | - | 41.20 | - | - | 41.20 |
| Dividend paid | - | (52.54) | - | - | (52.54) |
| Corporate Dividend Tax | - | (10.70) | - | - | (10.70) |
| Amount Transfer to General Reserve | - | - | - | - | - |
| Net Change in Fair Value of FVTPL investments and others | - | - | - | - | - |
| Balance as at 31/03/2019 | 1,050.80 | 476.27 | 370.00 | - | 1,897.07 |
| Particulars | Equity Share Capital | Retained Earnings | Securities Premium | Actuarial Gains or Losses | Total Equity |
| Balance as at 01/04/2017 | 1,050.80 | 317.26 | 370.00 | - | 1,738.06 |
| Profit for the Year | - | 404.12 | - | - | 404.12 |
| Dividend paid | - | (52.54) | - | - | (52.54) |
| Corporate Dividend Tax | - | (10.70) | - | - | (10.70) |
| Amount Transfer to General Reserve | - | - | - | - | - |
| Net Change in Fair Value of FVTPL investments and others | - | - | - | - | - |
| Balance as at 31/03/2018 | 1,050.80 | 658.13 | 370.00 | - | 2,078.93 |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019



(₹ In Lakhs)

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| A. Cash flow from Operating activities | | |
| Net Profit before tax as per Profit and loss account | (151.90) | 571.58 |
| Adjustments | | |
| Depreciation and Amortisation Expense | 34.49 | 31.94 |
| Gain on Investments carried at fair value through profit & loss | (4.97) | (5.11) |
| Finance Cost | 335.99 | 185.12 |
| Interest on Fixed Deposits and other income | (80.73) | (29.73) |
| Provision for doubtful debts, advances, impairment/(Expected Gain on Recievavles) | (8.11) | 8.82 |
| Other Comprehensive Income (net of tax) | - | - |
| Operating profit before working capital changes | 124.77 | 762.63 |
| Movements in Working Capital | | |
| (Increase)/Decrease in Trade and Other Receivables | 921.66 | 596.80 |
| (Increase)/Decrease in Inventories | (533.87) | 2,516.47 |
| Changes in Other Financial Assets | 86.97 | (142.29) |
| Changes in Other Current Assets | (436.43) | 93.14 |
| Increase/(Decrease) in Trade Payables | (272.84) | (2,953.97) |
| Increase/(Decrease) in Other Financial Liabilities | 70.55 | 1.72 |
| Increase/(Decrease) in Other Current Liab. | 196.30 | 34.48 |
| Cash generated from Operations | 157.11 | 908.98 |
| Direct Taxes paid | (103.25) | (83.39) |
| Net Cash from Operating activities | 53.86 | 825.59 |
| B. Cash flow from Investing Activities | | |
| (Purchase) / Sale of Investment (Net) | 128.08 | (118.00) |
| (Purchase) / Sale of Fixed Assets (Net) | (3.32) | (15.84) |
| Intangible assets under development | - | - |
| Change in Other Financial Assets(Non current) | 48.04 | 3.19 |
| Changes in Long Term Loans & Advances | 25.65 | 16.30 |
| Changes in Other Non Current Assets | 3.77 | - |
| (Increase)/Decrease in Other Long Term Liab. / Long Term Prov. | - | - |
| Dividend and Interest Income received | 80.73 | 29.73 |
| Net Cash from Investment Activities | 282.95 | (84.62) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of Share Capital/ Share Application Money | - | - |
| Proceeds / (Repayment) from Long Term Borrowings | (136.59) | 102.54 |
| Proceeds / (Repayment) from Short Term Borrowings | 403.64 | (642.57) |
| Finance Cost | (335.99) | (185.12) |
| Dividend Paid | (52.54) | (52.54) |
| Dividend Tax Paid | (10.70) | (10.70) |
| Net cash used in financing activities | (132.18) | (788.39) |
| Net (Decrease) / Increase in cash and cash equivalents | 204.63 | (47.42) |
| Cash and cash equivalents at the beginning of the year | 26.13 | 73.55 |
| Cash and Cash equivalents at the end of the year | 230.76 | 26.13 |

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

2. The accompanying notes are an integral part of the financial statements

3. We have taken into consideration Cash and Cash equivalents instead of effective Cash and Cash equivalents.

As per our report of even date

for and on behalf of the Board of Directors

For VNSS & Associates

Chartered Accountants

Sd/-
V N S SRINIVASARAO
Proprietor
M.No. 225281
Firm Regn No. 018367S
Place : Hyderabad
Date: 29.05.2019

Sd/-
V. Atchyuta Rama Raju
Chairman & Managing Director
DIN : 00997493

Sd/-
G. Siva
Chief Financial Officer

Sd/-
V. Rajam Raju
Executive Director
DIN : 01314420

Sd/-
Vandana Modani
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Vama Industries Limited (“the Holding Company”) and its subsidiary (together “the Group”) are engaged in the Engineering Design & Development Services, System Integration Projects, IT Infrastructure, Data Center Engineering Build and Facility Management Services. The Company has business operations mainly in India and Singapore countries. The Company is a public limited company incorporated and domiciled in India and has its registered office at S.R.Nagar, Hyderabad, Telangana. The Company has its primary listings on the Bombay Stock Exchange. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

B. Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of Measurement

These Consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Long-term borrowings, except obligations under finance leases, are measured at amortized cost using the effective interest rate method.

The following are the details of subsidiaries considered for the purpose of Consolidation:

| Name of Enterprise | Country of Incorporation | Nature of Business | Shareholding/ Controlling interest |
|----------------------------|--------------------------|---------------------------|---------------------------------------|
| VAMA Technologies Pte. Ltd | Singapore | IT & Engineering Services | 100% |

C. Use of judgment, estimates and assumptions.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

i) Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

ii) Provision and contingencies

Provisions and contingencies are based on the Management’s best estimate of the liabilities based on the facts known at the balance sheet date.

iii) Fair valuation

Fair value is the market based measurement of observable market transaction or available market information.

D. Scope of Consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Fully consolidated means recognition of all assets and liabilities and items in the income statement in full. Thereafter the portion of net profit and equity is allocated between the owners of the Holding Company and non-controlling interest. Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

The financial statements of group companies are consolidated on line by line basis and Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

E. Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest Lakhs.

