

VAMA INDUSTRIES LIMITED



Registered Office : Ground Floor, 8-2-248/1/7/78/12, 13, Block -A, Lakshmi Towers, Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082, Telangana, India. Ph : +91-40-6684 5534, 6661 9919, 6661 5534, Fax : +91-40-2335 5821.
CIN: L72200TG1985PLC041126, E-mail: services@vamaind.com, Website: www.vamaind.com

Date: 07.09.2021

To

The Department of Corporate Services
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai — 400 001

Dear Sir/Ma'am

Sub: Submission of Notice of 36th AGM along with Annual Report for the FY 2020-21

Ref: Company Code — 512175

We wish to inform you that 36th Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, 30th day of September, 2021 at 05.30 P.M through Video Conferencing (VC)/Other Audio-Visual Means.

Pursuant to Regulation 34 of SEBI {Listing Obligations and Disclosure Requirements} Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2020-21. The Annual Report along with Notice of AGM is also being uploaded on the Company's website i.e. <https://www.vamaind.com>.

Also find Attached Certificate of Corporate Governance issued by KASAT & ASSOCIATES.

This is for your information and necessary records

Kindly acknowledge receipt and take same on record.

Yours sincerely,

For Vama Industries Limited

Authorised Signatory
Secretarial Department





KASAT & ASSOCIATES

Company Secretaries

Office : H.No. 3-6-104,
Opp. Shalimar Function Hall,
Narayanguda, Hyderabad - 500029.
Cell : 9390340136
E-mail : anand.kasat@yahoo.co.in.

CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS

VAMA INDUSTRIES LIMITED.

I have examined the compliance of conditions of Corporate Governance by Vama Industries Limited ("the Company"), for the year ended March 31, 2021, 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.

The compliance of conditions of corporate governance is the responsibility of the Management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

I 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.

KASAT & ASSOCIATES
Company Secretaries

Anand Kumar C. Kasal
Proprietor

M. No 11175
C.P. No. 17420

UDIN:F011175C000877128

Place: Hyderabad
Date: 2nd September, 2021



**36th
Annual Report
2020-21**

VAMA INDUSTRIES LIMITED

CONTENTS	PAGE No
CORPORATE INFORMATION	1
NOTICE	2
DIRECTORS' REPORT	25
SECRETARIAL AUDIT REPORT	45
REPORT ON CORPORATE GOVERNANCE	66
INDEPENDENT AUDITOR'S REPORT	108
STANDALONE BALANCE SHEET	117
STANDALONE PROFIT & LOSS STATEMENT	118
STANDALONE CASH FLOW STATEMENT	119
STATEMENT OF CHANGES IN EQUITY	120
NOTES TO FINANCIAL STATEMENT	122
CONSOLIDATED FINANCIAL STATEMENT	
INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT	156
CONSOLIDATED BALANCE SHEET	163
CONSOLIDATED PROFIT & LOSS STATEMENT	164
CONSOLIDATED CASH FLOW STATEMENT	165
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	166
NOTES TO CONSOLIDATED FINANCIAL STATEMENT	168

Executive Directors V. Atchyuta Rama Raju V. Parvathi (appointed w.e.f 11.09.2020)	Designation Chairman and Managing Director Executive Director
Non Executive & Independent Directors V. Srinivas K. V. Krishna Rao (resigned w.e.f 09.04.2021) K. Vara Prasad Raju (resigned w.e.f 09.04.2021) M. Satish (appointed w.e.f 08.04.2021) S. B.V. Subramanyam Alumolu (appointed w.e.f 08.04.2021)	Company Secretary & Compliance Officer Gurpreet Singh Sial CFO G. Siva
Non Executive Director R. Rama Sravanthi	Secretarial Consultants M/s.P.S Rao & Associates Company Secretaries Flat No: 10, 4 th Floor # 6-3-347/22/2, Dwarkapuri Colony, Panjagutta, Hyderabad– 500082
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	Registrar & Share Transfer Agents Bigshare Services Private Limited 306, Right Wing, Amrutha Ville Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082.
Internal Auditors K C R & Associates Chartered Accountants 1-3-176/4/G/9, Gandhi Nagar, Kavadiguda, Hyderabad - 500080. Bankers State Bank of India, Balkampet, Hyderabad Branch	Registered Office Door No. 8-2-248/1/7/78/12,13,Ground Floor, Block-A, Lakshmi Towers, Nagarjuna Hills, Punjagutta, Hyderabad, Telangana 500082 Tel: +91 40 6684 5534 Fax: +91 40 2335 5821 Website & email Id for Investors Website : www.vamaind.com email Id : investorservices@vama.co.in cs@vama.co.in
Corporate Offices 1. Door No. 8-2-248/1/7/78/12,13,Ground Floor, Block-A, Laxmi Towers, Nagarjuna Hills, Punjagutta, Hyderabad, Telangana 500082 2. Office No: 619, 6th Floor, Maker Chambers - V Nariman Point, Mumbai - 400021	36th Annual General Meeting Date & Time: 30 th September, 2021 at 5:30 P.M Day: Thursday Mode: VC / OVAM Cut-off Date (for e-voting) Date: 23 rd September, 2021 [Thursday]

COMMITTEES OF THE BOARD				
Audit committee	V. Srinivas (Chairman)	M. Satish (Member) (Appointed wef 08.04.2021)	S. B.V. Subramanyam Alumolu (Member) (Appointed wef 08.04.2021)	R. Rama Sravanthi (Member)
Nomination & Remuneration Committee	S. B.V. Subramanyam Alumolu (Chairman) (Appointed wef 08.04.2021)	V. Srinivas (Member)	M. Satish (Member) (Appointed wef 08.04.2021)	R. Rama Sravanthi (Member)
Stakeholder Relationship Committee	S. B.V. Subramanyam Alumolu (Chairman) (Appointed wef 08.04.2021)	V. Srinivas (Member)	R. Rama Sravanthi (Member)	
Risk Management Committee	V. Srinivas (Chairman) (Appointed wef 02.12.2020)	V. Atchyuta Rama Raju (Member)	V. Parvathi (Member)	
Internal Complaints Committee	V Parvathi	G Siva	N. Lakshmi Satyasri	

Notice is hereby given that the Thirty Sixth (36th) Annual General Meeting [AGM] of the members of Vama Industries Limited will be held on Thursday, 30th day of September, 2021 at 05.30 P.M through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) 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 2020-21 together with the Reports of the Board of Directors and Auditors thereon; and
- b. the audited Consolidated Financial Statement of the Company for the Financial Year 2020-21 together with the Report of the Auditors thereon.

Item 2: Re-appointment of Director.

To appoint a Director in place of Mrs. V. Parvathi (DIN: 01240583) who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS:

Item 3: Re-Appointment of Mr. Vegesna Atchyuta Rama Raju (DIN: 00997493), to the office of Managing Director

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 Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Act (including any statutory modification(s) or re-enactments thereof for the time being in force), the re-appointment of Mr. Vegesna Atchyuta Rama Raju (DIN: 00997493) to the office of Managing Director of the Company for a period of 3 years w.e.f 01.07.2021, a Key Managerial Personnel as defined U/s 2(51) of the Act, by the Board of Directors, at a remuneration not exceeding Rs.2.50 Lacs per month as approved by the Nomination and Remuneration Committee be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary the terms and conditions of appointment including but not limited to remuneration payable to him, however subject to a maximum limit of Rs.2.50lacs per month or make any other variation(s), alteration(s), addition(s), deletion(s),to the aforementioned remuneration structure, as it may deem fit and proper, during the currency of tenure of Mr. V. Atchyuta Rama Raju as Managing Director of the Company.

Item 4: Appointment of Mr. S. B.V. Subramanyam Alumolu (DIN: 07483603), to the office of Independent Director of the Company

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 Section 152, 160 and all other applicable provisions contained under the Companies Act, 2013 (“Act”), Mr. S. B.V. Subramanyam Alumolu (DIN: 07483603), who was appointed as an Additional Director by the Board of Directors, effective 08th April, 2021 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the said Act and the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, and as recommended by the Nomination and Remuneration Committee, be and is hereby appointed to the office of Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. S. B.V. Subramanyam Alumolu to the office of Independent Director, who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 08th April, 2021, as recommended by the Nomination and Remuneration Committee, be and is hereby approved.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

Item 5: Appointment of Mr. Satish Marlapudi (DIN: 09115483), to the office of Independent Director of the Company

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 Section 152,160 and all other applicable provisions contained under the Companies Act, 2013 (“Act”), Mr. Satish Marlapudi (DIN: 09115483), who was appointed as an Additional Director by the Board of Directors, effective 08th April, 2021 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the said Act and the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, and as recommended by the Nomination and Remuneration Committee, be and is hereby appointed to the office of Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions,

if any, of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Satish Marlapudi to the office of Independent Director, who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 08th April, 2021, as recommended by the Nomination and Remuneration Committee, be and is hereby approved.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

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

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

Place: Hyderabad
Date: 02nd September, 2021

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and then vide General Circular dated January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) MCA Circulars and Circulars dated May 12, 2020 and January 15, 2021 issued by Securities and Exchange Board of India, (collectively referred to as “SEBI Circulars”) the AGM of the Company is being held through VC /OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.
3. Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto.
4. 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 up to the date of the Annual General Meeting.
5. In case you are holding the Company’s shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to your addresses, email id, ECS mandate etc.

In case you are holding Company’s shares in physical form, please inform Company’s RTA viz. M/s Bigshare Services Private Limited, Hyderabad by enclosing a photocopy of blank cancelled cheque of your bank account.
6. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s Bigshare Services Private Limited, Hyderabad are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
8. Corporate members intending to send their authorised representatives to attend the meeting are

requested to send to the company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

9. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

10. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (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") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on www.iepf.gov.in and on the website of the Company www.vamaind.com along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2014 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on 31st March 2013, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.vamaind.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

11. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
12. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to

the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the

aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company /RTA.

13. Members may also note that the Notice of the 36th Annual General Meeting is available on the Company's website, www.vamaind.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at cs@vama.co.in.

In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participants. Members may note that the Notice and the Annual Report 2020-21 will also be available on the Company's website, www.vamaind.com, on the website of the Stock Exchange, i.e. BSE Limited, www.bseindia.com and on the website of CDSL, www.evotingindia.com.

To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants in respect of shares held in physical/electronic mode, respectively.

14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
15. The register of Directors and Key Managerial Personnel maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and arrangements in which Directors are interested, maintained under Section 189 of the Act, will be electronically available for inspection by the members during the AGM.
16. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on General Meetings, information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished along with this Notice. The Directors have furnished the requisite consent/declaration for their appointment /re-appointment. Further Additional Disclosure in terms of Section II of Part II of Schedule V of the Companies Act, 2013 in relation to Item No. 3 is furnished herewith and forms part of the Notice.
17. Retirement of Director by rotation: Mrs. V. Parvathi being eligible, offers herself for re-appointment. The Board of Directors recommend her re-appointment, whose office is liable to retire by rotation.
18. The Company has appointed Mr. Vikas Sirohiya, Practicing Company Secretary (M. 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. The cut-off date has been fixed as Thursday, September 23, 2021.

E-VOTING

CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and then vide General Circular dated January 13, 2021 (collectively referred to as “MCA Circulars”) and Circulars dated May 12, 2020 and January 15, 2021 issued by Securities and Exchange Board of India, (collectively referred to as “SEBI Circulars”). The forthcoming AGM will thus be held through video conferencing (VC) or other audiovisual means (OAVM). Hence, Members may attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and above referred MCA Circulars and SEBI Circulars, the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company, www.vamaind.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for

providing the Remote e-Voting facility and e-voting system during the AGM) i.e.
www.evotingindia.com

INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:

- (i) The Remote e voting period begins on 27th September, 2021 at 09.00 A.M. and ends on 29th September, 2021 at 05.00 P.M. 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., Thursday, 23rd September, 2021 may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Board of Directors have appointed Mr. Vikas Sirohiya, Practising Company Secretary, (M.No. 15116, C.P. No.5246) to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer the detailed procedure on e-voting given hereunder.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the Meeting.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (v) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e- Voting page without any further authentication. The URL for users to login to Easi / Easiest are “https://web.cdslindia.com/myeasi/home/login” https://web.cdslindia.com/myeasi/home/login or visit “http://www.cdslindia.com/” www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e- Voting page of the e-Voting service provider forecasting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at “https://web.cdslindia.com/myeasi/Registration/EasiRegistration” https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You

<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting serviceprovider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at “https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp” 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your voteduring the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your</p>
--	--

	vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
--	--

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at "mailto:helpdesk.evoting@cdslindia.com" helpdesk.evoting@cdslindia.com or contact at, 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at, toll free no.: 1800 1020 990 and 1800 22 44 30

(vi) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details or Date of Birth(DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>
--	---

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 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 shareholders holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Company, i.e., Vama Industries Limited 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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login 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) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required

to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- 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 linked in the login 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.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@vama.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E- VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register

themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@vama.co.in The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@vama.co.in These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders: please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to Company/RTA email id.
2. For Demat shareholders: Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders: Please update your email id & mobile number with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to "<mailto:helpdesk.evoting@cdslindia.com>" helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai -400013 or send an email to "<mailto:helpdesk.evoting@cdslindia.com>" helpdesk.evoting@cdslindia.com or call on 022- 23058542/43.

C) GENERAL INSTRUCTIONS:

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 23rd September, 2021, the Cut-off date.
- ii. The Scrutinizer, after scrutinising the votes cast during the meeting and through remote e-voting will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company, www.vamaind.com and on the website of CDSL, www.cdslindia.com. The results shall simultaneously be communicated to BSE Limited.
- iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

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

Sd/-

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

Place: Hyderabad

Date : 02nd September, 2021

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

Item no:3

As you are aware, Mr. Vegesna Atchyuta Rama Raju is the promoter of the Company and has been associated as its Managing Director in the executive position since more than 18 years. It would not be an exaggeration to mention that the Company owes its very existence to his incessant hard work and extensive experience in the field of Information Technology, IT Enabled services and System Integration.

Considering his unparalleled contribution in the past and his indispensable association in the future, the Board of Directors, in their Meeting held on 28th June, 2021 made the reappointment of Mr. Vegesna Atchuta Rama Raju for a period of 3 years with effect from 01st July, 2021.

Pursuant to the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act, any such appointment needs to be approved by the members in their General Meeting.

In view of the aforesaid, the resolution set out at Item No. 3 is recommended for your consideration.

A Copy of draft letter of appointment of Mr. Vegesna Atchyuta Rama Raju as the Managing Director of the Company setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during the working hours on any working day till the conclusion of the ensuing AGM.

Mr. Vegesna Atchyuta Rama Raju and Ms. Vegesna Parvathi and their relatives are interested in the resolution set out at Item No.3 in the Notice.

Save and except the aforesaid, none of the other 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. 3 in the Notice.

Brief profile

Mr. V. Atchyuta Rama Raju

Mr. V. Atchyuta Rama Raju (58 years) is a commerce graduate and he is a Promoter of the Company. He takes personal interest in developing teams with a strong belief that ordinary people are capable of making things possible. As the Managing Director of the company, he carries the overall responsibility for the strategy and operations of IT business.

During his tenure, the business achieved significant success accelerating both growth and profitability; he has been instrumental in building leadership talent and substantially strengthening organizational capabilities. He is a member of Risk Management Committee. He is also the Managing Director of M/s. Vama Infrastructure and Equipment Private Limited.

It is proposed to seek members approval for the re-appointment of and remuneration payable to Mr. V. Atchyuta Rama Raju as Managing Director of the Company, in terms of the applicable provisions of the Act.

Item Nos.4 & 5

The members may note that pursuant to the provisions of Section 161 of the Companies Act, 2013, the following persons were appointed as Additional Directors (in the Independent category) of the Company with effect from 08.04.2021, who hold the office as such till the ensuing Annual General Meeting:

- Mr. S. B.V. Subramanyam Alumolu
- Mr. Satish Marlapudi

The Company has received respective Notice(s) in writing from its members as required under Section 160 of the Act proposing the respective candidature of Mr. S. B.V. Subramanyam Alumolu & Mr. Satish Marlapudi for the offices of Director of the Company.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 read with Rules thereunder, any proposal to appoint a Director needs to be approved by the members in their General Meeting.

The aforesaid appointees have declared that they are not disqualified from being appointed as Director in terms of Section 164 of the Act and that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. They have also given their respective consents for the proposed appointments to the office of Director of the Company.

Further, in the opinion of the Board, Mr. S. B.V. Subramanyam Alumolu & Mr. Satish Marlapudi fulfill the conditions of their appointment as Independent Directors as specified in the Act and the Rules made thereunder and they are independent of the Management as well.

Aforesaid Independent Directors possess immense wealth of knowledge and expertise in their respective fields and bring with them vast and rich experience that would definitely help the Company to take itself to the next level of growth. Keeping the said in view, it will be in the best interest of the Company that the said Additional Directors be appointed as Directors on the Board of the Company.

Pursuant to the provisions of Section 149 of the Act, an independent director shall hold office for a term upto 5 (Five) consecutive years on the Board of a company and he shall not be included in the total number of directors for calculating the number of directors who would retire by rotation. If the appointment is approved, Mr. S. B.V. Subramanyam Alumolu & Mr. Satish Marlapudi shall hold their respective office of Independent Director of the Company up to 07th April, 2026.

In view of the aforesaid, the resolutions set out at Item No.4 & 5 are recommended for your consideration.

A copy of each draft letter of appointment of Mr. S. B.V. Subramanyam Alumolu & Mr. Satish Marlapudi as Independent Directors setting out the terms and conditions is available for inspection by members at the

Registered Office of the Company. Mr. S. B.V. Subramanyam Alumolu & Mr. Satish Marlapudi may be deemed to be interested in the respective resolutions proposing the appointments set out at Item Nos. 4 & 5 in the Notice.

Save and except the aforesaid, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No.'s 4 & 5 in the Notice.

Brief profile

1. Mr. S. B.V. Subramanyam Alumolu is a commerce graduate and having 30 years of experience in the fields of Finance, Business administration etc. He takes personal interest in developing teams with a strong belief that ordinary people are capable of making things possible.

He is a member of Audit committee, Chairman of Nomination & Remuneration Committee & Stakeholder Relationship committee.

It is proposed to seek members' approval for his appointment as the Independent Director of the Company, in terms of the applicable provisions of the Act.

Detailed Profile of Mr. S. B.V. Subramanyam Alumolu is available and can be accessed at <https://www.vamaind.com/management-profiles.html>

2. Mr. Satish Marlapudi is having graduation in mechanical engineering and expertise in project monitoring and its implementation.

He is a member of Audit committee, & Nomination and Remuneration Committee.

It is proposed to seek members' approval for his appointment as the Independent Director of the Company, in terms of the applicable provisions of the Act.

Detailed Profile of Mr. Satish Marlapudi is available and can be accessed at <https://www.vamaind.com/management-profiles.html>

Information in respect of Directors seeking appointment/ 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	Vegetna Atchyuta Rama Raju
Date of Appointment including terms and conditions of appointment	Reappointment to the office of Managing Director for a period of 3 years w.e.f 01.07.2021 at a remuneration not exceeding Rs 2.5 Lacs per month
Date of first appointment on the Board	07.12.2002
Date of Birth	06.04.1963
Expertise in Specific Functional areas and Experience	Finance Project Monitoring
Educational Qualification	Graduation in commerce
Directorships in other Companies (other than Vama Industries Limited)	Vama Infrastructure and Equipment Private Limited
Membership / Chairmanship of committees of Other Boards (other than Vama Industries Limited)	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Rs. 2.50 lacs per month
Shareholding in the Company as on 31.03.2021	1,25,55,120 equity shares
Relationship between Directors inter-se/ Manager and KMPs	Spouse of Vegetna Parvathi, the Executive Director of the Company
Number of Meetings of the Board attended during the year 2020-21	11/11

Name of the Director	S. B.V. Subramanyam Alumolu	Satish Marlapudi
Date of Appointment including terms and conditions of appointment	Appointed as Additional Director (Independent Director) in the Board Meeting held on April 08, 2021. Proposed for appointment as Director (Independent Director) in the ensuing Annual General Meeting. No other specific terms and conditions.	Appointed as Additional Director (Independent Director) in the Board Meeting held on April 08, 2021. Proposed for appointment as Director (Independent Director) in the ensuing Annual General Meeting. No other specific terms and conditions
Date of first appointment on the Board	08.04.2021	08.04.2021
Date of Birth	14.02.1953	19.05.1990
Expertise in Specific Functional areas and Experience	Finance	Project Monitoring
Educational Qualification	Bachelor of Commerce	Mechanical Engineering
Directorships in other Companies (other than Vama Industries Limited)	BVM Strategic solutions Pvt Ltd	NIL
Membership / Chairmanship of committees of Other Boards (other than Vama Industries Limited)	NIL	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	No remuneration other than Sitting Fee to be decided by the Board from time to time.	No remuneration other than Sitting Fee to be decided by the Board from time to time.
Shareholding in the Company as on 31.03.2021	Nil	Nil
Relationship between Directors inter-se/ Manager and KMPs	Not related to any Director, Manager or KMPs	Not related to any Director, Manager or KMPs
Number of Meetings of the Board attended during the year 2020-21	NA	NA

Additional Disclosure in terms of Section II of Part II of Schedule V of the Companies Act, 2013
in relation to Item No.3

I. GENERAL INFORMATION			
Nature of Industry	IT & IT Enabled Services		
Date of commencement of commercial operation	The Company was incorporated in the year 1985 and obtained certificate of Commencement of Business in the same year.		
In case of new Company, expected date of commencement of activities as per project approved by FI, appearing in the prospectus	N.A		
Financial Performance	(Rs. in lakhs)		
Financial parameters:	2020-21 (audited)	2019-20 (audited)	2018-19 (audited)
Turnover (operational revenue)	1488.82	1614.16	3837.08
Net profit after tax	15.60	-97.97	79.77
Amount of dividend paid for the FY	-	-	52.54
Rate of dividend declared	-	-	5% (FV 2/-)
Foreign Investments or collaborations	As on 31.03.2021, investments made by the Company in its wholly owned subsidiary, M/s. Vama Technologies Pte. Ltd., Singapore stood at Rs.4.41 lacs (after taking into account the Exchange rate fluctuations)		

II. INFORMATION ABOUT THE APPOINTEE			
	Mr. Vegesna Atchyuta Rama Raju		
Background Details	Mr. V. Atchyuta Rama Raju (58 years) is a commerce graduate and he is a Promoter of the Company. He takes personal interest in developing teams with a strong belief that ordinary people are capable of making things possible. As the Managing Director of the company he carries the overall responsibility for the strategy and operations of IT business.		
Past remuneration (Rs per annum)	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19 Rs. in lacs</u>
	30.00	24.05	19.80
Job profile and his suitability	As the Managing Director of the Company he handles the overall responsibility for the strategy and operations of IT Business and Communication		
Remuneration proposed	Rs.2.50 lacs per annum		
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into consideration the size of the Company, the qualification and experience of Mr.Vegesna Atchyuta Rama Raju and the profile being handled by him, the remuneration as mentioned above is on the conservative side as compared to the remuneration being paid to similar position in other Companies.		
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	In addition to the remuneration drawn by Mr. Vegesna Atchyuta Rama Raju, he has indirect pecuniary relationship with the company during the FY 2020- 21: Name : V. Parvathi Relation: Wife Nature of Payment: Salary: 1.33 lacs Further, the Company has entered into transactions with Vama Technologies Pte., Ltd., the wholly owned subsidiary, where he is a Director. The details of transactions may be referred at Note.2.31 of the Standalone Financial Statements		

III. OTHER INFORMATION	
Reasons of loss or inadequacy of profits	The Company's business comprises of sales and services. Due to low margins at domestic level and uncertain global economy, the Company could not generate expected revenues and eventual profitability.
Steps taken or proposed to be taken for improvement	To overcome the present economic situation the Company has, inter alia, taken following steps: <ul style="list-style-type: none"> • The Company is exploring new markets/buyers in the international markets to increase the export sales with the help of its Wholly Owned Subsidiary in Singapore. • The Company has taken various initiatives to save on the cost so as to improve the profit margin. • To undertake small projects with better cash flows.
Expected increase in productivity and profits	Owing to the cascading adverse impact of COVID-19, the Company, as of now, needs to stabilise its operations and subsequently turn around with improved results.

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

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

Place: Hyderabad
Date : 02nd September, 2021

Dear Members,

Your Board of Directors are pleased to present the Company's 36th Annual Report and the Company's Audited Financial Statement (Standalone & Consolidated) for the financial year ended March 31, 2021.

FINANCIAL PERFORMANCE

Our Financial Performance for the year ended March 31, 2021 is summarized below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Turnover	1488.82	1614.16	2606.97	3000.08
Other Income	58.46	80.32	58.46	96.08
Total Income	1547.28	1694.48	2665.43	3096.16
PBIDT	271.61	170.11	475.21	336.53
Less: (i) Interest	217.19	233.92	221.95	238.64
(II) Depreciation	37.18	32.46	37.18	32.46
Profit Before Exceptional Item and Tax	17.24	(96.27)	216.08	65.43
Exceptional Item	-	-	-	-
Profit Before Tax	17.24	(96.27)	216.08	65.43
Less: Provision for Tax				
- Current	-	-	6.53	-
- Deferred	1.65	1.70	0.60	17.87
Profit After Tax	15.60	(97.97)	208.95	47.56
Earnings Per Share (EPS)	0.03	(0.19)	0.40	0.09
Balance Carried to B/S	517.37	501.78	720.11	511.16

PERFORMANCE SUMMARY AND STATE OF AFFAIRS

As observed in the table laid above, FY 2020-21 was a year of mixed fortunes for your Company. Though the topline suffered slightly, there was some relief at the bottomline. Against all odds, your Company reported positive figures, both at standalone level as well as at consolidated level. Though the Company's performance was not at expected levels, your management deserves to be appreciated for their efforts in the backdrop of horrific conditions that have arisen on account of global pandemic. As we all are aware, FY 2020-21 was marred by intermittent lockdowns and resulting disruptions of life at all levels. Our business depends largely on government orders, especially space and defence sectors, which were put on back burner, owing to paradigm shift amidst the pandemic chaos. Owing to various policy decisions and cascading delays, we could not generate expected revenues during the FY 2020-21. However, we were successful in containing the expenses, thus reporting a positive bottomline.

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. We recorded an operational income of Rs. 2606.97 lacs for the FY 2020-21 as against Rs. 3000.08 lacs for the FY 2019-20. Similarly, we recorded a PAT of Rs.208.95 lacs for the FY 2020-21 as against a PAT of Rs. 47.56 lacs for the FY 2019-20.

Standalone Level

At Standalone Level, we have achieved an operational turnover of Rs. 1488.82 lakhs and earned a PAT of Rs.15.60 lacs for the FY 2020-21 as against an operational turnover of Rs. 1614.16 lacs and a Net Loss of Rs. 97.97 Lacs for the FY 2019-20.

We do not propose to transfer any amount to the Reserves for the current Financial Year.

Consolidated Financial Statement

In accordance with the provisions of the Companies Act, 2013 and 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.

Performance of Vama Technologies Pte Ltd., a WOS of the Company

Particulars	2020-21		2019-20	
	USD	INR	USD	INR
Revenue from operations	15,65,221	11,66,34,975	20,59,772	14,59,31,226
Profit for the year after meeting all expenses before Interest, Depreciation & Tax)	2,70,873	1,98,85,103	2,32,191	1,61,70,651
Less:				
Interest	-		-	-
Depreciation and other write off	-		-	-
Provision for Taxation	8,890	6,53,415	-	-
Net Profit/Loss	2,61,983	1,92,31,688	2,32,191	1,61,70,651

BUSINESS OPERATIONS AND OUTLOOK

VAMA is a System Integrator providing solutions to Space and Defence customers. VAMA has started supporting Cloud Projects.

Vama has started supporting High Performing Computing Services and cloud services which are in high demand globally. We have already done few projects in the cloud space. These two have tremendous growth prospects in the future. VAMA has been implementing projects all over India for Defence, Space, C-DAC, 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 Centre 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.

FUTURE OUTLOOK VIS A VIS COVID -19

As we all are aware, the outbreak of Covid-19 pandemic in our country during the late March, 2020 is still alive in some form or the other. Despite the best efforts at all levels, it appears as if the said pandemic has made deep inroads in our life system. The pandemic has created snow-ball rolling effect on the global economy. Before, we could declare that the Covid -19 has been managed successfully, the deadly second wave engulfed one and all, indiscriminate of any age or any other criteria for that matter. While we are collectively and parallelly combating this pandemic, we are also slowly but steadily trying to recover and restore normalcy in our economy and also our lives. We have, to a certain extent, learned to adapt and align our work culture in tune with this Covid -19. Vama, being substantially dependent on Government budget allocations, is closely following up with its client organisations and departments in order to keep a real time track of their decisions. This has helped us plan our resources in an optimal manner. Further, we are constantly in touch with our Bankers who have helped the Company, time and again, to tide over the liquidity crisis. Further, we are also keeping our employees apprised of the developments in the Company and have been successful in retaining their confidence in the management. We are experiencing our worst times.

During the first quarter of the current FY (i.e., FY 2021-22), we could not sustain the momentum, primarily on account of pandemic which was at its historical peak across the country. Such uncertain devastating behaviours in the economy have made us rework our strategies. All said and done, in view of our past experience, as of now, it would be too early to commit anything as regards our future revenues or profitability.

However, your management is all geared up to face any challenge and overcome any contingency with absolute resilience.

Further, we draw your attention to Note 2.41 to the Standalone Financial Statement for more discussion on the captioned matter.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY & NATURE OF BUSINESS

There have been no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of this report. Despite the said, as discussed above, the ongoing Covid-19 may have its own ripple effect on the business operations of the Company.

NATURE OF BUSINESS

There has been no change in the nature of business of your Company during the FY ended 31st March, 2021.

DIVIDEND

In view of benign profits for the FY 2020-21, and the current turbulent phase, your Board of Directors have resolved to adopt a cautious approach towards distribution of its resources. Hence, no Dividend is recommend for the FY 2020-21.

Pursuant to Regulation 43A of SEBI (LODR) Regulations, 2015 we have framed a Dividend Distribution Policy and the same is herewith annexed as '**Annexure X**' 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 2020-21 there was no change in the share capital of the Company.

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

Authorised Capital : Rs.11Crores

Issued, subscribed and Paid up Capital :10.51Crores

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, 2021, it has recorded a turnover of USD 15.65 lacs. 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 of the Company 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 Subsidiary Determination _Policy.pdf](https://www.vamaind.com/Policies/Material_Subsiary_Determination_Policy.pdf)

Disclosure under Regulation 34(3) read with Schedule V of the Listing Regulations

Related Party Disclosure as per Schedule V of the Listing Regulations

Sl. No.	In the Accounts of	Particulars	Amount at the year ended 2020-21 (Rs. In lacs)	Maximum amount outstanding during the year 2020-21 (Rs. In lacs)

1	Vama Industries Limited (Holding Company)	Loans/advances to subsidiaries ----- Vama Technologies Pte Ltd (Wholly owned subsidiary) Loans/advances to associates Loans/advances to firms/ companies in which Directors are interested ----- • Reliance Tea Private Limited • Asha Lube Solutions Private Limited	Nil N.A Nil	Nil N.A Nil 0.25 5.00
2	Vama Industries Limited (Holding Company)	Investment by the Loanee in the shares of parent company/ subsidiary company when the company has made a loan or advance	NA	NA

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 29th December, 2020.

As already informed, Mrs. V Parvathi (DIN: 01240583), was appointed as Additional Director and also as Wholetime Director (Executive Director) by the Board, for a period of 3 years, effective 11th September, 2020. Subsequently, the members in their AGM held on 29th December, 2020 appointed Mrs. V Parvathi to the office of Director of the Company and also approved her appointment as Wholetime Director (Executive Director) of the Company for the said period of 3 years.

Further, as already informed, Mr. V. Rajam Raju resigned from the office of Executive Director as well as Director of the Company effective 11th September, 2020.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mrs. V Parvathi (DIN: 01240583) retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment.

Mr. Gurpreet Singh Sial has been appointed to the office of Company Secretary and compliance officer of the Company effective 1st November, 2020 in place of Ms. Vandana Modani who has resigned from the said office.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Marlapudi Satish (DIN: 09115483) and Mr. Satya Bhaskara Venkata Subrahmanyam Alumolu (DIN: 07483603) as Additional Directors (non-executive independent directors) of the Company, effective 08th April, 2021, who hold their office as such till the ensuing Annual General Meeting.

Resolutions seeking approval of members for their appointment as Independent Directors for a period of five years commencing from 08th April, 2021 form part of the Notice of AGM attached herewith.

Further, Mr. K.V.Krishna Rao (DIN: 01889382) and Mr. K. Vara Prasad Raju (DIN: 01607711) resigned from their respective office of Independent Directors of the Company effective 09.04.2021 due to pre-occupation.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received respective declarations from all its Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

Independent Directors of your company have duly met during the year to discuss the performance of the Non-Independent Directors. All the independent Directors were present during the meeting.

In the opinion of the Board, all the Independent Directors of the Company possess integrity, expertise, and experience justifying their respective office.

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.

Subsequent upon changes in the Board of Directors, the compositions of committees have undergone appropriate changes. Subsequent upon revision, the compositions of the committees of the Board, presently, are hereunder:

Audit Committee

Mr. V. Srinivas	– Chairman
Mr. Satish Marlapudi	– Member
Mr. S. B.V. Subramanyam Alumolu	– Member
Mrs. R. Rama Sravanthi	-- Member

Nomination and Remuneration Committee

Mr. S. B.V. Subramanyam Alumolu	–	Chairman
Mr. V. Srinivas	–	Member
Mr. Satish Marlapudi	–	Member
Mrs. R. Rama Sravanthi	--	Member

Stakeholders Relationship Committee

Mr. S. B.V. Subramanyam Alumolu	–	Chairman
Mr. V. Srinivas	–	Member
Mrs. R. Rama Sravanthi	--	Member

Risk Management Committee

Mr. V. Srinivas	–	Chairman
Mr. V. Atchyuta Rama Raju	–	Member
Mrs. V. Parvathi	–	Member

Subsequent upon the resignation of Mr. K.Venkata Krishna Rao & Mr. K. Vara Prasad Raju from the Board of Directors, the following changes took place in the composition of committees

- Mr. Satish Marlapudi & Mr. S. B.V. Subramanyam Alumolu were appointed as the members of the Audit Committee in place of the outgoing members.
- Mr. S. B.V. Subramanyam Alumolu was appointed as the Chairman and Mr. Satish Marlapudi as the member of the Nomination and Remuneration committee in place of the outgoing members.
- Mr. S. B.V. Subramanyam Alumolu was appointed as the Chairman of Stakeholders Relationship Committee in place of Mr. K.Venkata Krishna Rao.
- Mrs. V. Parvathi was appointed as the member of the Risk Management Committee.

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 process was conducted by the Company internally which included the evaluation of the Board as a whole, Board Committees and peer evaluation of directors. While carrying out the evaluation process, industry practises are also examined and applied, to the extent feasible. 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, performance evaluation was also carried out for Mr. S. B.V. Subramanyam Alumolu & Mr. Satish Marlapudi, who were appointed as Non Executive Independent Directors of the Company.

Performance evaluation of the Board members is a continuous exercise at Vama, which helps us to rectify and improve the functioning on a realistic basis.

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

During the year under review, on account of rampant pandemic, it was not ideal for the Directors to meet physically for the Board Meetings. Hence, the Board meetings were held, both, physically as well as in virtual mode. The Board meetings are scheduled at regular intervals to discuss and decide on business performance, policies, strategies and other matters of significance.

The Board duly met 11 times during the Financial Year 2020-21 i.e., 05th June 2020, 27th July 2020, 03rd August 2020, 01st September 2020, 11th September 2020, 15th September 2020, 18th September 2020, 31st October, 2020, 11th November 2020, 02nd December 2020 & 12th February 2021. 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

Our Risk Management Committee provided exemplary guidance and support during the Covid crisis times. It was on its toes to ensure that the employees and their family members receive timely and adequate help to handle the Covid crisis. It also ensured that the Company's operations are carried out in a manner where by the loss on account of lockdowns and other restrictions is contained to the extent possible.

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: https://www.vamaind.com/Policies/Risk_Management_Policy.pdf

INTERNAL FINANCIAL CONTROL SYSTEMS

We have developed and designed our Internal Financial Control Systems on par with Industry standards. We have adopted policies and procedures which enables implementation of appropriate internal financial controls across the organization at all key levels. This ensures orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. Internal Financial Controls are an integral 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 Auditors 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, (FRN 0183675) 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) & reply thereto:

1. As regards “Emphasis of Matter” stated in Report on Standalone Financial Statements and also in Report on Consolidated Financial Statements, we would like to mention that the matter pertains to the ongoing pandemic Covid -19, which as of now is a global crisis. The same has been more discussed somewhere else in this Report and also under Note 2.41 of the Standalone Financial Statements and Note 2.40 of the Consolidated Financial Statements attached herewith.
2. As regards the reported delays in depositing undisputed statutory dues, (para vii in the Annexure A to the Report) we would like to mention that the delays were caused purely on account of liquidity crisis arising out of certain unforeseen situation, beyond the control of the management. Most of the said dues have been either paid as on date or will be paid very shortly. The management shall ensure that such delays are not repeated in the future.

Further, the Notes on Financial Statements referred in the Auditors Report are self-explanatory and do not call for any further comments.

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 submit their Report on quarterly basis and the same is placed in the respective Meetings of the Audit Committee and that of the Board of Directors .

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. Anand Kumar C. Kasat, Practicing Company Secretary (Presently known as Kasat & Associates, Company Secretaries), to undertake the secretarial audit of the Company for the FY 2020-21.

The copy of Secretarial Audit Report, is attached herewith and marked as **Annexure –III**.

Observation(s) & reply thereto:

As regards, non-compliance of Regulation 17(2A) of SEBI (LODR) Regulations, 2015, while filing the Report on Corporate Governance for the quarter ended 30.09.2020, we would like to inform that the reported non-compliance was a mere typographical error. Upon explanation and request, the Stock Exchange, i.e., BSE Ltd., disposed off the matter without taking any punitive action.

As regards delay in filings of forms / returns, 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. The management shall ensure that such delays are not repeated in the future.

REPORTING OF FRAUDS

During the year under review, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

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:

We confirm 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 complied by the Company.

CONTRACTS OR AGREEMENTS WITH RELATED PARTIES

During the FY 2020-21, the contracts / agreements /transactions entered by the Company with its related party(ies) was / 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 2020-21, the unclaimed dividend in respect of financial year 2012-13 amounting to Rs. 33,972 (Rupees Thirty Thousand Nine hundred and Seventy Two only) 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>.