In respect of subsidiary that operates as an extension of reporting entity of our parent company, rather than carried out with a significant degree of autonomy in their respective countries/regions, the functional currency has been determined to be the functional currency of our parent company (i.e., the Indian rupee). The operations of this subsidiary are largely restricted and influenced by the parent company for fixing the Sale Price and Costs of the goods and services and the subsidiary financing activities are funded by the parent company. The import of goods and services from our parent company in India, sale of these products in the foreign country and making of import payments are retained by our parent company.

In respect of subsidiary whose operations are integrated within their parent company, the functional and presenting currency has been determined to be the local currency of parent company.

F. Current and Non-Current Classification

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or

- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non current assets/ liabilities respectively. All other assets/ liabilities are classified as non current.

G. Foreign Currencies

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, if any.

Group Entities

The results and financial position of all the group entities are having a functional currency same that of parent company presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each Statement of Profit and Loss are translated at date of transaction exchange rates and
- All resulting exchange differences are recognized in Profit & Loss account

H. Significant Accounting Policies

1) Property Plant & Equipment

Transition to Ind AS

The Group has elected to continue with the net carrying value of all its property, plant and equipment recognized as of April 1, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost.

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation.

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

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 (“Schedule”), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on prorata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

| Type of Asset | Estimated useful life in years |
|----------------------|---------------------------------------|
| Computers | 3 |
| Furniture & Fixtures | 10 |
| Air Conditioner | 15 |
| Electrical Fittings | 10 |
| Vehicles | 8 |
| Office Equipment | 5 |

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. Assets not ready for use are not depreciated.

2) Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset’s future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

| Type of Asset | Estimated useful life |
|-------------------------------|------------------------------|
| Intangible Assets Software | 10 |

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

3) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (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

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets at fair value through profit or loss (FVTPL)
- Impairment of financial assets

Financial Assets at amortised cost

A Financial Asset is measured at the amortised cost if both the following conditions are met:

- o The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- o Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial Assets at FVTOCI

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

- o The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- o The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned whilst holding FVTOCI is reported as interest income using the EIR method.

Financial Assets at FVTPL

FVTPL is a residual category for Financial Assets. Any asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. These include surplus funds invested in mutual funds.

Investment in Mutual Funds

Mutual funds investment in scope of Ind AS 109 are measured at fair value. For all other instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

An investment in Mutual funds is within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Retention Money

Retention money is amount retained by the client/ service receiver under an agreement where, money is not paid instantaneously. There will be a time loss of value of consideration which needs to be recognised by determining the fair value of revenue in accordance with Ind AS 18.

As per Ind AS 113 and 109 discounting of the retention money is required and recognised and designated as revenue or interest as Fair Value through Profit & Loss (FVTPL).

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration deviation of receivables turnover ratio from normal credit period.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights 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 rights 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.

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 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the 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 consolidated statement of profit and loss.

4) Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

5) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”)

An impairment loss is recognized in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6) Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and Unclaimed dividend accounts. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment. Bank overdrafts and Cash Credit that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

7) Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

The Company’s contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when the services are received from the employees.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

8) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

9) Revenue Recognition

Sale of goods and services

Revenue from sale of computer hardware is recognized on dispatch of the products from the company for delivery to the customers. Revenue from product sale is shown net of tax separately charged and discounts as applicable.

Revenue from IT Services consists of earnings from services performed on a 'time and material' basis and fixed price contracts. The related revenue is recognized as and when the services are performed and delivered.

Revenue from Annual Maintenance Contracts (AMCs) is recognized on accrual basis as per the Contracts / Agreements entered with the Clients.

Other Income

Interest Income

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

Dividend

Dividend income is recognized when the Company's right to receive dividend is established.

10) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

11) Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the consolidated statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

12) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

13) Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

14) Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. 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.

a. Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b. Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

c. Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

d. Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

e. Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

f. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

2.01: Property, plant and equipment

(₹.in Lakhs)

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | Net carrying value | | | |
|----------------------|----------------------|-------------|-----------|---------------------------------------|------------------|--------------|-------------------------|--------------------|------------------|------------------|---------------|
| | As at 01.04.2018 | Additions | Disposals | As at 31.03.2019 | As at 01.04.2018 | For the year | Impairment for the year | Disposals | As at 31.03.2019 | As at 31.03.2018 | |
| Computer Software | 24.67 | 1.58 | - | 26.25 | 2.89 | 5.35 | - | - | 8.24 | 18.01 | 21.78 |
| Furniture & Fixtures | 5.46 | 1.24 | - | 6.70 | 2.91 | 0.40 | - | - | 3.31 | 3.39 | 2.55 |
| Air Conditioners | 4.47 | - | - | 4.47 | 0.94 | 0.48 | - | - | 1.42 | 3.04 | 3.53 |
| Electrical Fittings | 3.18 | 0.52 | - | 3.70 | 1.07 | 0.34 | - | - | 1.41 | 2.28 | 2.11 |
| Office Equipment | 1.01 | - | - | 1.01 | 0.33 | 0.03 | - | - | 0.36 | 0.65 | 0.68 |
| Vehicles | 39.06 | - | - | 39.06 | 13.63 | 6.05 | - | - | 19.68 | 19.38 | 25.43 |
| Land | 209.25 | - | - | 209.25 | - | - | - | - | - | 209.25 | 209.25 |
| | 287.10 | 3.34 | - | 290.44 | 21.78 | 12.65 | - | - | 34.42 | 256.00 | 265.33 |

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | Net carrying value | | | |
|----------------------|----------------------|--------------|-----------|---------------------------------------|------------------|--------------|-------------------------|--------------------|------------------|------------------|---------------|
| | As at 01.04.2017 | Additions | Disposals | As at 31.03.2018 | As at 01.04.2017 | For the year | Impairment for the year | Disposals | As at 31.03.2018 | As at 31.03.2017 | |
| Computer Software | 10.67 | 14.00 | - | 24.67 | 1.48 | 1.41 | - | - | 2.89 | 21.78 | 9.19 |
| Furniture & Fixtures | 5.46 | - | - | 5.46 | 2.07 | 0.84 | - | - | 2.91 | 2.55 | 3.38 |
| Air Conditioners | 4.21 | 0.26 | - | 4.47 | 0.47 | 0.47 | - | - | 0.94 | 3.53 | 3.74 |
| Electrical Fittings | 3.18 | - | - | 3.18 | 0.63 | 0.44 | - | - | 1.07 | 2.11 | 2.55 |
| Office Equipment | 1.01 | - | - | 1.01 | 0.17 | 0.16 | - | - | 0.33 | 0.68 | 0.84 |
| Vehicles | 39.06 | - | - | 39.06 | 6.82 | 6.82 | - | - | 13.63 | 25.43 | 32.25 |
| Land | 209.25 | - | - | 209.25 | - | - | - | - | - | 209.25 | 209.25 |
| | 272.84 | 14.26 | - | 287.10 | 11.64 | 10.13 | - | - | 21.78 | 265.33 | 261.20 |