Information in respect of unclaimed dividend and due dates for transfer to the IEPF are given below:

Sl.N o.	For the Financial year ended	Percentage of Dividend	Date of Declaration	Due date for transfer to IEPF
1	2013-14 (Final)	1%	25.09.2014	27.11.2021
2	2014-15 (Final)	2%	29.09.2015	01.12.2022
3	2015-16 (Final)	1%	26.09.2016	28.11.2023
4	2016-17 (Final)	5%	25.09.2017	27.11.2024
5	2017-18 (Final)	5%	26.09.2018	28.11.2025
6	2018-19 (Final)	1%	25.09.2019	27.11.2026
7	2019-20 (Final)	Nil	NA	NA
8	2020-21 (Final)	Nil	NA	NA

INSURANCE

All properties and insurable interests of the Company have been fully insured.

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, 2021. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the FY 2021. 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, 2021 and / or outstanding as on the said date are as hereunder:

Sl. No.	Name	Borrowings during the year (Rs. In lacs)	Repayments during the year (Rs. In lacs)	Amt. outstanding as on 31 st March, 2021 (Rs. In lacs)

1.	Mr. V. Atchyuta Rama Raju	151.51	253.21	144.85
2.	Mrs. V. Parvathi	36.40	2.8	33.60

Further, Mr. V. Atchyuta Rama Raju and Mrs. V. Parvathi 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, a copy of Annual Return in the prescribed format i.e. Form MGT -7 along with attachments is placed on the website of the Company, https://www.vamaind.com/Annual_Report/Annual_Return_FY_2020_21.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 implemented '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 XI** 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-V**, attached to this Report.

CORPORATE GOVERNANCE

We have been making every endeavour to bring more transparency in the conduct of our Company's business. We have set highest standards as our benchmarks, which are reviewed and evaluated on a periodic basis. As per the requirements of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, a report on Corporate Governance for the year 2020-21 and a certificate from M/s. Kasat & Associates, Company secretaries is furnished which forms part of this Annual Report as **Annexure- VII**.

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 the Annual Report.

DISPATCH OF ANNUAL REPORTS

In compliance with the applicable provisions, we shall dispatch the Annual Report for the FY 2020-21 in electronic format to all our members whose E-Mail addresses are registered and updated with our Registrar & Transfer Agents.

LISTING & TRADING

Our Equity Shares are listed on BSE Limited, Mumbai. The listing fee for the FY 2020-21 has been duly paid. You may further note that the listing/ trading was never suspended at any time during the financial year 2020-21.

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 –VI (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.Rs.8.5lakhs per month or Rs.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, 2021 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- VI (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 Rs.3,89,040 (equivalent to 6000 USD), currently standing at Rs.4.41 lacs, owing to

exchange fluctuations, towards subscription of 8680 equity shares, i.e., 100% stake.

Apart from the aforesaid, we have not given any fresh loan or made new investment or given guarantee or provided security as contemplated 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, 2021.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, it is stated that

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any,
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year, 2020-21 and of the profit of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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. However, as discussed elsewhere in this Report, the Company received a Notice from BSE Limited, to which the Company provided satisfactory explanation. The Stock Exchange was kind enough to dispose off the matter without taking any punitive action.

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 strongly believe that employees are the back-bone of any organisation, especially in case of our Company which operates in the field of technology. We express our deep sense of appreciation for the services rendered by our employees, defying all the adversaries during Covid times. The management shall be ever indebted to them. We also express our sincere appreciation towards all our customers, suppliers, banks, advisors, Government of India and Government Departments, concerned State Governments and other authorities for their sustained support and co-operation, helping the Company withstand turbulent Covid times.

Further, we shall be ever indebted to all our shareholders and other stakeholders for their trust and cooperation in our management, our Board of Directors and our Company.

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju

Chairman and Managing Director

DIN:00997493

Date : 02nd September, 2021

Place : 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	01.04.2020 to 31.03.2021
3.	Reporting Currency	USD
4.	Exchange rate used for conversion	
	i. as on the last date of FY(for Balance Sheet items)	Rs.73.50 per USD
	ii. average yearly rate for P & L items	Rs.73.89 per USD
5.	Share Capital	\$ 6,000
6.	Reserves & Surplus	\$ 2,75,839 (Retained Earnings)
7.	Total Assets	\$ 400,712
8.	Total Liabilities	\$ 400,712
9.	Investment	--
10.	Turnover	\$ 15,65,221
11.	Profit/(Loss) before taxation	\$ 2,70,873
12.	Provision for taxation	\$ 8890
13.	Profit/(Loss) after taxation	\$ 261983
14.	Proposed Dividend	--
15.	% of Shareholding	100

Part "B" Associates and Joint Ventures – Not Applicable

For and on behalf of the Board of Directors

Sd/-

Sd/-

V Atchyuta Rama Raju

V. Parvathi

Chairman & Managing Director Executive Director

(DIN: 00997493)

(DIN: 07098278)

02nd September, 2021

Sd/-

Sd/-

Hyderabad

G Siva

Gurpreet Singh Sial

Chief Financial Officer

Company Secretary

Annexure -

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 transaction 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, 2021, 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, 2021 are as follows:

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Vama Technologies Pte. Ltd.,Singapore (Wholly Owned subsidiary)
	Nature of contracts/arrangements/transaction	Consultancy Service
	Duration of the contracts/arrangements/transaction	1 year
	Salient terms of the contracts or arrangements or transaction including the value, if any	Consultancy Service agreement for a maximum value of Rs.1 Crore
	Date of approval by the Board	05.06.2020
	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

Date : 02nd September, 2021

Place : Hyderabad

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021
[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,
Door No. 8-2-248/1/7/78/12, 13, Ground Floor,
Block-A, Lakshmi Towers,
Nagarjuna Hills, Punjagutta
Hyderabad-500082

I 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 me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I, hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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:

I 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 me for the financial year ended on 31st March, 2021 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 audit there were no instances of any new FDI into the Company or any new ODI by the Company. The Company does not have 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;

I 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, except in respect of matters specified below:

- *Non-compliance of Regulation 17(2A) of SEBI (LODR) Regulations, 2015 while filing the Report on Corporate Governance for the quarter ended 30.09.2020, for which notice of non-compliance was served by BSE Ltd., requiring the company to pay a fine of Rs 30000 plus applicable taxes in terms of Circular No SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.*
- *There were few instances where the Company filed forms and returns required to be filed with the Registrar of Companies with additional fee.*

I 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 / Annual Performance Reports with the Software Technology Park of India in certain cases.

- b) The Trade Marks Act, 1999.

I further report that

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

Adequate notice is given to all 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views to be recorded as such

I 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 specific events / actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except below:

The Company had to temporarily suspend its business operations, during the period commencing April, 2020 which continued till late May, 2020 in view of the Covid 19 induced Lockdown in the country.

Further, attention is drawn to Notes to Financial Statements, which describes the management assessment of the impact of Covid -19 pandemic.

For Kasat & Associates
Company Secretaries

Sd/-

Anand Kumar C. Kasat

Proprietor

M. No. 11175

C.P. No. 17420

UDIN: F011175C000875271

Place: Hyderabad

Date: 01.09.2021

[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,
Door No. 8-2-248/1/7/78/12, 13, Ground Floor,
Block-A, Lakshmi Towers,
Nagarjuna Hills, Punjagutta
Hyderabad-500082

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. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
3. I 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. I believe that the processes and practices I followed provide a reasonable basis for our opinion.
4. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
5. I 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.
6. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
7. I have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

8. 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.

9. As regards the Secretarial Audit for the FY 2020-21, the entire period under report was bogged down under the impact of Covid-19. Further, during the later part of the quarter ended 31st March, 2021, the said pandemic resurfaced more furiously and continued to wreak havoc till recently, thus forcing me to re-strategise my audit programme and approach. Further, for verification of documents and cross checks, I had to rely on the management representations and assurances, wherever required, for forming my opinion and eventual reporting.

For Kasat & Associates
Company Secretaries

Sd/-

Anand Kumar C. Kasat
Proprietor

M. No. 11175

C.P. No. 17420

UDIN: F011175C000875271

Place: Hyderabad

Date: 01.09.2021

**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 | : 191.69 |
| ii. | Foreign Exchange Outgo | : 151.86 |

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju

Chairman and Managing Director

DIN:00997493

Date : 02nd September, 2021

Place : Hyderabad

Management Discussion and Analysis Report

Competitive position of the Company

(a) Industry structure and developments

Technology Industry is undergoing a metamorphic revolution marked by numerous pathbreaking innovations and strategies. One such revolution is the Fourth Industrial Revolution (or Industry 4.0), which is nothing but an automation of traditional manufacturing and industrial practices, using modern smart technology. Large-scale machine-to-machine communication (M2M) and the internet of things (IoT) are integrated for increased automation, improved communication and self-monitoring, and production of smart machines that can analyze and diagnose issues without the need for human intervention.

This era is expected to be marked by breakthroughs in emerging technologies in fields such as robotics, artificial intelligence, nanotechnology, quantum computing, biotechnology, internet of things, industrial internet of things, decentralized consensus etc.

There are four design principles identified as integral to industry 4.0:

- Interconnection — the ability of machines, devices, sensors, and people to connect and communicate with each other via the Internet of things, or the internet of people (IoP)
- Information transparency — the transparency afforded by Industry 4.0 technology provides operators with comprehensive information to inform decisions. Inter-connectivity allows operators to collect immense amounts of data and information from all points in the manufacturing process, identify key areas that can benefit from improvement to increase functionality
- Technical assistance — the technological facility of systems to assist humans in decision-making and problem-solving, and the ability to help humans with difficult or unsafe tasks
- Decentralized decisions — the ability of cyber physical systems to make decisions on their own and to perform their tasks as autonomously as possible. Only in the case of exceptions, interference, or conflicting goals, are tasks delegated to a higher level.

The Fourth Industrial Revolution consists of many components when looking closely into our society and current digital trends. To understand how extensive these components are, here are some contributing digital technologies as examples:

- Mobile devices
- Internet of things (IoT) platforms
- Location detection technologies
- Advanced human-machine interfaces
- Authentication and fraud detection
- 3D printing
- Smart sensors
- Big analytics and advanced processes
- Multilevel customer interaction and customer profiling
- Augmented reality/ wearables

Mainly these technologies can be summarized into four major components, defining the term “Industry 4.0” or “smart factory”:

- Cyber-physical systems
- IoT
- On-demand availability of computer system resources
- Cognitive computing

Biggest trends

In essence, the Fourth Industrial Revolution is the trend towards **automation** and data exchange in manufacturing technologies and processes which include cyber-physical systems (CPS), IoT, industrial internet of things, cloud computing, cognitive computing, and artificial intelligence.

Smart factory

The Fourth Industrial Revolution fosters what has been called a "smart factory". Within modular structured smart factories, cyber-physical systems monitor physical processes, create a virtual copy of the physical world and make decentralized decisions. Over the internet of things, cyber-physical systems communicate and cooperate with each other and with humans in synchronic time both internally and across organizational services offered and used by participants of the value chain.

Predictive maintenance

Industry 4.0 can also provide predictive maintenance, due to the use of technology and the IoT sensors. Predictive maintenance – which can identify maintenance issues in live – allows machine owners to perform cost-effective maintenance and determine it ahead of time before the machinery fails or gets damaged. For example, a company in LA could understand if a piece of equipment in Singapore is running at an abnormal speed or temperature. They could then decide whether or not it needs to be repaired.

Relativity Stargate 3D Printer

The Fourth Industrial Revolution is said to have extensive dependency on 3D printing technology. Some advantages of 3D printing for industry are that 3D printing can print many geometric structures, as well as simplify the product design process. It is also relatively environmental friendly. In low-volume production, it can also decrease lead times and total production costs. Moreover, it can increase flexibility, reduce warehousing costs and help the company towards the adoption of a mass customization business strategy. In addition, 3D printing can be very useful for printing spare parts and installing it locally, therefore reducing supplier dependence and reducing the supply lead time.

The determining factor is the pace of change. The correlation of the speed of technological development and, as a result, socio-economic and infrastructural transformations with human life allow us to state a qualitative leap in the speed of development, which marks a transition to a new time era.

Smart sensors

Sensors and instrumentation drive the central forces of innovation, not only for Industry 4.0, but also for other “smart” megatrends, such as smart production, smart mobility, smart homes, smart cities and smart factories.

Smart sensors are devices, which generate the data and allow further functionality from self-monitoring and self-configuration to condition monitoring of complex processes. With the capability of wireless communication, they reduce installation effort to a great extent and help realize a dense array of sensors.

The importance of sensors, measurement science, and smart evaluation for Industry 4.0 has been recognized and acknowledged by various experts and has already led to the statement “Industry 4.0: nothing goes without sensor systems”

However, there are few issues, such as time synchronization error, data loss, and dealing with large amounts of harvested data, which limit the implementation of full-fledged systems. Moreover, additional limits on these functionalities represents the battery power. One example of the integration of smart sensors in the electronic devices, is the case of smart watches, where sensors receive the data from the movement of the user, process the data and as a result, provide the user with the information about how many steps they have walked in a day and also converts the data into calories burned.

Source : Wikipedia

(b) Opportunities and Threats.

It becomes all the more crucial amidst the super dynamic world of innovations and growing complexities, that we keep pace with our competitors. Large entities 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-wracking 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. Novelty and complexity have been a second driver.

Further, any outbreak of mass epidemic, like the ongoing Covid-19 may force us to suspend and re-strategise our business policies.

(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:

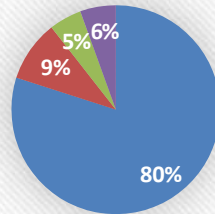
The Company concluded that there is only one operating segment, i.e., IT related services. Hence, the same becomes the reportable segment for the Company. The business operations mentioned supra are being divided into following heads and the revenue generated from each head is indicated below:

Rs.In Lakhs

Consolidated basis

Revenue	2020-21	2019-20
Sale of Goods – Computers & Peripherals/ Software	2,084.32	2,468.82
Annual Maintenance Contract Service	247.3	187.17
Consultancy Services	131.85	146.85
IT Engineering Services	143.49	197.24
Total Revenue	2,606.96	3,000.08

2020-21 Segment-wise performane



- Sale of Goods – Computers & Peripherals / Software
- Annual Maintenance Contract Service
- Consultancy Services
- IT Engineering Services

(d) Outlook

VAMA is a System Integrator providing solutions to Space and Defence customers. VAMA has started supporting Cloud Projects.

Vama has started supporting High Performing Computing Services and cloud services which are in high demand globally. We have already done few projects in the cloud space. These two have tremendous growth prospects in the future. VAMA has been implementing projects all over India for Defence, Space, C-DAC, 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 Centre 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.

Further, it is advised to refer our discussion under the head “Future Outlook vis a vis Covid -19” laid elsewhere in this Report.

(e) Risks and concerns

- To retain good talent
- To adapt to rapid technological changes and innovations
- To manage and curb data breaches
- Cost competitiveness
- To address and arrest assaults on internet infrastructure by hackers
- Government policies and priorities
- Force majeure events and circumstances
- The ongoing pandemic Covid-19

(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. The Internal Financial Controls have been documented, digitized and embedded in the business process.

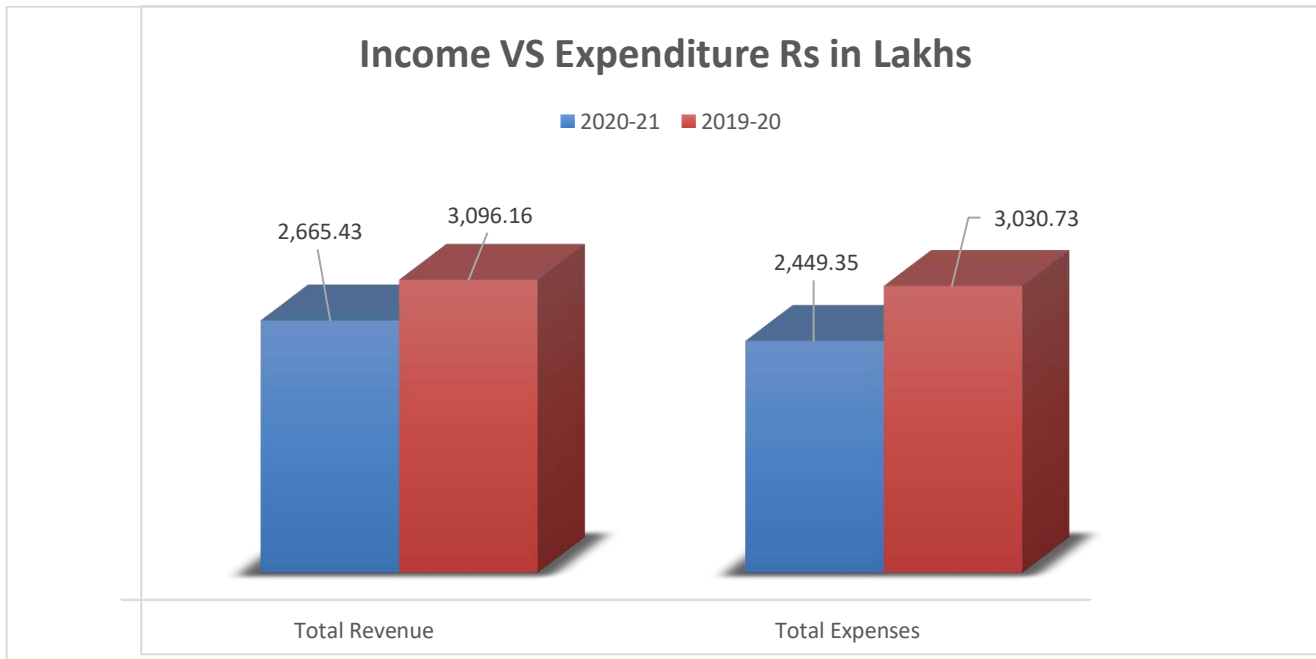
Regular management reviews are conducted in order to ascertain the effectiveness of the Internal Financial Controls. Further, it is also obtained through our management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems 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.

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

	(Rs in Lakhs)	
INCOME	2020-21	2019-20
Export Revenue		
IT Services	247.57	197.16
Sales of computers & Peripherals	1062.27	1,459.31
Domestic Revenue		
Services / Consultancy / Projects	275.08	334.10
Sales of computers & Peripherals	1022.05	1,009.51

Other Income	58.46	96.08
Total Revenue	2,665.43	3,096.16

EXPENDITURE	2020-21	2019-20
Material Consumed	1,848.29	2,103.52
Changes in Inventories	(93.37)	20.56
Employee Benefit Expenses	333.61	436.93
Finance Cost	221.95	238.64
Depreciation and Amortisation Expenses	37.18	32.46
Other Expenses	101.69	198.62
Total Revenue	2,449.35	3,030.73



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

As a matter of fact, it goes without saying that, retaining good talent pool is the biggest challenge in the technology sector.

Our pro-human resources policy helps us in mitigating the employee attrition rate 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 31.03.2021
1	*Executive Directors	2
2	Key Managerial Personnel (KMP)	2
3	Other employees	41
	Total	45

*V. Atchyuta Rama Raju is the 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 (as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

On Standalone basis:

		2020-21	2019-20	Explanation
i	Debtors Turnover	1.16	1.10	Close monitoring by the management and increase in turnover.
ii	Inventory Turnover	0.63	0.71	-
iii	Interest Coverage Ratio	1.15	0.18	Increased Net Profits
iv	Current Ratio	1.47	1.52	Negligible change
v	Debt Equity Ratio	0.61	0.58	Negligible change
vi	Operating Profit Margin (%)	11.82%	3.55%	Tight check on revenue expenditures. Though the turnover decreased to some extent, good managerial skills paid off and thus better profitability.
vii	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	1.01%	-5.78%	Though the turnover decreased to some extent, good managerial skills paid off and thus better profitability.

On consolidated basis:

		2020-21	2019-20	Explanation
i	Debtors Turnover	1.97	1.98	Negligible change
ii	Inventory Turnover	1.29	1.61	-
iii	Interest Coverage Ratio	2.90	1.56	Increased Net Profits
iv	Current Ratio	1.45	1.43	Negligible change
v	Debt Equity Ratio	0.55	0.58	Negligible change
vi	Operating Profit Margin (%)	14.56%	6.93%	Tight check on revenue expenditures. Though the turnover decreased to some extent, good managerial skills paid off and thus better profitability.
vii	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	7.84%	1.54%	Though the turnover decreased to some extent, good managerial skills paid off and thus better profitability.

- (j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

On standalone basis, the Company earned a Net Profit of Rs.15.60 lacs for the FY 2020-21. Thus the Return on Net Worth for the said FY stands at (0.88%). However, for the FY 2019-20, the Company suffered a Net Loss of Rs.97.97 lacs. Thus reporting a negative Return on Net Worth. The said change has occurred primarily on account of better profitability. Detailed discussion has been provided in the Directors Report.

2. Disclosure of Accounting Treatment

The Company has prepared financial statements which comply with IndAS applicable for periods ending on 31st March 2021, together with the comparative period data as at and for the year ended 31st March 2021, as described in the summary of significant accounting policies.

Primarily a treatment different from that prescribed in an Accounting Standard has not been followed in the preparation of financial statements. However, as regards amendments to certain accounting standards, the applicability / effect on the financial statement has been evaluated and been treated accordingly as explained in Note 1 of the standalone Financial Statements.

Further, the financial statements represent a true and fair view of the underlying business transactions.

Awards: Nil

Certifications:

- 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.

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. Further, attention is drawn to Notes to Financial Statements, which describes the management assessment of the impact of Covid -19 pandemic.

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju

Chairman and Managing Director

DIN: 00997493

Date : 02nd September, 2021

Place : Hyderabad

Annexure – VI(i)

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 2020-21		
		Remuneration of Director / KMP	% increase in Remuneration (annual basis)	Ratio of Remuneration of each Director / KMP to median remuneration of employees
1	Mr. V.A Rama Raju Chairman & Managing Director	30.00	24.74	7.35
2	*Mrs. V. Parvathi Executive Director	1.33	N.A.	0.56
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	9.20	Nil	2.25
8	** Mr. Gurpreet Singh Sial Company Secretary	1.55	N.A	0.91

*Mrs. V. Parvathi appointed w.e.f. 11.09.2020

** Mr. Gurpreet Singh Sial appointed w.e.f. 01.11.2020

B. Percentage Increase in the median remuneration of all employees in the Financial Year 2020-21:

The median annual remuneration of employees of the Company during the financial year was Rs.4.08 lacs In the financial year, there was a increase of 6.81 % in the median remuneration of employees.

C. Number of permanent employees on the rolls of Company as on 31st March 2021

There were 45 permanent employees on rolls of the Company as on March 31, 2021

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 made in the salaries of the employees other than the managerial personnel in this financial year i.e., 2020-21 is Nil whereas there was an increase in the managerial personnel remuneration (Mr. V. Atchyuta Rama Raju) of 24.74 % for the said financial year.

E. Key parameters for any variable component of remuneration availed by the Directors : Not Applicable

F. 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. Atchyuta Rama Raju

Chairman and Managing Director

DIN:00997493

Date: 02nd September, 2021

Place: Hyderabad

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

Annexure VI(ii)

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

Sl No.	Name of the employee	Age	Designation	Qualification	Remuneration (Per Year)	Nature of Employment	Experience (Years)	Date of Commencement of Employment	previous Employment	Relationship with Directors /Manages	Nature of Duties of Employee	% of Share holding in Company
1	VEERA PRASAD A	42	Project Manager	B.E	12,78,600	permanent	17	May-06	Concurrent Analysis Pvt. Ltd	Not Related to any Director	Project Manager	NIL
2	SRINIVAS R	42	Project Manager	B.Tech	12,78,600	permanent	16	Apr-05	Concurrent Analysis Pvt. Ltd	Not Related to any Director	Mechanical design Engineering	NIL
3	SUVARNA B	40	Project Manager	B.E	12,60,000	permanent	19	Apr-05	Concurrent Analysis Pvt. Ltd	Not Related to any Director	Mechanical Design Engineering	NIL
4	SIVA G	41	CFO	ICWA (inter), M Com & MBA	11,04,000	permanent	14	Oct-07	K N Murthy & Co	Not Related to any Director	Finance & Accounts	0.009
5	JAGADISH BABU T	41	Purchase Manager	DME	10,88,520	permanent	14	Apr-07	RMSI & Satyam	Not Related to any Director	Engineering Services	NIL
6	ANIL KUMAR CH	44	Purchase Manager	Bsc (Computers)	8,28,000	permanent	16	Mar-05	NA	Not Related to any Director	Manager	NIL
7	VENKATA SIVA RAMA KUMAR M	41	Accounts Officer	MBA	7,08,000	permanent	13	Mar-08	NA	Not Related to any Director	Finance & Accounts	NIL
8	SARVESH KUMAR B	39	Project Manager	B.Tech	6,81,000	permanent	13	Dec-08	Na	Not Related to any Director	System Integration	NIL
9	V.G.V.B. Siddhartha	30	Team Leader	B Tech	6,72,000	permanent	3	Feb-18	NA	Not Related to any Director	Mechanical design Engineering	NIL
10	NARENDER V	32	Team Leader	B. Tech	6,48,000	permanent	10	Oct-11	NA	Not Related to any Director	Mechanical design Engineering	Nil

Note: All the employees are under contractual obligations

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are glad to present our Report on Corporate Governance listing out various information and facts as regards its systems and processes at Vama Industries Limited (VAMA):

I. Our philosophy on Code of Governance:

Though we are yet to grow big in terms of business turnover, profits, employees strength etc., the principles of Corporate Governance have always assumed utmost importance in Vama's walk of life. Our principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long term.

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, thus ensuring sustained relationship with all our stakeholders. 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 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 an optimum 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 director. Further, out of the said 6 Directors 2 of them are promoter Directors of the Company. 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, by way of physical Board Meetings or by way of virtual Meetings, 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:-

- Oversight of the performance of the business;
- Development and approval of overall business strategy;
- Overseas economic scenario
- International business and performance of subsidiary
- Government policies vis a vis work orders to the Company
- Board succession planning;
- Quarterly and annual results;
- Dividend(s), if any;
- Review of the functioning of the committees;
- Other strategic, transactional and governance matters as required under Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable legislations.

The notice of Board meetings 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 Managing Director of the Company. 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

In case of of urgency, 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. Vegesna Atchyuta Rama Raju	Managing Director	11/11
Mr. Vegesna Rajam Raju	Executive Director	3/4
Ms. Vegesna Parvathi	Executive Director	6/7
Non - Promoter & Non - Executive Directors		
Mr. K. Vara Prasad Raju	Independent Director	8/11
Ms. R. Rama Sravanthi	Non-Executive Director	10/11
Mr. V. Srinivas	Independent Director	11/11
Mr. K. Venkata Krishna Rao	Independent Director	8/11
Mr. Satish Marlapudi	Independent Director	N.A
Mr.S B V Subramanyam Alumolu	Independent Director	N.A

Note :

1. Mr. Vegesna Rajam Raju resigned from his office w.e.f 11.09.2020 and Ms.Vegesna Parvathi was appointed to the office of Executive director w.e.f 11.09.2020.
2. Mr. S B V Subramanyam Alumolu & Mr. Satish Marlapudi appointed to the office of Independent Director w.e.f 08.04.2021
3. Mr. K. Vara Prasad Raju & Mr. K. Venkata Krishna Rao resigned from the office of Independent Director w.e.f 09.04.2021.
4. Mr. Gurpreet Singh Sial was appointed to the office of Company Secretary w.e.f 01.11.2020 in place of Ms. Vandana Modani, who resigned w.e.f. 01.11.2020

Attendance at the last Annual General Meeting held on 29.12.2020

Name	Yes / No
Mr. V. Atchyuta Rama Raju	Yes
Mr. V. RajamRaju	No
Mr. K. Vara Prasad Raju	No
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	N.A.
Mr. V. Rajam Raju	Nil	Nil	N.A.
Ms. V. Parvathi	1	Nil	N.A.
Mr. K. Vara Prasad Raju	Nil	Nil	N.A.
Ms. R. Rama Sravanthi	Nil	Nil	N.A.
Mr. V. Srinivas	Nil	Nil	N.A.
Mr. K. Venkata Krishna Rao	Nil	Nil	N.A.
Mr. Satish Marlapudi	Nil	Nil	N.A.
Mr. S B V Subramanyam Alumolu	1	Nil	N.A.

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

d) Number and Date of Board Meetings

During the FY 2020-2021, 11 (Eleven) Board Meetings were held, i.e., on 05th June 2020, 27th July 2020, 03rd August 2020, 01st September 2020, 11th September 2020, 15th September 2020, 18th September 2020, 31st October, 2020, 11th November 2020, 02nd December 2020 & 12th February 2021.

The time-gap between any two consecutive meetings is not more than 120 days.

e) Disclosure of relationship between Directors inter-se

Mr. Vegesna Atchyuta Rama Raju and Mr. V Rajam Raju are brothers and share no relationship with any other Director on the Board. Further, Mrs. V. Parvathi, who joined the Board as an Executive Director of the Company in place of Mr. V Rajam Raju, effective 11.09.2020 is wife of Mr. V. Atchyuta Rama Raju. Except the said, 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 Prasada 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;
- Introduction session with other Directors and KMPs
- A bird's eye-view on the Company's business and functional issues;
- Workshop session on proposed business verticals
- HR and strategy sessions

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 12th February, 2021, without the attendance of non-independent directors and members of the management, inter alia, to discuss the following:

- Noting the report of performance evaluation of the Board by 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 timelines of flow of information to the Board; and
- Review of informal meeting with senior management personnel
- General discussion on economic front

All the 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:

- Good Management and Leadership skills
- Information Technology, business accounts etc.,
- Diversity
- Functional and Managerial Experience
- Personal Values
- Corporate Governance

The above mentioned skills are collectively available with the Board.

Matrix setting out Director-wise skills / expertise in the context of the company

Skills / expertise in relation to business operations	Name of Directors having such skills / expertise
Management and leadership experience & diversity	Mr. V. Atchyuta Rama Raju and Mr.V. Srinivas
Technical Knowledge and Information Technology	Mr. V. Atchyuta Rama Raju and Mr. K Vara Prasad Raju
Functional and Managerial experience	Mrs. R Rama Sravanthi, Mrs. Vegesna Parvathi & Mr. Satish Marlapudi
Corporate Governance & Strategic management	Mr.V. Srinivas & Mr. K. Venkata Krishna Rao and Mrs. Vegesna Parvathi
Finance and Administration	V. Atchyuta Rama Raju & Mr. S B V Subramanyam Alumolu

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, as on date of this Report, are as follows:

- Mr. K Vara Prasad Raju (resigned w.e.f 09.04.2021)
- Mr. V. Srinivas
- Mr. K. Venkata Krishna Rao (resigned w.e.f 09.04.2021)
- Mr. S B V Subramanyam Alumolu (appointed w.e.f 08.04.2021)

- Mr. Satish marlapudi (appointed w.e.f 08.04.2021)

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

- j) During the FY 2020-21, no Independent Director resigned from the Board before the expiry of his tenure. However Mr. K Vara Prasad Raju and Mr. K. Venkata Krishna Rao resigned from their respective office of Independent Director of the Company w.e.f 09.04.2021, due to their respective personal obligations, as informed and noted by the Board.

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 Rs.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
Ms. R. Rama Sravanthi	Member
**Mr. Satish Marlapudi	Member
**Mr. S B V Subramanyam Alumolu	Member

** appointed w.e.f 08.04.2021

Note : Mr. K. Vara Prasad Raju and Mr. K. Venkata Krishna Rao, resigned as members of

the Committee w.e.f 09.04.2021

c) Meetings and Attendance during the year

During the financial year ended on 31st March, 2021, the Audit Committee met 5 times - 05.06.2020, 27.07.2020, 15.09.2020, 11.11.2020 and 12.02.2021 - 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	5	5	5
*Mr.K.Vara Prasad Raju	5	5	5
*Mr.K. Venkata Krishna Rao	5	5	5
Ms. R. Rama Sravanthi	5	5	5
**Mr. S B V Subramanyam Alumolu	N.A	N.A	N.A
**Mr. Satish Marlapudi	N.A	N.A	N.A

* resigned as member of the Committee w.e.f 09.04.2021

** appointed as member of the Committee w.e.f 08.04.2021

Mr. Gurpreet Singh Sial, Company Secretary acts as the secretary of the Audit Committee. In addition to the members of the Audit Committee, few 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. S B V Subramanyam Alumolu	Chairman
Mr . V.Srinivas	Member
Mrs. R. Rama Sravanthi	Member
**Mr. Satish Marlapudi	Member

** appointed as member of the Committee w.e.f 08.04.2021

Note: Mr.K.Vara Prasad Raju and Mr.K. Venkata Krishna Rao, resigned as members of the Committee w.e.f 09.04.2021

-

All the members of the committee are Non- Executive Directors
Mr. Gurpreet singh sial, Company Secretary, acts as the secretary to the Nomination and Remuneration Committee.

c) Meetings and attendance during the year

During the financial year ended on 31st March, 2021, the Nomination & Remuneration Committee met 4 times on 05.06.2020, 11.09.2020, 11.11.2020 and 12.02.2021

Name	Meetings held	Meeting entitled to attend	Attended
*Mr. K. Venkata Krishna Rao	4	4	4
Mr . V.Srinivas	4	4	4
*Mr. K. Vara Prasad Raju	4	4	4
Mrs. R. Rama Sravanthi	4	4	4
**Mr. S B V Subramanyam Alumolu	N.A	N.A	N.A
**Mr. Satish Marlapudi	N.A	N.A	N.A

*resigned as member of the Committee w.e.f 09.04.2021

** appointed as member of the Committee w.e.f 08.04.2021

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 means 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 Meetings
- 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

The Company neither has any pecuniary relationship nor has entered into any transaction(s) with any of its non-executive directors.

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

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 VI (i).

Further, information as required under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is hereunder:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager			Rs.in lakhs
		MD: V. Atchyta Rama Raju	*WTD: V. Rajam Raju	**V.Parvathi	Total Amount
1	Gross salary	30.00	8.03	1.33	39.36
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	8.03	1.33	39.36
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	30.00	8.03	1.33	39.36
	Ceiling as per the Act(p.a)	84.00	84.00	84.00	

*Resignd w.e.f. 01.09.2020

** Appointed w.e.f. 11.09.2020

The Board in consultation with its Nomination and Remuneration Committee adopts generally accepted criteria for determining remuneration to its Directors.

There are no performance linked incentives or bonus to any of its directors.

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

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. S B V Subramanyam Alumolu
b	Name and designation of compliance officer	Mr. Gurpreet Singh Sial
c	Number of shareholders' complaints received as on March 31, 2021	Nil
d	Number not solved to the satisfaction of shareholders as on March 31, 2021	Nil
e	Number of pending complaints as on March 31, 2021	Nil

Composition, name of members and chairperson

Name	Designation
*Mr. S B V Subramanyam Alumolu	Chairman
Mr. V. Srinivas	Member
Ms. R. Rama Sravanthi	Member

*appointed w.e.f. 08.04.2021

Note: Mr.K. Venkata Krishna Rao resigned from the member of the Committee w.e.f 09.04.2021

Meetings and Attendance during the year:

The Stakeholders' Relationship Committee met 4 times on 05.06.2020, 15.09.2020, 11.11.2020 and 12.02.2021 during the year under review.

Name	Meetings held	Meeting entitled to attend	Attended
**Mr. K.V. Krishna Rao	4	4	4
Mr. V. Srinivas	4	4	4
Ms. R. Rama Sravanthi	4	4	4
*Mr. S B V Subramanyam Alumolu	NA	NA	NA

*appointed w.e.f. 08.04.2021

** resigned w.e.f 09.04.2021

Mr. Gurpreet Singh Sial, Company Secretary, acts as the secretary of the Stakeholders' Relationship Committee.

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

VII) 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 approving 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
*Ms.V. Parvathi	Member

*appointed w.e.f. 11.09.2020 in place of Mr. V. Rajam Raju.

c) Meetings and Attendance during the year:

The Committee met 4 times on 05.06.2020, 15.09.2020, 11.11.2020 and 12.02.2021 during the year under review.

The composition of our Risk Management Committee is as follows:

Name	Designation	Meetings held	Meeting entitled to attend	Attended
Mr .V. Srinivas	Chairman	4	1	1
Mr.V. Atchyuta Rama Raju	Member	4	4	4
* Mr. V. RajamRaju	Member	4	1	1
Ms. V.Parvathi	Member	4	3	2
**Mr. K.V. Krishna Rao	Chairman	4	3	3

*Subsequent upon the resignation of Mr. V. Rajam Raju from the Board of Directors, Ms. V. Parvathi was appointed as a member of Risk Management Committee in his place w.e.f. 11.09.2020.

** Mr. K.V.Krishna Rao resigned from the Chairman of the committee w.e.f.02.12.2020.

Mr. Gurpreet singh sial, Company Secretary, acts as the secretary of the Risk Management Committee.

VIII) GENERAL BODY MEETINGS

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

Financial Year	Time	Location
2019-20 35 th AGM	Dec 29, 2020 (Tuesday) at 02.30 P.M	Through Video conference / other Audio Visual means at registered office of the company
2018-19 34 th AGM	Sep 25, 2019 (Wednesday) at 10.00 A.M	Hotel Inner Circle , Raj Bhavan Road, Somajiguda, Hyderabad – 500 082
2017-18 33rd AGM	Sep 26, 2018 (Wednesday) 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
2019-20	<ul style="list-style-type: none"> Appointment of Mrs.V. Parvathi (DIN: 01240583) to the office of whole Time Director
2018-19	<ul style="list-style-type: none"> Re-appointment of Mr. K.Vara Prasad Raju (DIN: 01607711), to the office of Independent Director of the Company for a second term of five consecutive years
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 Re-appointment of Mr. V. Rajam Raju (DIN: 01314420), to the office of Executive Director 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.

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.

IX) 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 Navatelangana (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 / press 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

X) GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date &Time: September 30, 2021 at 05:30 PM

Venue: Through VC / OAVM

b. Financial Year (2020-2021)

The Financial year under review is 2020-2021 [01st April, 2020 to 31st March, 2021].

c. Dividend: No Dividend has been recommended for the FY 2020-21

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 2012-13 was transferred to the said fund in November, 2020. Further, as on date, Unpaid / unclaimed dividend for the financial year 2012-13 also stands transferred to the said Fund.

Unpaid / unclaimed dividend for the financial year 2013-14 shall become due for transfer to the said fund in November 2021. Members are requested to verify their records and send their claim, if any, for the financial year 2013-14, 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 Jeejebhoy Towers
Dalal Street
Mumbai – 400 001

The Annual Listing fee for the financial year 2020-21 on equity share capital has been paid to BSE. The said Fee for the FY 2021-22 will be paid in the due course of time.