2.02: Property, plant and equipment (₹.in Lakhs)

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | Net carrying value | | |
|-------------------|----------------------|-----------|-----------|---------------------------------------|------------------|--------------|-------------------------|--------------------|------------------|------------------|
| | As at 01.04.2018 | Additions | Disposals | As at 31.03.2019 | As at 01.04.2018 | For the year | Impairment for the year | Disposals | As at 31.03.2019 | As at 31.03.2018 |
| Computer Software | 323.57 | - | - | 323.57 | 173.10 | 21.84 | - | - | 194.94 | 150.47 |
| | 323.57 | - | - | 323.57 | 173.11 | 21.84 | - | - | 194.94 | 150.47 |

| Particulars | Gross carrying value | | | Accumulated depreciation / impairment | | | | Net carrying value | | |
|-------------------|----------------------|-------------|-----------|---------------------------------------|------------------|--------------|-------------------------|--------------------|------------------|------------------|
| | As at 01.04.2017 | Additions | Disposals | As at 31.03.2018 | As at 01.04.2017 | For the year | Impairment for the year | Disposals | As at 31.03.2018 | As at 31.03.2017 |
| Computer Software | 321.99 | 1.58 | - | 323.57 | 151.29 | 21.81 | - | - | 173.10 | 170.70 |
| | 321.99 | 1.58 | - | 323.57 | 151.29 | 21.81 | - | - | 173.10 | 170.70 |

2.03 Investments

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Investments in Equity Instruments: | | |
| Investment in Mutual Funds | - | 123.11 |
| | - | 123.11 |

2.04 Other Financial Assets (Non Current)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------|------------------|------------------|
| Deposits and Others | | |
| Security Deposits | 29.67 | 15.62 |
| Electricity Deposit | 0.96 | 0.96 |
| Telephone Deposit | 0.20 | 0.25 |
| Rental Deposit | 6.62 | 9.61 |
| Other Deposits | 0.04 | 0.04 |
| Retention Money | 97.46 | 156.50 |
| | 134.95 | 182.99 |

2.05 Long Term Loans & Advances

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------------|------------------|------------------|
| Unsecured Considered good | | |
| Other Loans and Advances | 16.80 | 42.45 |
| | 16.80 | 42.45 |

2.06 Other Non-Current Assets

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Un-Secured Considered Good | | |
| Other Advances | 11.70 | 15.47 |
| Deposit with Statutory Authorities | | |
| TDS Receivables | 8.47 | 8.47 |
| | 20.17 | 23.94 |

2.07 Inventories

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| (Valued at Lower of Cost or Net Realisable Value) | | |
| Stock - In Trade | 1,333.51 | 799.64 |
| | 1,333.51 | 799.64 |

The mode of valuation of inventories has been disclosed in Point No 4 of Significant Accounting Policies. Inventory is hypothecated as security for availing Working Capital Loans as detailed in Note No 2.16

2.08 Trade Receivables

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| (Un-Secured Considered Good) | | |
| “Outstanding for a period exceeding six months from the date they are due for payment” | 828.27 | 526.71 |
| Others * | 1,002.67 | 2,225.89 |
| | 1,830.94 | 2,752.60 |
| Breakup for Security Details | | |
| Un-Secured Considered Good | 1,830.94 | 2,752.60 |
| Less: Probability of Default and Provision for Impairment | 96.19 | 104.30 |
| | 1,734.75 | 2,648.30 |
| Current | 1,830.94 | 2,752.60 |
| Non-Current | - | - |
| | 1,830.94 | 2,752.60 |
| Less: Provision for Doubtful Debts | 65.86 | 65.86 |
| Less: Impairment due to Expected Credit Loss | 30.33 | 38.44 |
| | 96.19 | 104.30 |
| Closing Balance | 1,734.75 | 2,648.30 |

Movement of Impairment in Trade receivables

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Opening Balance | 104.30 | 95.48 |
| Add: Additional Allowance of Expected Credit Loss | - | 8.82 |
| Less: Additional Allowance of Expected Credit Gain | 8.11 | - |
| | 96.20 | 104.30 |

* Trade Receivable include Income Accrued but bills not raised of Rs. 121.69 Lakhs
(Previous Year Rs. 198.49 Lakhs)

2.09 Cash & Bank Balances

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| a) Cash & Cash Equivalents | | |
| Cash on hand | 7.19 | 5.05 |
| Balance in banks | | |
| - Balance in Current Account | 223.57 | 21.08 |
| - Balance in Deposit Account | 654.64 | 482.08 |
| | 885.40 | 508.21 |
| Cash & Cash Equivalent includes | | |
| Unclaimed Dividend Account | 3.21 | 2.29 |

2.10 Other Financial Assets (Current)

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---------------------------------------|------------------|------------------|
| Loans and Advances to Related Parties | - | - |
| Interest Accrued but not due on FD's | 13.55 | 17.31 |
| Loans and Advances to Employees | - | 91.99 |
| Security Deposit | - | - |
| Retention Money | 107.40 | 98.62 |
| | 120.95 | 207.92 |

2.11 Other Current Assets

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---------------------------------------|------------------|------------------|
| Prepaid Expenses | 166.75 | 99.57 |
| Advance Tax | 8.65 | 48.20 |
| Loans and Advances to Employees | 18.98 | - |
| Advance to Suppliers / Expenses | 154.50 | 69.74 |
| Other Advances | 8.56 | 6.79 |
| Service Tax Input/VAT Input/GST Input | 133.32 | 2.60 |
| | 490.76 | 226.89 |

2.12 Share Capital

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Authorised Share Capital 5,50,00,000 Equity Shares of Rs. 2/-Each (Previous Year: 55,000,000 Equity Shares @ Rs. 2/- Each) | 1,100.00 | 1,100.00 |
| Issued Subscribed and paid up Share Capital 52,540,000 Equity Shares @ Rs. 2/- Each, fully paid up* | 1,050.80 | 1,050.80 |
| | 1,050.80 | 1,050.80 |

| Details of Share Holding more than 5% shares | No. of Shares | % Holding | No. of Shares | % Holding |
|---|------------------|-----------|------------------|-----------|
| 1. V Atchyuta Rama Raju | 1,25,55,120 | 23.90% | 1,25,55,120 | 23.90% |
| 2. V Rajam Raju | 58,02,500 | 11.04% | 58,02,500 | 11.04% |
| 3. Anil Unni Krishnan | 67,00,000 | 12.75% | 67,00,000 | 12.75% |
| 4. Gottumukkala Atchyuta Rama Raju | 29,97,210 | 5.70% | 29,97,210 | 5.70% |

2.12.1 Reconciliation of Number of Shares:

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Number of Shares at the beginning of the Year | 105.08 | 105.08 |
| Add: Shares issued during the Year | - | - |
| Number of Shares at the end of the Year | 105.08 | 105.08 |

2.12.2 Rights attached to Equity Shares :

The company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

2.12.3 In the period of five years immediately preceding 31st March,2019 :

** The Company has sub-divided the nominal value of equity share Rs. 10/- to Rs. 2/- per share with effect from 03.11.2016 vide board resolution dated 20.10.2016. The said sub-division of equity share is approved by the members in Annual General Meeting dated 26.09.2016.

** Nirant Technologies Private Limited shareholding has been diluted from 5.12% to 4.76% as at 31.03.2017 being shares issued during the year on conversion of Warrants.

2.13 Other Equity

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Securities Premium | | |
| Opening Balance | 370.00 | 370.00 |
| Add: Premium on Shares Issued during the Year | - | - |
| | 370.00 | 370.00 |
| Retained Earnings | | |
| Opening Balance | 658.13 | 317.26 |
| Add: Excess Provision made for FY 2017-18 | 41.20 | - |
| Add: Net profit Transferred from the Statement of P&L A/c | (159.82) | 404.12 |
| | 539.51 | 721.38 |
| Less: Appropriations | | |
| Dividend | 52.54 | 52.54 |
| Corporate Dividend Tax | 10.70 | 10.70 |
| Closing Balance | 476.27 | 658.13 |
| Total Equity | 846.27 | 1,028.13 |

2.14 Long Term Borrowings

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------------|------------------|------------------|
| Secured | | |
| Vehicle Loans from Banks | 7.31 | 12.61 |
| Unsecured | | |
| Loan from Financial Institutions | 30.61 | 161.90 |
| | 37.92 | 174.51 |

Vehicle Loan from State Bank of India:

1. Secured by hypothecation of Vehicle purchased and repayable in 60 monthly installments of each Rs. 21,095/- commencing from March 2015, balance of installments being 09 (Rate of Interest : 9.55%)
2. Secured by hypothecation of Vehicle purchased and repayable in 84 monthly installments of each Rs. 18,670/- commencing from March 2015, balance of installments being 33 (Rate of Interest : 9.70%)
3. Secured by hypothecation of Vehicle purchased and repayable in 84 monthly installments of each Rs. 16,634/- commencing from September 2015, balance of installments being 41 (Rate of Interest : 9.55%)

Unsecured Business Loans

Magma Fincorp Limited

It is repayable in 24 monthly installments of Rs. 2,52,119/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 18.75%)

Edelwesiss Retail Finance Limited

It is repayable in 24 monthly installments of Rs. 2,01,635/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Dewan Housing Finance Corporation Limited

It is repayable in 24 monthly installments of Rs. 1,76,435/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Equitas Small Finance Bank Ltd

It is repayable in 24 monthly installments of Rs. 1,51,230/- each commencing from February 2018, balance of installments being 10 (Rate of Interest: 19.00%)

India Infoline Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 21 (Rate of Interest: 19.00%)

IVL Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 21 (Rate of Interest: 19.00%)

Religare Finvest Limited

It is repayable in 24 monthly installments of Rs. 1,00,817/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Shriram City Union Finance Limited

It is repayable in 24 monthly installments of Rs. 1,76,431/- each commencing from April 2018, balance of installments being 12 (Rate of Interest: 19.00%)

Tata Capital Financial Services Limited

It is repayable in 24 monthly installments of Rs. 1,00,574/- each commencing from February 2018, balance of installments being 10 (Rate of Interest: 18.75%)

2.15 Deferred Tax Liabilities

(₹ In Lakhs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Opening Balance | 32.25 | 42.90 |
| Add: on Account of Timing Differences in Property, Plant & Equipment | (22.36) | (10.66) |
| Add: on Account of Others | - | - |
| | 9.89 | 32.25 |

2.16 Other Financial Liability

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------------|------------------|------------------|
| Loans Repayable on Demand | | |
| Working Capital Loans from Banks | 756.44 | 378.14 |
| Unsecured | | |
| Loans from Related Parties | 34.34 | 9.00 |
| | 790.78 | 387.14 |

Cash Credit from State Bank of India:

Rate of Interest : 11.70%

Repayment: Repayable On Demand

Primary Security: Hypothecation of stock and receivables of the company

Collateral Security :

1) EM of Flat No. 401, 4th Floor, Plot No. 14 & 16, S No.93, 94 & 95 located at Madhura Nagar, Yousufguda, Hyderabad-38 belongs to Shri. V. Atchyutha Rama Raju.

2) EM of Office Premises No. 619, 6th Floor, Maker Chambers, V Premises Co-op Society Ltd., Plot No.221 of Back bay reclamation, Nariman Point, Mumbai - 400021 belongs to M/s Reliance Tea Private Limited.

3) EM of Plot No. 70, Survey No. 06, Situated at Izzat Nagar Village, Serilingampally Mandal, Ranga Reddy District, admeasuring 450 Sq. yards in the Name of Vama Industries Limited

Personal Guarantee :

1. Shri V.Atchyutha Rama Raju, MD, S/o. Late V. Venkata Satynarayana Raju
2. Shri V. Rajam Raju, Director, S/o. Late V. Venkata Satynarayana Raju.
3. Smt. V. Parvathi, Guarantor, W/o. Sri V. Atchyutha Rama Raju
4. Corporate Guarantee of M/s Reliance Tea Private Limited

Note : Renewal of Cash Credit Facility from SBI is pending from 23.04.2019 and the above terms and conditions as per Sanction Letter dt 10.11.2017

2.17 Trade Payables

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--------------------------------------|------------------|------------------|
| Due to Micro and Small Enterprises | - | - |
| Due to Others for Goods & Service | 1,780.48 | 2,053.32 |
| | - | - |
| | 1,780.48 | 2,053.32 |

2.17.1 There are no transactions with Micro and Small enterprises, hence disclosures are not given as required under MSMED Act, 2006.