The Company has paid custodial fees for the year 2020-21 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, 2021. The said Fee for the FY 2021-22 will be paid in the due course of time.

e. Stock Code

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

f. Market Price Data

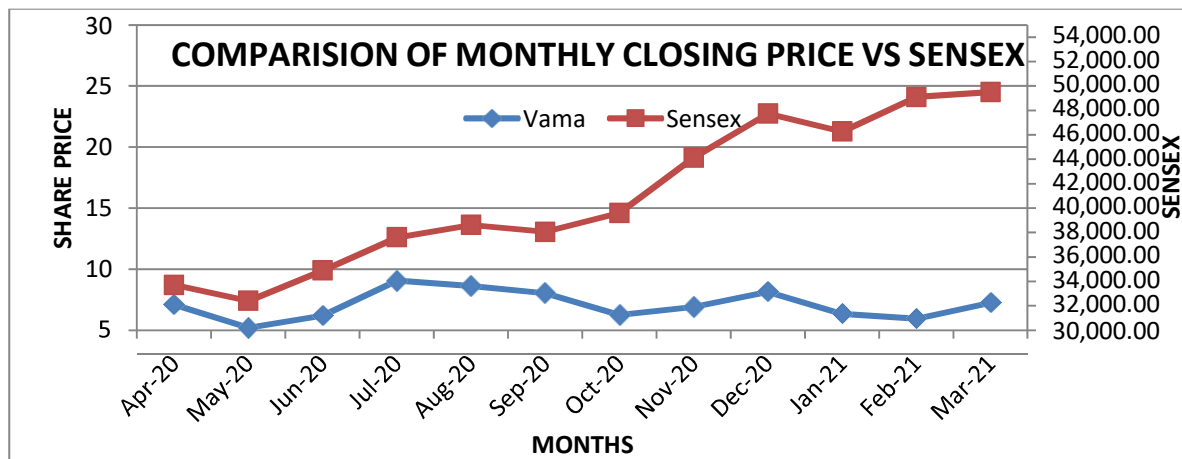
Monthly high, low and the volume of equity shares traded on BSE Limited during the financial year 2020-21:

Financial Year 2020-21	BSE		
	High (Rs)	Low (Rs)	Volume Traded (No. of Shares)
April 2020	8.67	4.71	85062
May 2020	7.74	5.05	37783
June 2020	6.23	4.77	118705
July 2020	9.94	5.9	315237
August 2020	9.8	8.4	312584
September 2020	9.24	7.58	121847
October 2020	9.2	6.02	323255
November 2020	8.5	6.2	145555
December 2020	8.37	6.22	252293
January 2021	8.33	6.15	139228
February 2021	7.65	5.9	282218
March 2021	7.5	5.9	217451

Category of Shareholders as on 31.03.2021

Sl.No	Category of shareholders	No. of shares	Percentage
1	Promoters	2,25,61,830	42.94
2	Public	1,75,04,148	46.07
3	Corporate Bodies	55,96,414	10.65
4	Clearing Members	72,317	0.14
5	Non Resident Indians	67,47,631	0.09
6	Government Companies	57,660	0.11
	Total	5,25,40,000	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 2020-21.

i. Registrar and Share Transfer Agent

The Company has appointed M/s. Bigshare Services Private Limited as its Registrar and 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, Rajbhavan Road,
Hyderabad - 500082.

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 31.03.2021)

Nominal Value of Equity Shares (Rs)	No of shares	% of capital	No of share holders	% of shareholders
1-1000	248216	0.4724	1476	60.3681
1001-2000	237273	0.4516	278	11.3701
2001-4000	293698	0.5590	183	7.4847
4001-6000	281910	0.5366	109	4.4581
6001-8000	161207	0.3068	45	1.8405
8001-10000	259217	0.4934	55	2.2495
10001-20000	669550	1.2744	87	3.5583
20001 and above	50388929	95.9058	212	8.6708
	52540000	100.00	2745	100

Shareholders holding more than 1% of the shares

Details of shareholders (non-promoters) holding more than 1% of the equity as at March 31,2021 are as follows :

(As on 31.03.2021)

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. Gayithri Kishor	16,32,490	3.11
5	Ms. LAKSHMI S K VALIVETI	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

i. Dematerialization of shares and liquidity

As at March 31, 2021, 5,24,46,400 equity shares representing 99.82% of the total equity 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
 Door No. 8-2-248/1/7/78/12,13,
 Ground Floor, Block-A, Lakshmi Towers,
 Nagarjuna Hills,Punjagutta
 Hyderabad 500082
 Phone: 040 6684 5534
 E-mail: cs@vama.co.in

q. Credit ratings obtained

Nil. 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.

XI) 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 not being 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 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.

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

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](http://www.vamaind.com/Policies/Related_Party_Transactions_Policy.pdf)

b. There were neither any non-compliances by the Company nor any penalties / strictures were imposed on the Company by the stock exchange /SEBI/ statutory authority on any matter related to capital markets during the last three years,except as stated below:

During the FY 2020-21, the Company received a Notice from BSE Ltd., requiring the company to pay a fine of Rs 30000 plus applicable taxes in terms of Circular No SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, on account of alleged non-compliance of Regulation 17(2A) of SEBI (LODR) Regulations, 2015 while filing the Report on Corporate Governance for the quarter ended 30.09.2020. The Company explained that it was a mere typographical error. Upon explanation and request, the Stock Exchange, i.e., BSE Ltd., disposed off the matter without taking any punitive action.

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.

Further, it is affirmed that no personnel has been denied access to the Audit Committee.

The Vigil Mechanism and Whistle Blower Policy is attached at **Annexure XI** 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. Further, the Financial Statements of the Company are accompanied by unmodified audit opinion thereon.

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 – NA

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

- i. Certificate from a Company Secretary in Practice that none of the directors on the board of the company has 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 was placed before the Board of Directors and a copy is attached herewith.
- j. **Details of recommendations of any committee that were not accepted by the Board - Nil**
- k. **Total fees (consolidated basis) paid to Statutory Auditors**

Rs.

Auditors	VNSS & Associates
Audit Fee	2,00,000
Tax matters	50,000
Certification Fee	0
Out of Pocket expenses	0
Total	2,50,000

- 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 05.06.2020 and 12.02.2021 during the year under review

Name	Designation	Meetings held	Meeting entitled to attend	Attend ed
Mrs. V Parvathi	Presiding Officer	2	2	2
Mr. G Siva	Member	2	2	2
Mrs. N. Lakshmi Satyasri	Member	2	2	2

Mr. Gurpreet Singh Sial 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

XII) 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.

XIII) 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

XIV) Disclosure with respect to demat suspense account / unclaimed suspense account: **N.A**

XV) 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.

XVI) 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 at the link 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, 2021.

The declaration from our 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.

XVII) Auditors Certificate on Corporate Governance

The Company has obtained certificate from a Practicing Company Secretary, M/s. Kasat & Associates, Company Secretaries, a member of ICSI (M. No.42078) 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.

XVIII) 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 and CFO Certificate

[Pursuant to Regulation 17(8) of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) Regulations, 2015]

The Board of Directors
VAMA Industries Limited
Hyderabad, Telangana.

We, V. Atchyuta Rama Raju, 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, 2021 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

Place: Hyderabad

Date: 2nd September, 2021

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, 2021.

For VAMA INDUSTRIES LIMITED

Sd/-

V Atchyuta Rama Raju

Chairman & Managing Director

DIN:00997493

Place: Hyderabad

Date: 2nd September, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

**TO
THE MEMBERS
VAMA INDUSTRIES LIMITED.**

I have examined the compliance of conditions of Corporate Governance by Vama Industries Limited (“the Company”), for the year ended March 31, 2021, 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.

The compliance of conditions of corporate governance is the responsibility of the Management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

I 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 Kasat & Associates
Company Secretaries
Sd/-

Anand Kumar C. Kasat
Proprietor

M. No. 11175

C.P. No. 17420

UDIN: F011175C000877128

Place: Hyderabad

Date: 2nd September, 2021

CERTIFICATE

(Pursuant to clause 10(i) of Para C of Schedule V of LODR)

In pursuance of clause 10(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Vama Industries Limited, having CIN: L72200TG1985PLC041126, I hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on 31st March, 2021, none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kasat & Associates
Company Secretaries

Sd/-

Anand Kumar C. Kasat
Proprietor

M. No. 11175

C.P. No. 17420

UDIN: F011175C000877051

Place: Hyderabad

Date: 2nd September, 2021

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 per cent 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. Atchyuta Rama Raju
Chairman and Managing Director
DIN: 00997493

Date: 2nd September, 2021
Place: 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 measurable 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

Date: 2nd September, 2021

Place: 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

Place: 02nd September, 2021
Date: 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

Place: 02nd September, 2021
Date: 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, 2021, 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, 2021, 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.

Emphasis of Matter

We draw attention to Note 2.41 of the standalone financial statements, which is fully described the extent to which the COVID-19 Pandemic will impact the Company’s results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

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. The other information as stated above is expected to be made available to us after the date of this auditors report. 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for Standalone Financial Statements

The 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 Standalone 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the company to its directors during the year is in accordance with the provisions of the section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

For V N S S & ASSOCIATES
Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

UDIN : 21225281AAAABQ5237

Place: Hyderabad

Date: 28.06.2021

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 2021, we report that:

- (i)
 - a) The Company has maintained proper records showing full particulars, including the quantitative details and the 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, is reasonable, having regard to the size of the company and the nature of its business. 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, 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. The company has not granted any 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. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 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 is not 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 31st March, 2021 for a period of more than six months from the date they became payable except Professional Tax Payable of Rs 0.77 Lakhs and Tax Deducted at Source of Rs. 11.24 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 material fraud by the Company or 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 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 and hence reporting under clause (xv) of the Order is not applicable to the Company.
- 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: 28.06.2021

Annexure - B to the Independent Auditors' Report :

(Referred to in paragraph (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 31st March, 2021 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 31st March, 2021, 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: 28.06.2021

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2021


(₹ In lakhs)

Particulars	Note No	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-Current Assets			
Property Plant and Equipment	2.01	234.65	245.52
Intangible Assets	2.02	168.39	195.85
Tangible Assets Under Developmet			
Financial Assets			
Investments	2.03	4.41	4.52
Other Financial Assets	2.04	147.87	194.82
Other Long term Loans and Advances	2.05	18.70	5.25
Other Non-Current Assets	2.06	130.69	105.31
		704.71	751.27
Current Assets			
Inventories	2.07	1,406.32	1,312.95
Financial Assets			
Trade Receivables	2.08	1,350.62	1,043.69
Cash and Cash equivalent	2.09	707.30	711.04
Other Financial Assets	2.10	108.66	102.19
Other Current Assets	2.11	399.49	339.51
		3,972.39	3,509.38
		4,677.10	4,260.65
Total Assets			
Equity and Liabilities			
Equity			
Equity Share capital	2.12	1,050.80	1,050.80
Other Equity	2.13	887.38	871.78
		1,938.18	1,922.58
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.14	0.18	3.50
Deffered Tax Liabilities (Net)	2.15	28.36	26.71
		28.54	30.21
Current Liabilities			
Financial Liabilities			
Borrowings	2.16	1,148.65	1,055.24
Trade Payables	2.17	1,166.55	838.76
Other Financial Liabilities	2.18	162.28	148.51
Provisions	2.19	33.60	30.28
Other Current Liabilities	2.20	199.30	235.07
		2,710.38	2,307.86
		4,677.10	4,260.65
Total Liabilities			

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: 28.06.2021

for and on behalf of the Board of Directors

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

Sd/-
G. Siva
Chief Financial Officer

Sd/-
V. Parvathi
Executive Director
DIN : 01240583

Sd/-
Gurpreet Singh Sial
Company Secretary

STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2021


(₹ In lakhs)

Particulars	Note No	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Income			
Revenue from Operations	2.21	1,488.82	1,614.16
Other Income	2.22	58.46	80.32
Total Revenue		1,547.28	1,694.48
Expenses			
Cost of Materials Consumed	2.23	950.42	967.80
Changes in Inventories	2.24	(93.37)	(63.89)
Employee Benefits Expense	2.25	333.61	436.93
Finance Costs	2.26	217.19	233.92
Depreciation and Amortisation Expenses	2.01	37.18	32.46
Other Expenses	2.27	85.01	183.53
Total Expenses		1,530.04	1,790.75
Profit Before Tax		17.24	(96.27)
Tax Expenses			
i) Current Tax		3.32	-
Less: Mat Credit		(3.32)	-
ii) Deferred tax		1.65	1.70
Profit for the Year		15.60	(97.97)
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 & Loss			
Items that may reclassified subsequently to Profit & Loss		-	-
Tax on items that may be reclassified subsequently to Profit & Loss		-	-
Total Other Comprehensive Income / Loss for the year, net of Taxes		-	-
Total Comprehensive Income for the Year		15.60	(97.97)
Earning per Share			
Basic Earning Per share @ Rs. 2/- Each	2.29	0.03	(0.19)
Diluted Earning Per share @ Rs. 2/- Each		0.03	(0.19)

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. 018367S

Place : Hyderabad
Date: 28.06.2021

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. Parvathi
Executive Director
DIN : 01240583

Sd/-
Gurpreet Singh Sial
Company Secretary

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021


(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	17.24	(96.27)
Adjustments		
Depreciation and Amortisation Expense	37.18	32.46
Dividend and Interest Income	(57.16)	(80.32)
Finance Cost	217.19	233.92
(Profit) / Loss on sale of Fixed Asset	(1.30)	-
Provision for doubtful debts/advances/ impairment	-	-
Fair value adj for Investments	-	-
Operating profit before working capital changes	213.15	89.79
Movements in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	(306.93)	667.45
(Increase)/Decrease in Inventories	(93.37)	(63.89)
Changes in Other Financial Assets	(6.47)	130.74
Changes in Other Current Assets	(61.58)	(8.65)
Increase/(Decrease) in Trade Payables	327.79	(755.55)
Increase/(Decrease) in Other Financial Liabilities	13.77	39.52
Increase/(Decrease) in Other Current Liab.	(32.45)	(228.93)
Cash generated from Operations	53.91	(129.52)
Direct Taxes paid	-	78.41
Net Cash from Operating activities	53.91	(51.11)
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets (Net)	2.46	(89.20)
Intangible assets under development	-	-
(Purchase) / Sale of Investments (Net)	0.11	(0.36)
Change in Other Financial Assets(Non current)	46.95	(62.91)
Changes in Long Term Loans & Advances	(13.45)	11.55
Changes in Other Non Current Assets	(25.38)	(85.14)
(Increase)/Decrease in Other Long Term Liab. / Long Term Prov.	-	-
Dividend and Interest Income received	57.16	80.32
Net Cash from Investment Activities	67.85	(145.74)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital / Share Application Money	-	-
Proceeds / (Repayment) from Long Term Borrowings	(3.32)	(34.42)
Proceeds / (Repayment) from Short Term Borrowings	93.41	264.46
Finance Cost	(217.19)	(233.92)
Dividend Paid	-	(10.51)
Dividend Tax Paid	-	-
Net cash used in financing activities	(127.10)	(14.39)
Net (Decrease) / Increase in cash and cash equivalents	(5.34)	(211.24)
Cash and cash equivalents at the beginning of the year	12.26	223.50
Cash and Cash equivalents at the end of the year	6.92	12.26

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 VNSS & Associates
Chartered Accountants

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

 Place : Hyderabad
 Date: 28.06.2021

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. Parvathi
 Executive Director
 DIN : 01240583

 Sd/-
Gurpreet Singh Sial
 Company Secretary

Statement of changes in equity

Statement of changes in equity for the period ended 31.03.2021 (₹ In Lakhs)

Equity share capital	Opening balance as at 1 Apr 2020	Changes in equity share capital during the year	Closing balance as at 31 Mar 2021
52,540,000 Equity Shares @ Rs. 2/- Each, fully paid up	1,050.80	-	1,050.80
	1,050.80	-	1,050.80
Equity share capital	Opening balance as at 1 Apr 2019	Changes in equity share capital during the year	Closing balance as at 31 Mar 2020
52,540,000 Equity Shares @ Rs. 2/- Each, fully paid up	1,050.80	-	1,050.80
	1,050.80	-	1,050.80

Statement of Changes in Equity for the year ended 31.03.2021

(₹ In lakhs)

Particulars	Retained Earnings	Securities Premium	Actuarial Gains or Losses	Total Equity
Balance as at 01/04/2020	501.77	370.00	-	871.77
Profit for the Year	15.60	-	-	15.60
Dividend paid	-	-	-	-
Corporate Dividend Tax	-	-	-	-
Amount Transfer to General Reserve	-	-	-	-
Net Change in Fair Value of FVTPL investments and others	-	-	-	-
Actuarial gain / (loss) on post employment benefit obligations, net of tax benefit	-	-	-	-
Balance as at 31/03/2021	517.37	370.00	-	887.37
Particulars	Retained Earnings	Securities Premium	Actuarial Gains or Losses	Total Equity
Balance as at 01/04/2019	612.42	370.00	-	982.42
Profit for the Year	(97.97)	-	-	(97.97)
Dividend paid	(10.51)	-	-	(10.51)
Corporate Dividend Tax	(2.16)	-	-	(2.16)
Amount Transfer to General Reserve	-	-	-	-
Net Change in Fair Value of FVTPL investments and others	-	-	-	-
Actuarial gain / (loss) on post employment benefit obligations, net of tax benefit	-	-	-	-
Balance as at 31/03/2020	501.78	370.00	-	871.78

Note : 1**DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES OF STANDALONE FINANCIAL STATEMENTS****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, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

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;
- Derivative financial instruments are measured at fair value.
- Employee defined benefit assets / (liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization / settlement within twelve months period from the balance sheet date.

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) Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

iii) 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.

iv) Fair valuation

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.

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. 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 statement of profit and loss in the period in which they arise.

Significant Accounting Policies

1) Property Plant & Equipment

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. The cost of self-constructed assets include the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Directly attributable costs include :

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE or from relevant Product
- b. Cost of site preparation
- c. Initial Delivery & Handling costs
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

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 carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

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. The cost of property, plant and equipment not ready to use before such date are disclosed under Capital work-in-progress. 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	3

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.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

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) Government Grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.

Grants related to income are government grants other than those related to assets.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

11) 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.

12) 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. Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020.

13) 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.

14) Trade receivables

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

15) 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.

16) 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 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	For the year	Impairment for the year	Disposals	As at 31.03.2021	As at 31.03.2020	
	Computers	26.25	-	-	26.25	13.43	4.47	-	-	17.90	8.35
Furniture & Fixtures	6.70	-	-	6.70	3.67	0.33	-	-	4.00	2.70	3.03
Air Conditioners	4.47	-	-	4.47	1.91	0.47	-	-	2.38	2.09	2.56
Electrical Fittings	3.70	-	-	3.70	1.81	0.39	-	-	2.20	1.51	1.89
Office Equipment	1.01	-	-	1.01	0.36	-	-	-	0.36	0.65	0.65
Vehicles	39.06	-	8.65	30.41	23.74	4.06	-	7.49	20.31	10.10	15.32
Land *	209.25	-	-	209.25	-	-	-	-	-	209.25	209.25
Total	290.44	-	8.65	281.79	44.92	9.72	-	7.49	47.15	234.65	245.52

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value			
	As at 01.04.2019	Additions	Disposals	As at 31.03.2020	As at 01.04.2019	For the year	Impairment for the year	Disposals	As at 31.03.2020	As at 31.03.2019	
	Computers	26.25	-	-	26.25	8.24	5.19	-	-	13.43	12.82
Furniture & Fixtures	6.70	-	-	6.70	3.31	0.36	-	-	3.67	3.03	3.39
Air Conditioners	4.47	-	-	4.47	1.42	0.48	-	-	1.91	2.56	3.04
Electrical Fittings	3.70	-	-	3.70	1.41	0.39	-	-	1.81	1.89	2.28
Office Equipment	1.01	-	-	1.01	0.36	-	-	-	0.36	0.65	0.65
Vehicles	39.06	-	-	39.06	19.68	4.06	-	-	23.74	15.32	19.38
Land *	209.25	-	-	209.25	-	-	-	-	-	209.25	209.25
Total	290.44	-	-	290.44	34.42	10.48	-	-	44.92	245.52	256.00

* Land has been given security for availing credit limits from banks.