2.18 Other Financial Liabilities

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------------------|------------------|------------------|
| Unpaid Dividend # | 3.21 | 2.29 |
| Expenses Payable | 110.45 | 40.82 |
| | 113.66 | 43.11 |

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund

2.21 Revenue from Operations

(₹ In Lakhs)

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| Sale of Products | | |
| - Domestic | 3,238.50 | 6,041.31 |
| - Export | 1,616.86 | 3,583.55 |
| Sale of Services | | |
| - Domestic | 342.55 | 527.67 |
| - Export | 181.25 | 202.06 |
| | 5,379.16 | 10,354.59 |
| Sale of Goods Under Broad Head | | |
| Computers & Peripherals/ Software | 4,855.36 | 9,624.86 |
| | 4,855.36 | 9,624.86 |
| Services rendered Under Broad Head | | |
| Annual Maintenance Contract Service | 181.06 | 346.05 |
| Consultancy Services | 170.59 | 181.62 |
| IT Engineering Services | 172.15 | 202.06 |
| | 523.80 | 729.73 |

2.22 Other Income

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|----------------------------|----------------------------------|----------------------------------|
| Interest on Fixed Deposits | 33.77 | 29.73 |
| Other Income | 60.04 | 40.06 |
| | 93.81 | 69.79 |

2.23 Cost of Material Consumed

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|-------------------------------|----------------------------------|----------------------------------|
| Purchase of Material | 4,609.77 | 6,017.03 |
| Transport/ AMC/Labour Charges | 82.25 | 469.78 |
| | 4,692.02 | 6,486.81 |

2.24 Changes in Inventories

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|--------------------------------------|----------------------------------|----------------------------------|
| Inventories at the end of the year | 1,333.51 | 799.64 |
| Inventories at beginning of the year | 799.64 | 3,331.91 |
| Net Increase/ (Decrease) | 533.87 | (2,532.27) |

2.25 Employee Benefit Expenses

(₹ In Lakhs)

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|------------------------------------|----------------------------------|----------------------------------|
| Salaries and Wages | 435.07 | 304.86 |
| Directors Remuneration | 37.80 | 37.80 |
| Contribution to PF and other Funds | 23.67 | 15.96 |
| Staff Welfare Expenses | 2.00 | 3.56 |
| | 498.54 | 362.18 |

2.26 Finance Cost

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|--------------------------|----------------------------------|----------------------------------|
| Interest Expenses | | |
| Interest | 183.64 | 132.22 |
| Interest on others | 81.53 | 26.91 |
| Other Borrowing Cost | | |
| Loan Processing Charges | 23.31 | 0.12 |
| Other Finance Charges | | |
| Bank Charges | 47.51 | 25.87 |
| | 335.99 | 185.12 |

2.27 Other Expenses

| Particulars | For the Year Ended 31.03.2019 | For the Year Ended 31.03.2018 |
|--|----------------------------------|----------------------------------|
| Advertisement | 2.02 | 3.17 |
| Audit Fees | 7.35 | 5.23 |
| Business Promotion Exp | 11.02 | 1.66 |
| Commission | - | 0.41 |
| Communication Expenses | 4.98 | 5.35 |
| Conveyance | 6.63 | 8.66 |
| Power and Fuel | 11.59 | 12.40 |
| Fees & Taxes | 10.40 | 7.78 |
| Forex Fluctuations | 26.40 | 32.42 |
| Office & General Expenses | 8.40 | 10.43 |
| Insurance | 7.12 | 7.95 |
| LD Clause Charges | 5.04 | - |
| Professional Expenses | 71.17 | 65.73 |
| Printing & Stationery | 2.09 | 2.20 |
| Postage & Telegram | 0.92 | 0.80 |
| Rent | 35.90 | 31.98 |
| Repairs & Maintenance | 1.27 | 1.86 |
| STPI Service Charges | 0.55 | 0.55 |
| Travelling Expenses | 30.11 | 46.11 |
| Vehicle Maintenance | 0.36 | 0.65 |
| Discount/ Miscellaneous written off | 354.38 | 0.32 |
| Allowances for Impairment of Receivables | - | 8.82 |
| | 597.70 | 254.48 |

2.28 Auditors Remuneration

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--|-------------|-------------|
| a) Audit Fees | 6.85 | 4.73 |
| b) Other Charges | | |
| Taxation Matters | 0.50 | 0.50 |
| Certification Fees | | |
| c) Reimbursement of out of pocket expenses | - | - |
| Total | 7.35 | 5.23 |

2.29 Earnings per Share

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--|--------------------|--------------------|
| Earnings | | |
| Profit attributable to equity holders | (159.82) | 404.12 |
| Shares | | |
| Number of shares at the beginning of the year | 5,25,40,000 | 5,25,40,000 |
| Add: Equity shares issued | - | - |
| Less: Buy back of equity shares | - | - |
| Total number of equity shares outstanding at the end of the year | 5,25,40,000 | 5,25,40,000 |
| Weighted average number of equity shares outstanding during the year – Basic | 5,25,40,000 | 5,25,40,000 |
| Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS | - | - |
| Weighted average number of equity shares outstanding during the year – Diluted | 5,25,40,000 | 5,25,40,000 |
| Earnings per share of par value Rs.2/- – Basic (INR) | (0.30) | 0.77 |
| Earnings per share of par value Rs.2/- – Diluted (INR) | (0.30) | 0.77 |

2.30 Related Parties

Subsidiary: Vama Technologies Pte Ltd

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Company's Directors, members of the Company's Management Council and Company Secretary are considered as Key Management Personnel. List of related party of the Company is as below:

| S. No. | Name of the Related Party | Nature of Relationship |
|--|--------------------------------|--------------------------------------|
| 1 | V.A. Rama Raju | Key Managerial Personnel |
| 2 | V.Rajam Raju | Key Managerial Personnel |
| 3 | V.Parvathi | Relative of Key Managerial Personnel |
| 4 | Reliance Tea Pvt Ltd | * EDS |
| 5 | Vama Technologies Pte. Ltd | Subsidiary |
| 6 | Gottumukkala Achyuta Rama Raju | Relative of Key Managerial Personnel |
| 7 | Bangarraju Mudundi | Relative of Key Managerial Personnel |
| 8 | V Sarada | Relative of Key Managerial Personnel |
| 9 | M Krishna Veni | Relative of Key Managerial Personnel |
| 10 | Vegetna Pushpavathi | Relative of Key Managerial Personnel |
| 11 | Mohan Raju Indukuri | Relative of Key Managerial Personnel |
| 12 | Uma Vani Indukuri | Relative of Key Managerial Personnel |
| 13 | Gavireddy Siva | Chief Financial Officer |
| 14 | M K BhaskaraTeja | Company Secretary (Till 04.11.2018) |
| 15 | Vandana Modani | Company Secretary (wef 05.11.2018) |
| * Entity over which the director is having significant influence | | |

Related Party Transactions:

(₹ in lakhs)

| S.No | Nature of Transaction | FY 2018-19 | | | | FY 2017-18 | | | | | |
|------|---------------------------------|------------|-----------------|-----|------------|------------|-------|-----------------|-----|------------|-------|
| | | KMP | Relative of KMP | EDS | Subsidiary | Total | KMP | Relative of KMP | EDS | Subsidiary | Total |
| 1 | Directors Remuneration / Salary | 53.84 | 2.28 | - | - | 56.12 | 52.44 | 2.28 | - | - | 54.72 |
| 2 | Consultancy Service Income | - | - | - | 83.88 | 83.88 | - | - | - | 91.96 | 91.96 |
| 4 | Salary Advance | - | - | - | - | - | 3.59 | - | - | - | 3.59 |
| 5 | Dividend | 18.36 | 4.20 | - | - | 22.56 | 18.36 | 4.20 | - | - | 22.56 |

Balance with Related Parties:

| S.No | Nature of Transaction | FY 2018-19 | | | | FY 2017-18 | | | | | |
|------|-----------------------|------------|-----------------|-------|------------|------------|------|-----------------|-------|------------|--------|
| | | KMP | Relative of KMP | EDS | Subsidiary | Total | KMP | Relative of KMP | EDS | Subsidiary | Total |
| 1 | Rent Deposit | - | - | 11.70 | - | 11.70 | - | - | 15.47 | - | 15.47 |
| 2 | Salary Advances | - | - | - | - | - | 3.59 | - | - | - | 3.59 |
| 3 | Expenses payable | 9.19 | - | - | - | 9.19 | - | - | - | - | - |
| 4 | Unsecured Loan | 34.34 | - | - | - | 34.34 | 9.00 | - | - | - | 9.00 |
| 5 | Loans & Advances | - | 5.00 | 0.25 | 137.96 | 143.21 | - | 5.00 | 0.25 | 230.33 | 235.58 |
| 6 | Investments | - | - | - | 4.16 | 4.16 | - | - | - | 3.90 | 3.90 |
| 7 | Trade Receivables | - | 6.38 | - | 81.05 | 87.44 | - | 6.38 | - | - | 6.38 |

Transactions with Related Parties during the year:

(₹ In Lakhs)

| S. No. | Particulars | FY 2018-19 | FY 2017-18 |
|--------|--|------------|------------|
| 1 | Directors Remuneration / Salary | | |
| | V.A.Rama Raju | 19.80 | 19.80 |
| | V.Rajam Raju | 18.00 | 18.00 |
| | V.Parvathi | 2.28 | 2.28 |
| | Gavireddy Siva | 10.64 | 8.64 |
| | M K BhaskaraTeja | 3.90 | 6.00 |
| | Vandana Modani | 1.50 | - |
| 2 | Consultancy Service Income | | |
| | Vama Technologies Pte Ltd | 83.88 | 91.96 |
| 3 | Salary Advance | | |
| | G Siva | - | 3.59 |
| 4 | Dividend | | |
| | V Atchyuta Rama Raju | 12.56 | 12.56 |
| | V Rajam Raju | 5.80 | 5.80 |
| | Gottumukkala Atchyuta Rama Raju | 3.00 | 3.00 |
| | Bangarraju Mudundi | 0.09 | 0.09 |
| | V Parvathi | 0.77 | 0.77 |
| | V Sarada | 0.09 | 0.09 |
| | M Krishna Veni | 0.08 | 0.08 |
| | V Pushpavathi | 0.07 | 0.07 |
| | Mohan Raju Indukuri | 0.05 | 0.05 |
| | Uma Vani Indukuri | 0.05 | 0.05 |
| 5 | Rent Deposit | | |
| | Reliance Tea Pvt Ltd | 11.70 | 15.47 |
| 6 | Expenses payable | | |
| | G Siva | 9.19 | - |
| 7 | Unsecured Loan | | |
| | V Atchyuta Rama Raju | 25.34 | - |
| | V Rajam Raju | 9.00 | 9.00 |
| 8 | Loans & Advances | | |
| | Vama Technologies Pte Ltd | 137.96 | 230.33 |
| | Reliance Tea Pvt Ltd | 0.25 | 0.25 |
| | Asha Lube Solutions Pvt Ltd. | 5.00 | 5.00 |
| 9 | Investments | | |
| | Vama Technologies Pte Ltd | 4.16 | 3.90 |
| 10 | Trade Receivables | | |
| | Vama Technologies Pte Ltd | 81.05 | - |
| | Asha Automine Pvt Ltd | 6.38 | 6.38 |

2.31 Earnings / Expenditure in Foreign Currency

Expenditure in Foreign Currency

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|---------------------------|-----------------|-----------------|
| Travel Expenses | - | 3.94 |
| Reimbursement of expenses | 8.28 | 9.83 |
| Purchase Import | 1,409.99 | 1,134.98 |
| Bank Charges | 1.34 | 0.87 |
| Total | 1,419.61 | 1,149.62 |

Earnings in Foreign Currency

| Particulars | FY 2018-19 | FY 2017-18 |
|----------------------|---------------|---------------|
| Engineering Services | 172.14 | 202.06 |
| Consultancy Services | 83.88 | - |
| | 256.02 | 202.06 |

2.32 Segment Reporting

The Company concluded that there is only one operating segment i.e, IT related services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108, to the extent applicable.

2.33 Employee benefits

Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed Rs. 19.31 Lakhs and Rs. 13.06 Lakhs to the provident fund plan during the years ended 31st March 2019 and 2018, respectively.