(₹.in Lakhs)

2.02: Intangible Assets

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value			
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	For the year	Impairment for the year	Disposals	As at 31.03.2021	As at 31.03.2020	
Computer Software	412.77	-	-	412.77	216.92	27.46	-	-	244.38	168.39	195.85
Total	412.77	-	-	412.77	216.92	27.46	-	-	244.38	168.39	195.85

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value			
	As at 01.04.2019	Additions	Disposals	As at 31.03.2020	As at 01.04.2019	For the year	Impairment for the year	Disposals	As at 31.03.2020	As at 31.03.2019	
Computer Software	323.57	89.20	-	412.77	194.94	21.98	-	-	216.92	195.85	128.63
Total	323.57	89.20	-	412.77	194.94	21.98	-	-	216.92	195.85	128.63

2.03 Investments

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Investments carried at cost (Unquoted investments)		
Investments in Equity Instruments:		
Investment in Subsidiary (Vama Technologies Pte Ltd) (8,680 Equity Shares Face Value of SGD 1/- each)	4.41	4.52
Aggregate amount of unquoted investments	4.41	4.52

2.04 Other Financial Assets (Non Current)

Particulars	As at 31.03.2021	As at 31.03.2020
Deposits and Others		
Security Deposits	21.72	22.72
Electricity Deposit	0.96	0.96
Telephone Deposit	0.20	0.20
Rental Deposit	3.31	4.91
Other Deposits	0.04	0.04
Prepaid Expenses	55.39	87.16
Retention Money	66.25	78.83
	147.87	194.82

2.05 Long Term Loans & Advances

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured Considered good		
Other Loans and Advances	18.70	5.25
	18.70	5.25

2.06 Other Non-Current Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Un-Secured Considered Good		
Other Advances	13.87	14.64
Deposit with Statutory Authorities		
TDS Receivables	116.82	90.67
	130.69	105.31

2.07 Inventories

Particulars	As at 31.03.2021	As at 31.03.2020
Stock - In Trade#	1,406.32	1,312.95
	1,406.32	1,312.95

Mode of Valuation : Cost or Net realisable value is lower

Stock hypothecated as security for availing working capital credit limits from banks

2.08 Trade Receivables

(₹ In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(Un-Secured Considered Good) "Outstanding for a period exceeding six months from the date they are due for payment"	453.07	775.17
Others *	983.04	351.01
	1,436.11	1,126.18
Breakup for Security Details		
Un-Secured Considered Good	1,436.11	1,126.18
Less: Probability of Default and Provision for Impairment	85.49	82.49
	1,350.62	1,043.69
Current	1,004.40	404.22
Non-Current	431.71	721.96
	1,436.11	1,126.18
Less: Provision for Doubtful Debts	82.49	65.86
Less: Impairment due to Expected Credit Loss	3.00	16.63
	85.49	82.49
Closing Balance	1,350.62	1,043.69

Movement of Impairment in Trade receivables

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Balance	82.49	96.19
Add: Additional Allowance of Expected Credit Loss	3.00	-
Less: Additional Allowance of Expected Credit Gain	-	13.70
	85.49	82.49

* Trade Receivable include Income Accrued but bills not raised of Rs. 130.01 Lakhs (FY 2019-20 Rs. 122.78 Lakhs)

* Trade Receivables hypothecated as security for availing working capital credit limits from banks

2.09 Cash & Bank Balances

Particulars	As at 31.03.2021	As at 31.03.2020
a) Cash & Cash Equivalents		
Cash on hand	3.81	7.65
Balances with banks		
- Current Accounts	0.13	1.29
- Deposit Accounts	700.38	698.78
b) Other Bank Balances (with restricted use)		
- Unclaimed Dividend Account	2.98	3.32
	707.30	711.04

2.10 Other Financial Assets (Current)

(₹ In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Loans and Advances to Related Parties	-	-
Interest Accrued but not due on FD's	19.82	19.64
Security Deposit	-	-
Retention Money	88.84	82.55
	108.66	102.19

2.11 Other Current Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Prepaid Expenses	136.20	44.18
Loans and Advances to Employees	31.61	36.78
Advance Tax	14.15	26.15
MAT Credit	3.32	-
Advance to Suppliers / Expenses	117.31	140.26
Other Advances	0.97	2.85
GST Input etc	95.93	89.29
	399.49	339.51

2.12 Share Capital

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised Share Capital 5,50,00,000 Equity Shares of Rs. 2/- Each (Previous Year: 5,50,00,000 Equity Shares @ Rs. 2/- Each)	1,100.00	1,100.00
Issued Subscribed and paid up Share Capital 5,25,40,000 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	2020-21		2019-20	
	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 31.03.2021	As at 31.03.2020
Number of Shares at the beginning of the Year	5,25,40,000	5,25,40,000
Add: Shares issued during the Year	-	-
Number of Shares at the end of the Year	5,25,40,000	5,25,40,000

2.12.2 Rights attached to Equity Shares :

The company has one class of equity shares having a par value of Rs.2/- 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,2021 :

** 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 31.03.2021	As at 31.03.2020
Securities Premium		
Opening Balance	370.00	370.00
Add: Premium on Shares Issued during the Year	-	-
	370.00	370.00
Retained Earnings		
Opening Balance	501.78	612.42
Add: Net profit Transferred from the Statement of profit and loss	15.60	(97.97)
	517.38	514.45
Less: Appropriations		
Dividend	-	10.51
Corporate Dividend Tax	-	2.16
Total	517.38	501.78
Total Other Equity	887.38	871.78

2.14 Long Term Borrowings

Particulars	As at 31.03.2021	As at 31.03.2020
Secured Borrowings :		
Vehicle Loans from Banks	0.18	3.50
Unsecured Borrowings :		
Loan from Financial Institutions	-	-
	0.18	3.50

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, This loan is totally repaid in Jan'20 (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 09 (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 17 (rate of Interest: 9.55%)

2.15 Deferred Tax Liabilities

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Balance	26.71	25.01
Add: on Account of Timing Differences in Property, Plant & Equipment	1.65	1.70
Add: on Account of Others	-	-
	28.36	26.71

2.16 Borrowings

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Loans Repayable on Demand		
Secured Borrowings :		
Working Capital Loans from Banks	970.20	808.69
Unsecured Borrowings :		
Loans from Related Parties	178.45	246.55
	1,148.65	1,055.24

Secured Borrowings :

Cash Credit from State Bank of India:

Rate of Interest : 12.25%

Repayment: Repayable On Demand

Primary Security : 100% Hypothecation of entire stock and receivables created out of bank finance (present & future)

Collateral Security :

- 1) Residential Flat No 401, 4th Floor, Plot No 14 & 16, Sy No 93, 94 & 95, located at S R Nagar, Hyderabad, Rangareddy, Hyderabad, Telangana -500038 (Metro), admeasuring total area : 1450 Sq. Feet, in the name of Shri V. Atchyuta Rama Raju
- 2) Commercial Building bearing Sy No. 619, 6th Floor, Maker Chambers, V Premises Co-op Society Ltd., Plot No.221 of Back bay reclamation, Nariman Point, Mumbai - 400021 (Metro) admeasuring total area 434 Sq. Feet in the name of M/s Reliance Tea Private Limited
- 3) Commercial Residential Plot No. 70, Survey No. 06, Situated at Izzat Nagar Village, Serilingampally Mandal, Ranga Reddy, Telangana - 500082 (Urban) admeasuring 450 Sq. yards in the Name of Vama Industries Limited
- 4) Cash Collateral of Rs 3.63 Crores
- 5) Pledge of shares of promoters of 30% (No of shares pledged 67,68,550/-)

Personal Guarantee / Corporate Guarantee :

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

Working Capital Demand Loan from State Bank of India :

Rate of Interest : As applicable to Regular Cash Credit Limit

Repayment : Moratorium period of 3 months and repayment of principal will commence after 3 months i.e. from March 2020 to November 2020. The total period of the loan is 12 months. The Balance No of Installments is being 02 due as on 31st March 2021

Drawing power will be reduced in line with equated monthly installments every month after moratorium period is over i.e. from 28.02.2020

Security : As applicable to Cash Credit Limit, which is detailed above.

Working Capital Term Loan (GECL) from State Bank of India :

Rate of Interest : 9.25%

Repayment : Moratorium period of 12 months and repayment of principal will commence after 12 months moratorium from the date of disbursement. It is repayable in 36 equated monthly installments of Rs 4,19,445/- each commencing from Oct'21

Security : As applicable to Cash Credit Limit, which is detailed above.

FITL - Covid 19 :

The limits of Rs 46.00 lakhs of covid emergency loan is repaid dt 22.06.2021

Bank Guarantee (BG) Facility from State Bank of India :

BG Limit of Rs 1700.00 Lakhs

BG Commission Rate : Performace BG - 1.90% + GST, Financial BG - 2.20% + GST

BG Issued will be valid till the date of expiry or till the date of revocation

Security : As applicable to Cash Credit Limit, which is detailed above.

Unsecured Borrowings :

Loans from Related Parties consists of

Name of the Related Party	Nature of Relationship	(Rs. In Lakhs)	
		As at 31.03.2021	As at 31.03.2020
V. Atchyuta Rama Raju	Director	144.85	246.55
V. Parvathi	Director	33.60	-

2.17 Trade Payables

Particulars	As at 31.03.2021	As at 31.03.2020
Due to Micro and Small Enterprises	-	-
Due to Others	-	-
for Goods & Services	1,166.55	838.76
	1,166.55	838.76

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 31.03.2021	As at 31.03.2020
Unpaid Dividend #	2.98	3.32
Expenses Payable	159.30	145.19
	162.28	148.51

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

2.19 Short Tem Provisions

Particulars	As at 31.03.2021	As at 31.03.2020
For Employee Benefits	-	-
Others	-	-
Provision for Income Tax	33.60	30.28
	33.60	30.28

2.20 Other Current Liabilities
(Rs. In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Other payables		
Statutory Liabilities	135.51	139.38
Advance received from Customers	24.99	29.93
Current Maturities of Long-Term Debt		
Secured		
Vehicle Loan from bank	3.84	3.58
Unsecured		
Loan from Financial Institutions	34.96	62.18
	199.30	235.07

India Infoline Finance Limited (Unsecured)

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 02 (Rate of Interest: 19.00%)

Bajaj Finance Limited (Unsecured)

Type Facility : Hybrid Flexi Business Loan (Working Capital Loan)

Rate of Interest : 18.00%

Repayment : Repayable on Demand

Security : Unsecured

2.21 Revenue from Operations

(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Note: Revenue from Operations		
Sale of Products		
- Domestic	1,022.05	1,009.51
- Export	-	-
Sale of Services		
- Domestic	275.08	334.10
- Export	191.69	270.55
	1,488.82	1,614.16
Sale of Goods Under Broad Head		
Computers & Peripherals/ Software	1,022.05	1,009.51
	1,022.05	1,009.51
Services rendered Under Broad Head		
Annual Maintenance Contract Service	143.22	187.17
Consultancy Services	180.06	220.24
IT Engineering Services	143.49	197.24
	466.77	604.65

2.22 Other Income

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Interest on Fixed Deposits	41.22	47.34
Other Income	15.50	32.98
Forex Gain on Export / Import	1.74	-
	58.46	80.32

2.23 Cost of Material Consumed

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Purchase of Material	877.76	859.78
Transport/ AMC/Labour Charges	72.66	108.02
	950.42	967.80

2.24 Changes in Inventories

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Inventories at the end of the year	1,406.32	1,312.95
Inventories at beginning of the year	1,312.95	1,249.06
Net Increase / (Decrease)	93.37	63.89

2.25 Employee Benefit Expenses

(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Salaries and Wages	283.80	389.15
Directors Remuneration	39.36	28.55
Contribution to Provident and other Funds	9.88	18.86
Staff Welfare Expenses	0.57	0.37
	333.61	436.93

2.26 Finance Cost

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Interest Expense		
Interest	114.02	116.73
Interest on others	55.21	60.16
Other Borrowing Cost		
Loan Processing Charges	7.49	11.44
Other Finance Charges		
Bank Charges	40.47	45.59
	217.19	233.92

2.27 Other Expenses

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Advertisement	1.77	1.40
Audit Fees	2.50	1.50
Allowances for Impairment of Receivables	3.00	-
Business Promotion Expenses	0.95	4.31
Communication Expenses	3.83	5.17
Conveyance	2.28	4.18
Power and Fuel	4.28	7.71
Fees & Taxes	4.72	5.38
Forex Fluctuations	-	12.05
Office & General Expenses	5.85	13.53
Insurance	5.95	6.41
LD Clause Charges	14.03	26.36
Professional Expenses	8.83	39.65
Printing & Stationery	1.43	0.42
Postage & Telegram	0.52	0.81
Rent	21.76	32.02
Repairs & Maintenance	0.72	0.44
STPI Service Charges	0.55	0.55
Travelling Expenses	1.79	21.05
Vehicle Maintenance	0.25	0.59
	85.01	183.53

2.28 Auditors Remuneration

(₹ In Lakhs)

Particulars	FY 2020-21	FY 2019-20
a) Audit Fees	2.00	1.00
b) Other Charges		
Taxation Matters	0.50	0.50
Certification Fees	0.24	-
c) Reimbursement of out of pocket expenses		
Total	2.74	1.50

2.29 Earnings per Share

(₹ In Lakhs)

Particulars	FY 2020-21	FY 2019-20
Earnings		
Profit attributable to equity holders	15.60	(97.97)
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)	0.03	(0.19)
Earnings per share of par value Rs.2/- – Diluted (INR)	0.03	(0.19)

2.30 Related Parties

Wholly owned 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 parties of the company are given below :

S. No.	Name of the Related Party	Nature of Relationship
1	V.A. Rama Raju	Key Managerial Personnel
2	V.Rajam Raju (Resigned w.e.f. 11.09.2020)	Key Managerial Personnel
3	V.Parvathi	Relative of Key Managerial Personnel
4	Reliance Tea Private Limited	EDS*
5	Vama Technologies Pte. Ltd	Subsidiary
6	Asha Automine Private Limited	EDS**
7	Asha Lube Solutions Private Limited	EDS**
8	Gottumukkala Achyuta Rama Raju	Relative of Key Managerial Personnel
9	Bangarraju Mudundi	Relative of Key Managerial Personnel
10	V Sarada	Relative of Key Managerial Personnel
11	M Krishna Veni	Relative of Key Managerial Personnel
12	Vegetna Pushpavathi	Relative of Key Managerial Personnel
13	Mohan Raju Indukuri	Relative of Key Managerial Personnel
14	Uma Vani Indukuri	Relative of Key Managerial Personnel
15	Gavireddy Siva	Chief Financial Officer
16	Gurpreet Singh Sial	Company Secretary

* EDS : Entity over which the director is having significant influence

** EDS : Entity over which the Relatives of director is having significant influence

Related Party Transactions: (₹ in lakhs)

S.No	Nature of Transaction	FY 2020-21				FY 2019-20					
		KMP	Relative of KMP	EDS	Subsidiary	Total	KMP	Relative of KMP	EDS	Subsidiary	Total
1	Directors Remuneration / Salary	52.18	-	-	-	52.18	56.78	2.28	-	-	59.06
2	Consultancy Service Income	-	-	-	48.20	48.20	-	-	-	73.31	73.31
3	Dividend	-	-	-	-	-	3.67	0.84	-	-	4.51

Balance with Related Parties:

S.No	Nature of Transaction	FY 2020-21				FY 2019-20					
		KMP	Relative of KMP	EDS	Subsidiary	Total	KMP	Relative of KMP	EDS	Subsidiary	Total
1	Rent Deposit	-	-	6.12	-	6.12	-	-	9.75	-	9.75
2	Salary Advance	6.60	-	-	-	6.60	-	-	-	-	-
3	Unsecured Loan	178.45	-	-	-	178.45	246.55	-	-	-	246.55
4	Loans & Advances	-	-	-	-	-	-	5.00	0.25	-	5.25
5	Investments	-	-	-	4.41	4.41	-	-	-	4.52	4.52
6	Trade Receivables	-	-	-	8.41	8.41	-	6.38	-	119.89	126.27

The following is a summary of significant related party transactions:

(₹ In Lakhs)

S. No.	Particulars	FY 2020-21	FY 2019-20
1	Directors Remuneration / Salary		
	V.A.Rama Raju	30.00	24.05
	V.Rajam Raju	8.03	18.00
	V.Parvathi	1.33	2.28
	Gavireddy Siva	9.20	11.04
	M Vandana	2.07	3.69
	Gurpreet Sing Sial	1.55	-
2	Consultancy Service Income		
	Vama Technologies Pte Ltd	48.20	73.31
3	Dividend		
	V Atchyuta Rama Raju	-	2.51
	V Rajam Raju	-	1.16
	Gottumukkala Atchyuta Rama Raju	-	0.60
	Bangarraju Mudundi	-	0.02
	V Parvathi	-	0.15
	V Sarada	-	0.02
	M Krishna Veni	-	0.02
	V Pushpavathi	-	0.01
	Mohan Raju Indukuri	-	0.01
Uma Vani Indukuri	-	0.01	
4	Rent Deposit		
	Reliance Tea Pvt Ltd	6.12	9.75
5	Salary Advance		
	G Siva	6.60	-
6	Unsecured Loan		
	V Atchyuta Rama Raju	144.85	246.55
	V Parvathi	33.60	-
7	Loans & Advances		
	Reliance Tea Pvt Ltd	-	0.25
	Asha Lube Solutions Pvt Ltd.	-	5.00
8	Investments		
	Vama Technologies Pte Ltd	4.41	4.52
9	Trade Receivables		
	Vama Technologies Pte Ltd	8.41	119.89
	Asha Automine Pvt Ltd	-	6.38

2.31 Earnings / Expenditure in Foreign Currency

Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	FY 2020-21	FY 2019-20
Reimbursement of expenses	-	9.23
Import Purchase / AMC Charges	150.87	122.59
Bank Charges	0.99	0.80
Total	151.86	132.62

Earnings in Foreign Currency

Particulars	FY 2020-21	FY 2019-20
Engineering Services	135.42	194.61
Consultancy Services	56.27	75.94
Total	191.69	270.55

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. 9.13 Lakhs and Rs. 16.47 Lakhs to the provident fund plan during the years ended 31st March 2021 and 2020, 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 2020-21	FY 2019-20
Current taxes expense		
Domestic	3.32	-
Deferred taxes expense / (benefit)		
Domestic	1.65	1.70
Total income tax expense / (benefit) recognized in the statement of P & L	4.97	1.70

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 2020-21	FY 2019-20
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 2020-21	FY 2019-20
Profit before income taxes	17.24	(96.27)
Enacted tax rate in India	26.00%	26.00%
Computed expected tax	4.48	-
Effect of:		
Expenses not deductible for Tax purposes	46.85	51.98
Expenses deductible for Tax purposes	(43.54)	(39.00)
Taxable at Special Rates	-	-
Income tax	3.32	-
Effective tax rate	19.26%	0.00%

The Company's average effective tax rate for the years ended March 31, 2021 and 2020 were 19.26% and 0.00%, 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 are given below:

Particulars	FY 2020-21	FY 2019-20
Deferred tax assets / (liabilities) :		
Property, plant and equipment	(28.36)	(26.71)
Others	-	-
Net deferred tax assets / (liabilities)	(28.36)	(26.71)

e. Movement in deferred tax assets and liabilities during the year ended 31st March 2019 & 2020

Particulars	As at 01.04.2019	Recognized in statement of profit and loss	Recognized in EQUITY	As at 31.03.2020
Deferred tax assets/(liabilities)				
Property, plant and equipment	(25.01)	1.70	-	(26.71)
Others			-	
Net deferred tax assets / (liabilities)	(25.01)	1.70	-	(26.71)

f. Movement in deferred tax assets and liabilities during the year ended 31st March 2020 & 2021 (₹ In Lakhs)

Particulars	As at 01.04.2020	Recognized in statement of profit and loss	Recognized in EQUITY	As at 31.03.2021
Deferred tax assets/(liabilities)				
Property, plant and equipment	(26.71)	1.65	-	(28.36)
Others	-			-
Net Deferred tax assets / (liabilities)	(26.71)	1.65	-	(28.36)

2.35 Investments

Investment in subsidiaries measured at cost.