2.34 Income Taxes

a. Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following (₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--|-------------|---------------|
| Current taxes expense | | |
| Domestic | 30.28 | 171.41 |
| Foreign | - | 6.72 |
| Deferred taxes expense / (benefit) | | |
| Domestic | (22.36) | (10.66) |
| Total income tax expense/(benefit) recognized in the statement of profit and loss | 7.92 | 167.46 |

b. Income tax expense/ (benefit) recognized directly in equity

Income tax expense/ (benefit) recognized directly in equity consist of the following

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|---|------------|------------|
| Tax effect on actuarial gains/losses on defined benefit obligations | - | - |
| Total income tax expense/(benefit) recognized in the equity | - | - |

c. Reconciliation of Effective tax rate:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

| Particulars | FY 2018-19 | FY 2017-18 |
|--|-------------|--------------|
| Deferred tax assets/(liabilities): | | |
| Property, plant and equipment | 25.01 | 22.04 |
| Others | (15.13) | 10.20 |
| Net deferred tax assets/(liabilities) | 9.89 | 32.25 |

2.35 Investments

Investments consist of investments in mutual fund measured at Fair value through Profit & Loss Account, Investment in subsidiaries measured at cost, However company has sold investments in SBI Mutual Fund dt 15.02.19 and Gain of Rs 4.97 lakhs of the same is recognised through profit & loss a/c

The details of such investments in mutual funds as of 31st March 2018 are as follows.

(₹ In Lakhs)

| Particulars | cost | Gain Recognized direct in equity | Gain recognized directly in profit and loss account | Fair Value |
|--------------------------------|---------------|----------------------------------|---|---------------|
| Non-Current Investments | | | | |
| Investment in Mutual Funds | 118.00 | - | 5.11 | 123.11 |
| | 118.00 | - | 5.11 | 123.11 |

2.36 Retention Money

Retention money is amount retained by the client/ service receiver under an agreement where, money is not paid instantaneously. There will be a time loss of value of consideration which needs to be recognised by determining the fair value of revenue in accordance with Ind AS 18.

As per Ind AS 113 and 109 discounting of the retention money is required and recognised and designated as revenue or interest as Fair Value Through Profit & Loss (FVTPL).

The details of Retention Money as of 31st March 2018 are as follows:

(₹ In Lakhs)

| Particulars | As at 01.04.2017 | Recognized in statement of profit and loss | Recognized in EQUITY | As at 31.03.2018 |
|---------------------------------------|---------------------|--|-------------------------|---------------------|
| Opening as on 01.04.2017 | (43.86) | - | - | (43.86) |
| Sale recognition or reversal | - | (33.46) | - | (33.46) |
| Interest income or reversal | - | 22.41 | - | 22.41 |
| Net Adjustment during the year | | | | (54.90) |

The details of Retention Money as of 31st March 2019 are as follows:

| Particulars | As at 01.04.2018 | Recognized in statement of profit and loss | Recognized in EQUITY | As at 31.03.2019 |
|---------------------------------------|---------------------|--|-------------------------|---------------------|
| Opening as on 01.04.2018 | (54.90) | - | - | (54.90) |
| Sale recognition or reversal | - | (25.74) | - | (25.74) |
| Interest income or reversal | - | 46.97 | - | 46.97 |
| Net Adjustment during the year | | | | (33.67) |

2.37 Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

| Particulars | Carrying Value | | Fair value | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Mar-19 | Mar-18 | Mar-19 | Mar-18 |
| Financial assets | | | | |
| Cash and cash equivalents | 885.40 | 508.21 | 885.40 | 508.21 |
| Investments | 3.90 | 118.00 | - | 123.10 |
| Trade Receivables | 1,830.94 | 2,752.60 | 1,734.75 | 2,648.30 |
| Other financial assets | 328.59 | 445.80 | 255.90 | 390.90 |
| Total | 3,048.83 | 3,824.61 | 2,876.05 | 3,670.51 |
| Financial liabilities | | | | |
| Borrowings | 828.70 | 568.09 | 828.70 | 561.65 |
| Trade payables | 1,780.48 | 2,053.32 | 1,780.48 | 2,053.32 |
| Other financial liabilities | 113.66 | 43.11 | 113.66 | 43.11 |
| Total | 2,722.84 | 2,664.52 | 2,722.84 | 2,658.08 |

2.38 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade Receivables - The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables impairment loss is provided Rs. 30.33 as at 31st March 2019 and Rs. 38.44 at 31st March 2018.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company took into consideration the weighted average number of delays taking into consideration deviation of receivables turnover ratio from normal credit period.

The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

Financial assets that are neither past due nor impaired - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31 March 2019.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2019 and 31st March 2018 are as follows

(₹ In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|---|--------------|--------------|
| Balance at the beginning of the year | 38.44 | 29.62 |
| Impairment (gain) / loss of Trade receivables | (8.11) | 8.82 |
| Balance at the end of the year | 30.33 | 38.44 |

Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31st March 2019 and 2018, the Company had unutilized credit limits from banks of fund based limits of Rs. NIL and 3.72 Crores respectively.

As of 31 March 2019, the Company had working capital (current assets less current liabilities) of Rs. 1,388.33 Lakhs including cash and cash equivalents of Rs. 885.40 Lakhs. As of 31 March 2018, the Company had working capital of Rs. 1,497.40 Lakhs, including cash and cash equivalents of Rs. 508.21 Lakhs and investments in FVTPL financial assets of Rs. 123.11 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019.

(₹. In Lakhs)

| Particulars | 2020 | 2021 | 2022 | Thereafter | Total |
|--|----------|-------|------|------------|----------|
| Trade payables | 1,780.48 | - | - | - | 1,780.48 |
| Long term borrowings # | 274.32 | 34.39 | 3.01 | 0.14 | 311.86 |
| Bank overdraft, short-term loans and borrowings* | 790.78 | - | - | - | 790.78 |
| Other liabilities* | 113.66 | - | - | - | 113.66 |

* The Bank Overdraft and other liabilities are payable on demand.

Long term borrowings include current maturities of long term debt.

Market Risks:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The company mitigates the currency risk with natural hedge arising on export of goods and services.

CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows:

(₹. In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|--------------------------|---------------|---------------|
| Total Debt | 3,224.85 | 3,100.32 |
| Total Equity | 1,897.07 | 2,078.93 |
| Debt Equity Ratio | 1.70:1 | 1.49:1 |

2.39 Contingent Liabilities and Commitments:

(₹. In Lakhs)

| Particulars | FY 2018-19 | FY 2017-18 |
|---|------------|------------|
| Contingent Liabilities | | |
| a) Claims against the company/disputed liabilities not acknowledged as debts Income | - | - |
| b) Guarantees Bank Guarantees | 1,680.46 | 1,379.00 |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | 2.42 |

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VAMA INDUSTRIES LIMITED

(CIN:L72200TG1985PLC041126)

Registered Office: Ground Floor, 8-3-191/147/24, Plot No. B-12,
Madhura Nagar, S.R. Nagar[Post], Hyderabad 500 038
e-mail: investorservices@vama.co.in; website: www.vamaind.com

ATTENDANCE SLIP FOR 34th ANNUAL GENERAL MEETING

(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Vama Industries Limited.

I hereby record my presence at the 34th Annual General Meeting of the shareholders of Vama Industries Limited held on Wednesday, 25th Day of September, 2019 at 10.00 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad - 500082.

| | |
|-----------------------------|--|
| Reg. Folio No. / Client ID* | |
| DP ID* | |
| No. of Shares | |

Name & Address of Member

| |
|--|
| |
|--|

Signature of Shareholder/Proxy/Representative
(Please Specify)



VAMA INDUSTRIES LIMITED

CIN:L72200TG1985PLC041126

Registered Office: Ground Floor, 8-3-191/147/24, Plot No. B-12,
Madhura Nagar, S.R. Nagar[Post], Hyderabad 500 038

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

| | | |
|-----------------------|---|---|
| CIN | : | CIN:L72200TG1985PLC041126 |
| Name of the company | : | VAMA INDUSTRIES LIMITED |
| Registered office | : | Ground Floor, 8-3-191/147/24, Plot No. B-12, Madhura Nagar, Hyderabad-500 038 |
| Name of the member(s) | : | |
| Registered Address | : | |
| Email Id | : | |
| Folio No / Client ID | : | DP ID : |

I /We, being the member(s) of _____ shares of the above named company, hereby appoint

| | | |
|----------------|-----------|--|
| 1. Name | | |
| Address | Signature | |
| E-mail Id | | |
| or failing him | | |
| 2. Name | | |
| Address | Signature | |
| E-mail Id | | |

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 34th Annual General Meeting of the company, to be held on Wednesday, the 25th day of September, 2019 at 10.00 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolutions | For | Against |
|--|-----|---------|
| 1. Adoption of Financial Statement (Standalone & Consolidated) for the FY ended 31st March, 2019. | | |
| 2. Declaration of Dividend. | | |
| 3. Re-appointment of Sri. V. Rajam Raju (DIN: 01314420) to the office of Director of the Company. | | |
| 4. Re-appointment of Sri. K. Vara Prasad Raju (DIN: 01607711) to the office of Independent Director for the second term of five consecutive years. | | |

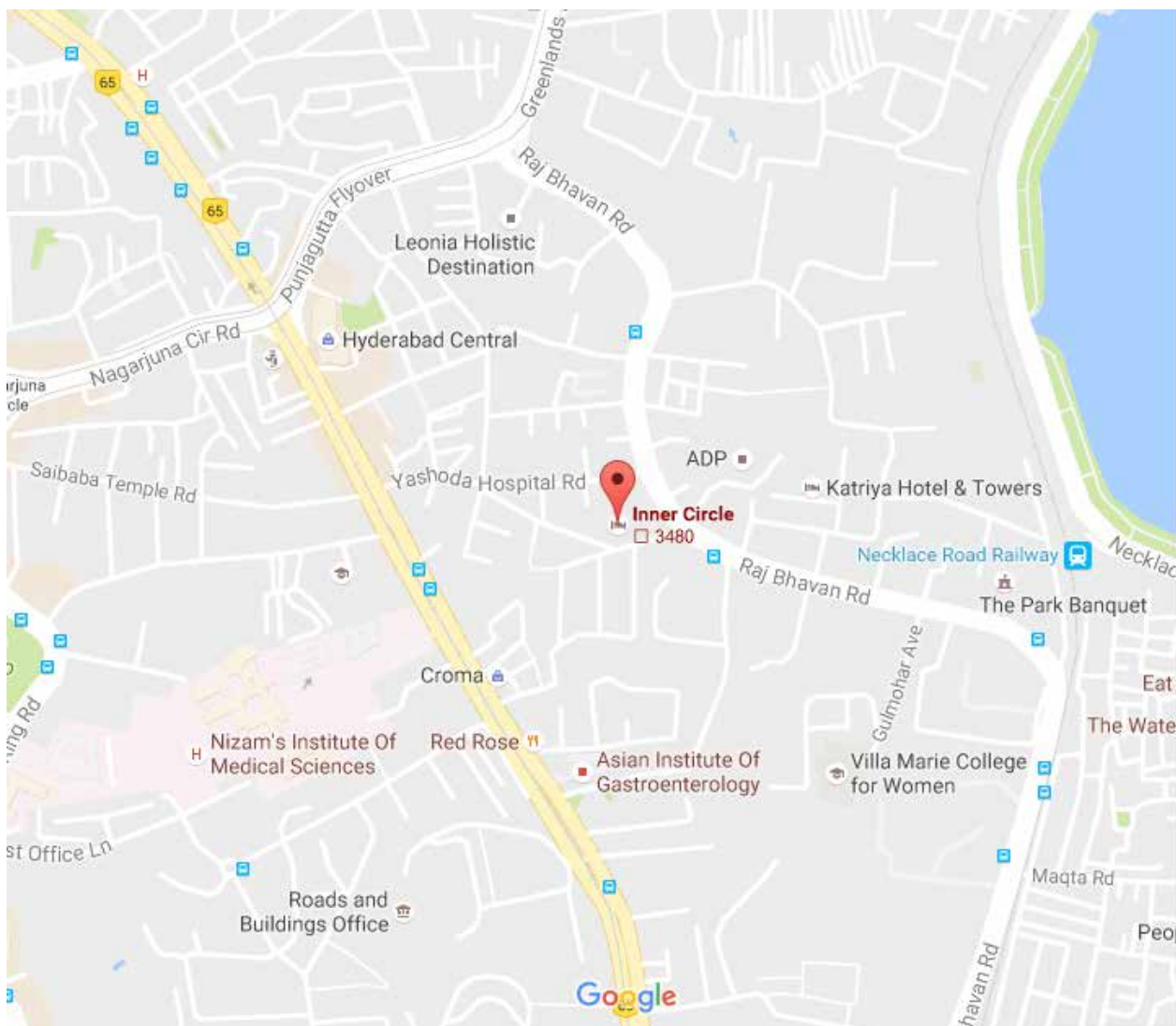
Signed this day of 2019.

Affix
Revenue
Stamp

Signature of shareholder : _____ Signature of Proxy holder(s) : _____

Note: This form of proxy in order to be effective should be duly completed, signed, stamped and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP FOR VENUE OF AGM





If undelivered please return to:

VAMA INDUSTRIES LIMITED

Ground Floor, 8-3-191/147/24, Plot No. B-12,
Madhura Nagar S.R. Nagar[Post], Hyderabad 500 038
Telangana., India.