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 115.

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 2020 are as follows: (₹ In Lakhs)

Particulars	As at 01.04.2019	Recognized in statement of profit and loss	Recognized in EQUITY	As at 31.03.2020
Opening as on 01.04.2019	(33.67)	-	-	(33.67)
Sale recognition or reversal	-	(18.95)	-	(18.95)
Interest income or reversal	-	19.28	-	19.28
Net Adjustment during the year				(33.34)

The details of Retention Money as of 31st March 2021 are as follows:

Particulars	As at 01.04.2020	Recognized in statement of profit and loss	Recognized in EQUITY	As at 31.03.2021
Opening as on 01.04.2020	(33.34)	-	-	(33.34)
Sale recognition or reversal	-	(3.53)	-	(3.53)
Interest income or reversal	-	14.20	-	14.20
Net Adjustment during the year				(22.67)

2.37 Financial Instruments

(₹ In Lakhs)

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-21	Mar-20	Mar-21	Mar-20
Financial assets				
Cash and cash equivalents	707.30	711.04	707.30	711.04
Investments	4.52	4.16	4.41	4.52
Trade Receivables	1,436.11	1,126.18	1,350.62	1,043.69
Other financial assets	245.86	296.68	256.53	297.01
Total	2,393.79	2,138.06	2,318.86	2,056.26
Financial liabilities				
Borrowings	1,148.83	1,058.74	1,148.83	1,058.74
Trade payables	1,166.55	838.76	1,166.55	838.76
Other financial liabilities	162.28	148.51	162.28	148.51
Total	2,477.66	2,046.01	2,477.66	2,046.01

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. 19.63 as at 31st March 2021 and Rs. 16.63 at 31st March 2020.

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 2021.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2021 and 31st March 2020 are as follows:

(₹ In Lakhs)

Particulars	FY 2020-21	FY 2019-20
Balance at the beginning of the year	16.63	30.33
Impairment Loss / (Gain) of Trade receivables	3.00	(13.70)
Balance at the end of the year	19.63	16.63

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 2021 and 2020, the Company has utilized working capital credit limits (fund based) from banks of Rs. 970.20 Lakhs and Rs 809.00 Lakhs respectively

As of 31 March 2021, the Company had working capital (current assets less current liabilities) of Rs. 1,262.01 Lakhs including cash and cash equivalents of Rs. 707.30 Lakhs. As of 31 March 2020, the Company had working capital of Rs. 1,201.52 Lakhs, including cash and cash equivalents of Rs. 711.04 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2021

(₹. In Lakhs)

Particulars	2021	2022	2023	Thereafter	Total
Trade payables	1,166.55	-	-	-	1,166.55
Long term borrowings #	38.80	0.18	-	-	38.98
Bank overdraft, short-term loans and borrowings*	1,148.65	-	-	-	1,148.65
Statutory Liabilities	135.51	-	-	-	135.51
Other liabilities*	162.28	-	-	-	162.28

* 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 2020-21	FY 2019-20
Total Debt	2,738.92	2,338.07
Total Equity	1,938.18	1,922.58
Debt Equity Ratio	1.41:1	1.22:1

2.39 Contingent Liabilities and Commitments:

(₹. In Lakhs)

Particulars	FY 2020-21	FY 2019-20
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts Income	-	-
b) Guarantees Bank Guarantees	1,588.36	1,648.94
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

2.40 Note on "Code on Security, 2020" :

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published

2.41 Impact of COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

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, 2021, 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 consolidated state of affairs of the Group as at 31st March, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated 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 consolidated 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 opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note 2.40 of the standalone financial statements, which is fully described the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

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 Standalone 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, compare with the financial statements of the subsidiaries audited by other auditors, to the extent relates to these entities and, in doing so, place reliance on the work of the other auditors and 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. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

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 consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the 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 Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the parent, as aforesaid.

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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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 Group 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.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 of the parent of which we are the independent auditors 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.

Other Matters

We did not audit the financial information of wholly owned subsidiary M/s Vama Technologies Pte Ltd., Singapore, ("the Subsidiary") whose financial statements reflect total assets of Rs. 294.52 Lakhs as at 31st March, 2021, total revenues of Rs. 1,166.35 Lakhs and total net profit after tax amounting to Rs. 192.31 Lakhs, total comprehensive income of Rs. 192.31 Lakhs for the year ended on that date as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respective of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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, 2021 taken on record by the Board of Directors, none of the Holding Company's directors is disqualified as on 31st March, 2021 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" which is based on the auditor's report of the Parent. Our report expresses an unmodified opinion on the adequacy and operation effectiveness of internal financial controls over financial reporting of the Parent.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the holding company to its directors during the year is in accordance with the provisions of the section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

For V N S S & ASSOCIATES
Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn No. 018367S

UDIN : 21225281AAAABR1902

Place: Hyderabad

Date: 28.06.2021

Annexure - A to the Independent Auditors' Report :

(Referred to in paragraph (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") as of 31st March, 2021 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 31st March, 2021, 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: 28.06.2021

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021


(₹ In lakhs)

Particulars	Note No	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-Current Assets			
Property Plant and Equipment	2.01	234.65	245.52
Intangible Assets	2.02	168.39	195.85
Tangible Assets Under Developmet		-	-
Financial Assets			
Investments	2.03	-	-
Other Financial Assets	2.04	369.52	320.11
Other Long term Loans and Advances	2.05	18.70	5.25
Other Non-Current Assets	2.06	130.69	105.31
		921.95	872.04
Current Assets			
Inventories	2.07	1,406.32	1,312.95
Financial Assets			
Trade Receivables	2.08	1,362.31	1,117.43
Cash and Cash equivalent	2.09	719.18	719.36
Other Financial Assets	2.10	108.66	102.19
Other Current Assets	2.11	440.38	359.64
		4,036.85	3,611.57
Total Assets		4,958.80	4,483.61
Equity and Liabilities			
Equity			
Equity Share capital	2.12	1,050.80	1,050.80
Other Equity	2.13	1,090.11	881.16
		2,140.91	1,931.96
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.14	0.18	3.50
Deffered Tax Liabilities (Net)	2.15	28.36	27.76
		28.54	31.26
Current Liabilities			
Financial Liabilities			
Borrowings	2.16	1,148.65	1,055.24
Trade Payables	2.17	1,233.43	1,046.42
Other Financial Liabilities	2.18	167.83	153.38
Provisions	2.19	40.13	30.28
Other Current Liabilities	2.20	199.31	235.07
		2,789.35	2,520.39
Total Liabilities		4,958.80	4,483.61

The accompanying 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: 28.06.2021

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. Parvathi
Executive Director
DIN : 01240583

 Sd/-
Gurpreet Singh Sial
Company Secretary

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2021


(₹ In lakhs)

Particulars	Note No	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Income			
Revenue from Operations	2.21	2,606.97	3,000.08
Other Income	2.22	58.46	96.08
Total Revenue		2,665.43	3,096.16
Expenses			
Cost of Material Consumed	2.23	1,848.29	2,103.52
Changes in Inventories	2.24	(93.37)	20.56
Employee Benefit Expenses	2.25	333.61	436.93
Finance Cost	2.26	221.95	238.64
Depreciation and Amortisation Expenses	2.01	37.18	32.46
Other Expenses	2.27	101.69	198.62
Total Expenses		2,449.35	3,030.73
Profit Before Tax		216.08	65.43
Tax Expenses			
i) Current Tax		9.85	-
Less: Mat Credit		(3.32)	-
ii) Deffered tax		0.60	17.87
Profit for the Year		208.95	47.56
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 & Loss			
Items that may reclassified subsequently to Profit & Loss		-	-
Tax on items that may be reclassified subsequently to Profit & Loss		-	-
Total Other Comprehensive Income / Loss for the year, net of Taxes		-	-
Total Comprehensive Income for the Year		208.95	47.56
Earning per Share			
Basic Earning Per share @ Rs. 2/- Each		0.40	0.09
Diluted Earning Per share @ Rs. 2/- Each		0.40	0.09

The accompanying 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: 28.06.2021

for and on behalf of the Board of Directors

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

Sd/-
G. Siva
 Chief Financial Officer

Sd/-
V. Parvathi
 Executive Director
 DIN : 01240583

Sd/-
Gurpreet Singh Sial
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021


(₹ In lakhs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	216.08	65.43
Adjustments		
Depreciation and Amortisation Expense	37.18	32.46
Gain on Investments carried at fair value through profit & loss	-	-
Finance Cost	221.95	238.64
Interest on Fixed Deposits and other income	(57.16)	(82.38)
Provision for doubtful debts / advances / impairment (Profit) / Loss on sale of Fixed Asset	3.00	(13.70)
Fair value adj for Investments	(1.30)	-
	-	-
Operating profit before working capital changes	419.75	240.45
Movements in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	(247.88)	631.02
(Increase)/Decrease in Inventories	(93.37)	20.56
Changes in Other Financial Assets	(6.47)	18.76
Changes in Other Current Assets	(79.02)	8.57
Increase/(Decrease) in Trade Payables	187.01	(734.06)
Increase/(Decrease) in Other Financial Liabilities	14.44	39.72
Increase/(Decrease) in Other Current Liab.	(35.76)	(226.77)
Cash generated from Operations	158.70	(1.75)
Direct Taxes paid	-	78.41
Net Cash from Operating activities	158.70	76.66
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets (Net)	2.46	(89.20)
Intangible assets under development	-	-
(Purchase) / Sale of Investments (Net)	-	-
Change in Other Financial Assets(Non current)	(49.41)	(185.16)
Changes in Long Term Loans & Advances	(13.45)	11.55
Changes in Other Non Current Assets	(25.38)	(85.14)
(Increase)/Decrease in Other Long Term Liab. / Long Term Prov.	-	-
Dividend and Interest Income received	57.16	82.38
Net Cash from Investment Activities	(28.62)	(265.57)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	-	-
Proceeds / (Repayment) from Long Term Borrowings	(3.32)	(34.42)
Proceeds / (Repayment) from Short Term Borrowings	93.41	264.46
Finance Cost	(221.95)	(238.64)
Dividend Paid	-	(10.51)
Dividend Tax Paid	-	(2.16)
Net cash used in financing activities	(131.86)	(21.27)
Net (Decrease) / Increase in cash and cash equivalents	(1.78)	(210.18)
Cash and cash equivalents at the beginning of the year	20.58	230.76
Cash and Cash equivalents at the end of the year	18.80	20.58

- 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 VNSS & Associates
Chartered Accountants

Sd/-
V N S SRINIVASARAO
Proprietor
M.No. 225281
Firm Regn No. 0183675
Place : Hyderabad
Date: 28.06.2021

for and on behalf of the Board of Directors

Sd/-
V. Atchuta Rama Raju
Chairman & Managing Director
DIN : 00997493
Sd/-
G. Siva
Chief Financial Officer

Sd/-
V. Parvathi
Executive Director
DIN : 01240583
Sd/-
Gurpreet Singh Sial
Company Secretary

Statement of changes in equity

Statement of changes in equity for the period ended 31.03.2021

(₹ In lakhs)

Equity share capital	Opening balance as at 1 Apr 2020	Changes in equity share capital during the year	Closing balance as at 31 Mar 2021
52,540,000 Equity Shares @ Rs. 2/- Each, fully paid up	1,050.80	-	1,050.80
	1,050.80	-	1,050.80

Equity share capital	Opening balance as at 1 Apr 2019	Changes in equity share capital during the year	Closing balance as at 31 Mar 2020
52,540,000 Equity Shares @ Rs. 2/- Each, fully paid up	1,050.80	-	1,050.80
	1,050.80	-	1,050.80

(₹ In lakhs)

Particulars	Retained Earnings	Securities Premium	Acturial Gains or Losses	Total Equity
Balance as at 01/04/2020	511.16	370.00	-	881.16
Profit for the Year	208.95	-	-	208.95
Dividend paid	-	-	-	-
Corporate Dividend Tax	-	-	-	-
Amount Transfer to General Reserve	-	-	-	-
Net Change in Fair Value of FVTPL investments and others	-	-	-	-
Acturial gain / (loss) on post employment benefit obligations, net of tax benefit	-	-	-	-
Balance as at 31/03/2021	720.11	370.00	-	1,090.11
Particulars	Retained Earnings	Securities Premium	Acturial Gains or Losses	Total Equity
Balance as at 01/04/2019	476.27	370.00	-	846.27
Profit for the Year	47.56	-	-	47.56
Dividend paid	(10.51)	-	-	(10.51)
Corporate Dividend Tax	(2.16)	-	-	(2.16)
Amount Transfer to General Reserve	-	-	-	-
Net Change in Fair Value of FVTPL investments and others	-	-	-	-
Acturial gain / (loss) on post employment benefit obligations, net of tax benefit	-	-	-	-
Balance as at 31/03/2020	511.16	370.00	-	881.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMENTS

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

Basis of preparation and presentation of Financial Statements

The Consolidated financial statements of Vama Industries Limited (“the Holding Company”) and its subsidiary (together “the Group”) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

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;
- Derivative financial instruments are measured at fair value.
- Employee defined benefit assets / (liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization / settlement within twelve months period from the balance sheet date.

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%

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) Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

iii) 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.

iv) Fair valuation

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable based on the fair value hierarchy i.e. Level I inputs, Level II inputs and Level III inputs specified in IND AS 113.

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.

A. 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.

B. 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.

C. 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. 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 different from the 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
- On disposal of a foreign operation, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain or loss on disposal.

Significant Accounting Policies

1) Property Plant & Equipment

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. The cost of self-constructed assets include the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Directly attributable costs include :

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE or from relevant Product
- b. Cost of site preparation
- c. Initial Delivery & Handling costs
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

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 carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

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. The cost of property, plant and equipment not ready to use before such date are disclosed under Capital work-in-progress. 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
<i>Intangible Assets</i> Software	3

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.

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.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

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) Government Grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity. Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held. Grants related to income are government grants other than those related to assets. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable. Export incentives in the form of MEIS scrips and power subsidy receivable by the company do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly, government grant relating to Income is recognised on accrual basis in Profit and Loss statement and when the terms and conditions related to export performance obligations are met.

11) 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.

12) 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 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. Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020.

13) 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.

14) Trade receivables

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

15) 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.

16) 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 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	For the year	Impairment for the year	Disposals	As at 31.03.2021	As at 31.03.2020	
Computers	26.25	-	-	26.25	13.43	4.47	-	-	17.90	8.35	12.82
Furniture & Fixtures	6.70	-	-	6.70	3.67	0.33	-	-	4.00	2.70	3.03
Air Conditioners	4.47	-	-	4.47	1.91	0.47	-	-	2.38	2.09	2.56
Electrical Fittings	3.70	-	-	3.70	1.81	0.39	-	-	2.20	1.51	1.89
Office Equipment	1.01	-	-	1.01	0.36	-	-	-	0.36	0.65	0.65
Vehicles	39.06	-	8.65	30.41	23.74	4.06	-	7.49	20.31	10.10	15.31
Land *	209.25	-	-	209.25	-	-	-	-	-	209.25	209.25
Total	290.44	-	8.65	281.79	44.92	9.72	-	7.49	47.15	234.65	245.51

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value			
	As at 01.04.2019	Additions	Disposals	As at 31.03.2020	As at 01.04.2019	For the year	Impairment for the year	Disposals	As at 31.03.2020	As at 31.03.2019	
Computers	26.25	-	-	26.25	8.24	5.19	-	-	13.43	12.82	18.01
Furniture & Fixtures	6.70	-	-	6.70	3.31	0.36	-	-	3.67	3.03	3.39
Air Conditioners	4.47	-	-	4.47	1.42	0.48	-	-	1.91	2.56	3.04
Electrical Fittings	3.70	-	-	3.70	1.41	0.39	-	-	1.81	1.89	2.28
Office Equipment	1.01	-	-	1.01	0.36	-	-	-	0.36	0.65	0.65
Vehicles	39.06	-	-	39.06	19.68	4.06	-	-	23.74	15.32	19.38
Land *	209.25	-	-	209.25	-	-	-	-	-	209.25	209.25
Total	290.44	-	-	290.44	34.42	10.48	-	-	44.92	245.52	256.00

* Land has been given security for availing credit limits from banks.

(₹.in Lakhs)

2.02: Intangible Assets

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value			
	As at 01.04.2020	Additions	Disposals	As at 31.03.2021	As at 01.04.2020	For the year	Impairment for the year	Disposals	As at 31.03.2021	As at 31.03.2020	
Computer Software	412.77	-	-	412.77	216.92	27.46	-	-	244.38	168.39	195.85
	412.77	-	-	412.77	216.92	27.46	-	-	244.38	168.39	195.85

Particulars	Gross carrying value			Accumulated depreciation / impairment				Net carrying value			
	As at 01.04.2019	Additions	Disposals	As at 31.03.2020	As at 01.04.2019	For the year	Impairment for the year	Disposals	As at 31.03.2020	As at 31.03.2019	
Computer Software	323.57	89.20	-	412.77	194.94	21.98	-	-	216.92	195.85	128.63
	323.57	89.20	-	412.77	194.94	21.98	-	-	216.92	195.85	128.63

2.03 Investments

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Investments in Equity Instruments:		
Investment in Mutual Funds	-	-
	-	-

2.04 Other Financial Assets (Non Current)

Particulars	As at 31.03.2021	As at 31.03.2020
Deposits and Others		
Security Deposits	21.72	26.02
Electricity Deposit	0.96	0.96
Telephone Deposit	0.20	0.20
Rental Deposit	3.31	4.91
Other Deposits	0.04	0.04
Prepaid Expenses	55.39	102.10
Retention Money	287.90	185.87
	369.52	320.11

2.05 Long Term Loans & Advances

Particulars	As at 31.03.2021	As at 31.03.2020
Un-secured considered good		
Other Loans and Advances	18.70	5.25
	18.70	5.25

2.06 Other Non-Current Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Un-secured Considered Good		
Other Advances	13.87	14.64
Deposit with Statutory Authorities		
TDS Receivables	116.82	90.67
	130.69	105.31

2.07 Inventories

Particulars	As at 31.03.2021	As at 31.03.2020
Stock - In Trade #	1,406.32	1,312.95
	1,406.32	1,312.95

Mode of Valuation : Cost or Net realisable value is lower

Stock hypothecated as security for availing working capital limits from banks

2.08 Trade Receivables

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(Un-Secured Considered Good)		
“Outstanding for a period exceeding six months from the date they are due for payment”	453.07	672.40
Others *	994.73	527.52
	1,447.80	1,199.92
Breakup for Security Details		
Un-Secured Considered Good	1,447.80	1,199.92
Less: Probability of Default and Provision for Impairment	85.49	82.49
	1,362.31	1,117.43
Current	1,016.09	580.73
Non-Current	431.71	619.19
	1,447.80	1,199.92
Less: Provision for Doubtful Debts	82.49	65.86
Less: Impairment due to Expected Credit Loss	3.00	16.63
	85.49	82.49
Closing Balance	1,362.31	1,117.43

Movement of Impairment in Trade receivables

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Balance	82.49	96.19
Add: Additional Allowance of Expected Credit Loss	3.00	-
Less: Additional Allowance of Expected Credit Gain	-	13.70
	85.49	82.49

* Trade Receivable include Income Accrued but bills not raised of Rs. 130.01 Lakhs (FY19-20 Rs. 122.78 Lakhs)

* Trade Receivables hypothecated as security for availing working capital credit limits from banks

2.09 Cash & Bank Balances

Particulars	As at 31.03.2021	As at 31.03.2020
a) Cash & Cash Equivalents		
Cash on hand	3.81	7.65
Balance in banks		
- Current Accounts	12.01	9.61
- Deposit Accounts	700.38	698.78
b) Other Bank Balances (with restricted use)		
- Unclaimed Dividend Account	2.98	3.32
	719.18	719.36

2.10 Other Financial Assets (Current)

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Loans and Advances to Related Parties	-	-
Interest Accrued but not due on FD's	19.82	19.64
Security Deposit	-	-
Retention Money	88.84	82.55
	108.66	102.19

2.11 Other Current Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Prepaid Expenses	177.09	64.31
Loans and Advances to Employees	31.61	36.78
Advance Tax	14.15	26.15
MAT Credit	3.32	-
Advance to Suppliers / Expenses	117.31	140.26
Other Advances	0.97	2.85
GST Input etc	95.93	89.29
	440.38	359.64

2.12 Share Capital

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised Share Capital 5,50,00,000 Equity Shares of Rs. 2/- Each (Previous Year: 5,50,00,000 Equity Shares @ Rs. 2/- Each)	1,100.00	1,100.00
Issued Subscribed and paid up Share Capital 5,25,40,000 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	2020-21		2019-20	
	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. Gottimukkala Atchyuta Rama Raju	29,97,210	5.70%	29,97,210	5.70%

2.12.1 Reconciliation of Number of Shares:

Particulars	As at 31.03.2021	As at 31.03.2020
Number of Shares at the beginning of the Year	5,25,40,000	5,25,40,000
Add: Shares issued during the Year	-	-
Number of Shares at the end of the Year	5,25,40,000	5,25,40,000

2.12.2 Rights attached to Equity Shares :

The company has one class of equity shares having a par value of Rs.2/- 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,2021 :

** 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 31.03.2021	As at 31.03.2020
Securities Premium		
Opening Balance	370.00	370.00
Add: Premium on Shares Issued during the Year	-	-
Total	370.00	370.00
Retained Earnings		
Opening Balance	511.16	476.27
Add: Net profit Transferred from the Statement of P&L A/c	208.95	47.56
	720.11	523.83
Less: Appropriations		
Dividend	-	10.51
Corporate Dividend Tax	-	2.16
Closing Balance	720.11	511.16
Total Equity	1,090.11	881.16

2.14 Long Term Borrowings

Particulars	As at 31.03.2021	As at 31.03.2020
Secured Borrowings		
Vehicle Loans from Banks	0.18	3.50
Unsecured Borrowings :		
Loan from Financial Institutions	-	-
	0.18	3.50

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, This loan is totally repaid in Jan'20 (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 09 (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 17 (rate of Interest: 9.55%)

2.15 Deferred Tax Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Balance	27.76	9.89
Add: on Account of Timing Differences in Property, Plant & Equipment	0.60	17.87
Add: on Account of Others	-	-
	28.36	27.76

2.16 Other Financial Liability

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Loans Repayable on Demand		
Secured Borrowings :		
Working Capital Loans from Banks	970.20	808.69
Unsecured Borrowings		
Loans from Related Parties	178.45	246.55
	1,148.65	1,055.24

Secured Borrowings

Cash Credit from State Bank of India:

Rate of Interest : 12.25%

Repayment: Repayable On Demand

Primary Security : 100% Hypothecation of entire stock and receivables of the company (present & future)

Collateral Security :

- 1) Residential Flat No 401, 4th Floor, Plot No 14 & 16, Sy No 93, 94 & 95, located at S R Nagar, Hyderabad, Rangareddy, Hyderabad, Telangana -500038 (Metro), admeasuring total area : 1450 Sq. Feet, in the name of Shri V. Atchyuta Rama Raju
- 2) Commercial Building bearing Sy No. 619, 6th Floor, Maker Chambers, V Premises Co-op Society Ltd., Plot No.221 of Back bay reclamation, Nariman Point, Mumbai - 400021 (Metro) admeasuring total area 434 Sq. Feet in the name of M/s Reliance Tea Private Limited
- 3) Commercial Residential Plot No. 70, Survey No. 06, Situated at Izzat Nagar Village, Serilingampally Mandal, Ranga Reddy, Telangana - 500082 (Urban) admeasuring 450 Sq. yards in the Name of Vama Industries Limited
- 4) Cash Collateral of Rs 3.63 Crores
- 5) Pledge of shares of promoters of 30% (No of shares pledged 67,68,550/-)

Personal Guarantee:

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

Working Capital Demand Loan from State Bank of India :

Rate of Interest : As applicable to Regular Cash Credit Limit

Repayment : Moratorium period of 3 months and repayment of principal will commence after 3 months i.e. from March 2020 to November 2020. The total period of the loan is 12 months. The Balance No of Installments is being 02 due as on 31st March 2021

Drawing power will be reduced in line with equated monthly installments every month after moratorium period is over i.e. from 28.02.2020

Security : As applicable to Cash Credit Limit, which is detailed above.

Working Capital Term Loan (GECL) from State Bank of India :

Rate of Interest : 9.25%

Repayment : Moratorium period of 12 months and repayment of principal will commence after 12 months moratorium from the date of disbursement. It is repayable in 36 equated monthly installments of Rs 4,19,445/- each commencing from Oct'21

Security : As applicable to Cash Credit Limit, which is detailed above.

FITL - Covid 19 :

The limits of Rs 46.00 lakhs of covid emergency loan is repaid dt 22.06.2021

Bank Guarantee (BG) Facility from State Bank of India :

BG Limit of Rs 1700.00 Lakhs

BG Commission Rate : Performace BG - 1.90% + GST, Financial BG - 2.20% + GST

B G Issued will be valid till the date of expiry or till the date of revocation

Security : As applicable to Cash Credit Limit, which is detailed above.

Unsecured Borrowings :

Loans from Related Parties consists of

Name of the Related Party	Nature of Relationship	(Rs. In Lakhs)	
		As at 31.03.2021	As at 31.03.2020
V. Atchyuta Rama Raju	Director	144.85	246.55
V. Parvathi	Director	33.60	-

2.17 Trade Payables

Particulars	As at 31.03.2021	As at 31.03.2020
Due to Micro and Small Enterprises	-	-
Due to Others	-	-
for Goods & Service	1,233.43	1,046.42
	1,233.43	1,046.42

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 31.03.2021	As at 31.03.2020
Unpaid Dividend #	2.98	3.32
Expenses Payable	164.85	150.06
	167.83	153.38

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

2.19 Short Tem Provisions

(Rs. In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
For Employee Benefits	-	-
Others	-	-
Provision for Income Tax	40.13	30.28
	40.13	30.28

2.20 Other Current Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Other Payables		
Statutory Liabilities	135.51	139.38
Advance received from Customers	25.00	29.93
Current Maturities of Long-Term Debt		
Secured		
Vehicle Loan from bank	3.84	3.58
Unsecured		
Loan from Financial Institutions	34.96	62.18
	199.31	235.07

India Infoline Finance Limited (Unsecured)

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance no of installments being 02 (Rate of Interest: 19.00%)

Bajaj Finance Limited (Unsecured)

Type Facility : Hybrid Flexi Business Loan (Working Capital Loan)

Rate of Interest : 18.00%

Repayment : Repayable on Demand

Security : Unsecured

2.21 Revenue from Operations

(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Sale of Products		
- Domestic	1,022.05	1,009.51
- Export	1,062.27	1,459.31
Sale of Services		
- Domestic	275.08	334.10
- Export	247.57	197.16
	2,606.97	3,000.08
Sale of Goods Under Broad Head		
Computers & Peripherals/ Software	2,084.32	2,468.82
	2,084.32	2,468.82
Services rendered Under Broad Head		
Annual Maintenance Contract Service	247.30	187.17
Consultancy Services	131.85	146.85
IT Engineering Services	143.49	197.24
	522.64	531.26

2.22 Other Income

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Interest on Fixed Deposits	41.22	47.34
Other Income	15.50	48.74
Forex Gain on Export / Import	1.74	-
	58.46	96.08

2.23 Cost of Material Consumed

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Purchase of Material	1,615.76	1,968.66
Transport/ AMC/Labour Charges	232.53	134.86
	1,848.29	2,103.52

2.24 Changes in Inventories

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Inventories at the end of the year	1,406.32	1,312.95
Inventories at beginning of the year	1,312.95	1,333.51
Net Increase/ (Decrease)	93.37	(20.56)

2.25 Employee Benefit Expenses

(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Salaries and Wages	283.80	389.15
Directors Remuneration	39.36	28.55
Contribution to PF and other Funds	9.88	18.86
Staff Welfare Expenses	0.57	0.37
	333.61	436.93

2.26 Finance Cost

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Interest Expenses		
Interest	114.02	116.73
Interest on others	55.21	60.16
Other Borrowing Cost		
Loan Processing Charges	7.49	11.44
Other Finance Charges		
Bank Charges	45.23	50.31
	221.95	238.64

2.27 Other Expenses

Particulars	For the Year Ended 31.03.2021	For the Year Ended 31.03.2020
Advertisement	1.77	1.40
Audit Fees	8.95	7.21
Allowances for Impairment of Receivables	3.00	-
Business Promotion Exp	0.95	4.31
Communication Expenses	3.83	5.17
Conveyance	2.28	4.18
Power and Fuel	4.28	7.71
Fees & Taxes	4.72	5.38
Forex Fluctuations	3.22	15.26
Office & General Expenses	5.85	13.53
Insurance	6.50	7.11
LD Clause Charges	14.03	26.36
Professional Expenses	15.29	45.12
Printing & Stationery	1.43	0.42
Postage & Telegram	0.52	0.81
Rent	21.76	32.02
Repairs & Maintenance	0.72	0.44
STPI Service Charges	0.55	0.55
Travelling Expenses	1.79	21.05
Vehicle Maintenance	0.25	0.59
	101.69	198.62

2.28 Auditors Remuneration

(₹ In Lakhs)

Particulars	FY 2020-21	FY 2019-20
a) Audit Fees	8.45	6.71
b) Other Charges		
Taxation Matters	0.50	0.50
Certification Fees	0.24	-
c) Reimbursement of out of pocket expenses	-	-
Total	9.19	7.21

2.29 Earnings per Share

(₹ In Lakhs)

Particulars	FY 2020-21	FY 2019-20
Earnings		
Profit attributable to equity holders	208.95	47.56
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)	0.40	0.09
Earnings per share of par value Rs.2/- – Diluted (INR)	0.40	0.09

2.30 Related Parties

Wholly owned 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 Private Limited	EDS*
5	Vama Technologies Pte Limited	Subsidiary
6	Asha Automine Private Limited	EDS**
7	Asha Lube Solutions Private Limited	EDS**
8	Gottumukkala Achyuta Rama Raju	Relative of Key Managerial Personnel
9	Bangarraju Mudundi	Relative of Key Managerial Personnel
10	V Sarada	Relative of Key Managerial Personnel
11	M Krishna Veni	Relative of Key Managerial Personnel
12	Vegeesna Pushpavathi	Relative of Key Managerial Personnel
13	Mohan Raju Indukuri	Relative of Key Managerial Personnel
14	Uma Vani Indukuri	Relative of Key Managerial Personnel
15	Gavireddy Siva	Chief Financial Officer
16	M Vandana	Company Secretary

* EDS : Entity over which the director is having significant influence

** EDS : Entity over which the Relatives of director is having significant influence

(₹ in lakhs)

Significant Related Party Transactions:

S.No	Nature of Transaction	FY 2020-21				FY 2019-20			
		KMP	Relative of KMP	EDS	Total	KMP	Relative of KMP	EDS	Total
1	Directors Remuneration / Salary	52.18	-	-	52.18	56.78	2.28	-	59.06
2	Dividend	-	-	-	-	3.67	0.84	-	4.51

Balance with Related Parties:

S.No	Nature of Transaction	FY 2020-21				FY 2019-20			
		KMP	Relative of KMP	EDS	Total	KMP	Relative of KMP	EDS	Total
1	Rent Deposit	-	-	6.12	6.12	-	-	9.75	9.75
2	Salary Advance	6.60	-	-	6.60	-	-	-	-
3	Unsecured Loan	178.45	-	-	178.45	246.55	-	-	246.55
4	Loans & Advances	-	-	-	-	-	5.00	0.25	5.25
5	Trade Receivables	-	-	-	-	-	6.38	-	6.38

The following is a summary of significant related party transactions:

(₹ In Lakhs)

S. No.	Particulars	FY 2020-21	FY 2019-20
1	Directors Remuneration / Salary		
	V.A.Rama Raju	30.00	24.05
	V.Rajam Raju	8.03	18.00
	V.Parvathi	1.33	2.28
	Gavireddy Siva	9.20	11.04
	M Vandana	2.07	3.69
	Gurpreet Sing Sial	1.55	-
2	Dividend		
	V Atchyuta Rama Raju	-	2.51
	V Rajam Raju	-	1.16
	Gottumukkala Atchyuta Rama Raju	-	0.60
	Bangarraju Mudundi	-	0.02
	V Parvathi	-	0.15
	V Sarada	-	0.02
	M Krishna Veni	-	0.02
	V Pushpavathi	-	0.01
	Mohan Raju Indukuri	-	0.01
	Uma Vani Indukuri	-	0.01
3	Rent Deposit		
	Reliance Tea Pvt Ltd	6.12	9.75
4	Salary Advance		
	G Siva	6.60	-
5	Unsecured Loan		
	V Atchyuta Rama Raju	144.85	246.55
	V Parvathi	33.60	-
6	Loans & Advances		
	Reliance Tea Pvt Ltd	-	0.25
	Asha Lube Solutions Pvt Ltd.	-	5.00
7	Trade Receivables		
	Asha Automine Pvt Ltd	-	6.38

2.31 Earnings / Expenditure in Foreign Currency

Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	FY 2020-21	FY 2019-20
Reimbursement of expenses	-	9.23
Import Purchase	150.87	122.59
Bank Charges	0.99	0.80
Total	151.86	132.62

Earnings in Foreign Currency

Particulars	FY 2020-21	FY 2019-20
Engineering Services	135.42	194.61
Consultancy Services and AMC Services	56.27	75.94
	191.69	270.55

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. 9.13 Lakhs and Rs. 16.47 Lakhs to the provident fund plan during the years ended 31st March 2021 and 2020, 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 2020-21	FY 2019-20
Current taxes expense		
Domestic	6.53	-
Deferred taxes expense / (benefit)		
Domestic	0.60	17.87
Total income tax expense / (benefit) recognized in the statement of P & L	7.13	17.87

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 2020-21	FY 2019-20
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 2020-21	FY 2019-20
Profit before income taxes	216.08	65.43
Enacted tax rate in India	26.00%	26.00%
Computed expected tax	56.18	17.01
Effect of:		
Expenses not deductible for Tax purposes	46.85	51.98
Expenses deductible for Tax purposes	43.54	(39.00)
Taxable at Special Rates	-	-
Income tax	9.85	-
Effective tax rate	4.56%	0.00%

The Company's average effective tax rate for the years ended March 31, 2021 and 2020 were 4.56% and 0.00%, 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 are given below:

Particulars	FY 2020-21	FY 2019-20
Deferred tax assets / (liabilities) :		
Property, plant and equipment	(28.36)	(26.72)
Others	-	(1.04)
Net deferred tax assets / (liabilities)	(28.36)	(27.76)

2.35 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 2020 are as follows:

(₹ In Lakhs)

Particulars	As at 01.04.2019	Recognized in statement of profit and loss	Recognized in EQUITY	As at 31.03.2020
Opening as on 01.04.2019	(33.67)	-	-	(33.67)
Sale recognition or reversal	-	(18.95)	-	(18.95)
Interest income or reversal	-	19.28	-	19.28
Net Adjustment during the year				(33.34)

The details of Retention Money as of 31st March 2021 are as follows:

Particulars	As at 01.04.2020	Recognized in statement of profit and loss	Recognized in EQUITY	As at 31.03.2021
Opening as on 01.04.2020	(33.34)	-	-	(33.34)
Sale recognition or reversal	-	(3.53)	-	(3.53)
Interest income or reversal	-	14.20	-	14.20
Net Adjustment during the year				(22.67)

2.36 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-21	Mar-20	Mar-21	Mar-20
Financial assets				
Cash and cash equivalents	719.18	719.36	719.18	719.36
Investments	-	-	-	-
Trade Receivables	1,447.80	1,199.92	1,362.31	1,117.43
Other financial assets	467.51	421.97	478.18	422.30
Total	2,634.49	2,341.25	2,559.67	2,259.09
Financial liabilities				
Borrowings	1,148.83	1,058.74	1,148.83	1,058.74
Trade payables	1,233.43	1,046.42	1,233.43	1,046.42
Other financial liabilities	167.83	153.38	167.83	153.38
Total	2,550.09	2,258.54	2,550.09	2,258.54

2.37 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. 19.63 as at 31st March 2021 and Rs. 16.63 at 31st March 2020.

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 2021.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2021 and 31st March 2020 are as follows:

Particulars	FY 2020-21	FY 2019-20
Balance at the beginning of the year	16.63	30.33
Impairment Loss / (Gain) of Trade receivables	3.00	(13.70)
Balance at the end of the year	19.63	16.63

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 2021 and 2020, the Company has utilized working capital credit limits (fund based) from banks of Rs. 970.20 Lakhs and Rs 809.00 Lakhs respectively

As of 31 March 2021, the Company had working capital (current assets less current liabilities) of Rs. 1,247.50 Lakhs including cash and cash equivalents of Rs. 719.18 Lakhs. As of 31 March 2020, the Company had working capital of Rs. 1,091.18 Lakhs, including cash and cash equivalents of Rs. 719.36 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2021.

(₹. In Lakhs)

Particulars	2021	2022	2023	Thereafter	Total
Trade payables	1,233.43	-	-	-	1,233.43
Long term borrowings #	38.80	0.18	-	-	38.98
Bank overdraft, short-term loans and borrowings*	1,148.65	-	-	-	1,148.65
Statutory Liabilities	135.51	-	-	-	135.51
Other liabilities*	167.83	-	-	-	167.83

* 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 parent 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 2020-21	FY 2019-20
Total Debt	2,817.89	2,551.65
Total Equity	2,140.91	1,931.96
Debt Equity Ratio	1.32:1	1.32:1

2.38 Contingent Liabilities and Commitments:

(₹. In Lakhs)

Particulars	FY 2020-21	FY 2019-20
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts Income	-	-
b) Guarantees		
Bank Guarantees	1,588.36	1,648.94
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

2.39 Note on “Code on Security, 2020” :

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published

2.40 Impact of COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered.

The impact of Covid-19 on the company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

VAMA INDUSTRIES LIMITED

Registered office:

Door No. 8-2-248/1/7/78/12,13, Ground Floor, Block-A,
Lakshmi Towers, Nagarjuna Hills, Punjagutta
Hyderabad – 500082, Telangana, India