

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: 30.12.2020

To
The Corporate Relations Department
BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street,
Mumbai-400 001
Fax No.: 022-22723121/3719

Dear Sir,

Sub: Submission of Annual Report under Regulation 34 of SEBI (LODR) Regulations, 2015
Ref: Scrip Code: 512175

Pursuant to Regulation 34 (1) of SEBI (LODR) Regulations, 2015, we submit herewith a soft copy of Annual Report, as approved and adopted at our Annual General Meeting held on 29th December 2020 for the year 2019-20 through Video Conference (VC) / Other Audio Visual Means (OAVM), including necessary documents and disclosures as stated under Regulations 34 (2) and 34 (3) of SEBI (LODR) Regulations, 2015.

Kindly acknowledge receipt and take same on record.

Yours Sincerely,

For Vama Industries Limited

V. Atchyuta Rama Raju
Chairman & Managing Director





VAMA INDUSTRIES LIMITED

**35th
Annual Report
2019-2020**

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<p>Executive Directors V. Atchyuta Rama Raju V. Rajam Raju (resigned w.e.f 11.09.2020) V. Parvathi (appointed w.e.f 11.09.2020)</p>	<p>Designation Chairman and Managing Director Executive Director Executive Director</p>
<p>Non Executive & Independent Directors V. Srinivas K. V. Krishna Rao K. Vara Prasad Raju</p>	<p>Company Secretary & Compliance Officer Vandana Modani (resigned w.e.f 01.11.2020) Gurpreet Singh Sial (appointed w.e.f 01.11.2020) CFO G. Siva</p>
<p>Non Executive Director R. Rama Sravanthi</p>	<p>Secretarial Consultants M/s.P.S Rao & Associates Company Secretaries Flat No: 10, 4th Floor # 6-3-347/22/2, Dwarkapuri Colony, Panjagutta, Hyderabad- 082</p>
<p>Statutory Auditors M/s. V N S S & Associates., Chartered Accountants 158/B,7-1-277/429, Flat no: 102, Nandhi Villa, Beside Adarsha Bank, S R Nagar, Hyderabad-500038.</p>	<p>Registrar & Share Transfer Agents M/s. Bigshare Services Private Limited 306, Right Wing, Amrutha Ville Opp.Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082.</p>
<p>Internal Auditors KCR & Associates Chartered Accountants 1-3-176/4/G/9, Gandhi Nagar, KavadiGuda, Hyderabad - 500080.</p> <p>Bankers State Bank of India, Balkampet, Hyderabad Branch HDFC Bank Begumpet, Hyderabad Branch</p>	<p>Registered Office Ground Floor, 8-2-248/1/7/78/12,13 Block-A, Laxmi Towers, Nagarjuna Hills, Punjagutta, Hyderabad – 500082.</p> <p>Website & email Id for Investors Website : www.vamaind.com email Id : investorservices@vama.co.in cs@vama.co.in</p>
<p>Corporate Offices 1. Ground Floor, 8-2-248/1/7/78/12,13 Block-A, Laxmi Towers, Nagarjuna Hills, Punjagutta, Hyderabad – 500082.</p> <p>2. Office No: 619, 6th Floor, Maker Chambers - V Nariman Point, Mumbai - 400021.</p> <p>Cut-off Date (for e -voting) Date: 22nd December, 2020 [Tuesday]</p>	<p>35th Annual General Meeting Date & Time : 29th December, 2020 at 02:30 P.M Day: Tuesday Mode: VC / OVAM</p> <p>Book Closure Period From: 23rd December, 2020 [Wednesday] To: 29th December, 2020 [Tuesday] (Both days inclusive)</p>

COMMITTEES OF THE BOARD

Audit Committee	V. Srinivas (Chairman)	K. V.Krishna Rao (Member)	K. Vara Prasad Raju (Member)	R. Rama Sravanthi Member (w.e.f 14.02.2020)
Remuneration Committee	K. V. Krishna Rao (Chairman)	V. Srinivas (Member)	K. Vara Prasad Raju (Member)	R. Rama Sravanthi Member (w.e.f 14.02.2020)
Stakeholders Relationship Committee	K.V. Krishna Rao (Chairman)	V. Srinivas (Member)	R. Rama Sravanthi Member (w.e.f 14.02.2020)	
Risk Management Committee	K.V. Krishna Rao (Chairman)	V.Atchyuta Rama Raju (Member)	V. Rajam Raju (Resigned 11.09.2020)	V. Parvathi (Appointed 11.09.2020)

Notice

35th Annual General Meeting



Notice is hereby given that the Thirty Fifth(35th) Annual General Meeting [AGM] of the members of Vama Industries Limited will be held on Tuesday, 29th day of December, 2020 at 02.30 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 2019-20 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 2019-20 together with the Report of the Auditors thereon.

Item 2: Re-appointment of Director.

To appoint a Director in place of Mrs. R. Rama Sravanthi (DIN:07098278) who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS:

Item 3: Appointment of Mrs. V. Parvathi (DIN: 01240583) to the office of Director

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

“RESOLVED THAT pursuant to the provisions of Section 152,160 and all other applicable provisions contained under the Companies Act, 2013 (“Act”), Mrs. V. Parvathi (DIN: 01240583), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 11.09.2020 and who holds office as such 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 her 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 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 4: Appointment of Mrs.V. Parvathi (DIN: 01240583) to the office of whole Time 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 Sections 196,197 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V thereto, the appointment of Mrs. V. Parvathi (DIN: 01240583), by the Board of Directors, upon recommendation of Nomination and remuneration committee, to the office of Whole Time Director, designated as **‘Executive Director’** of the Company, for a period of 3 Years, with effect from 11.09.2020 at a remuneration of Rs.19,000 per month 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 the Order of the Board
For **Vama Industries Limited**

Sd/-

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

Place: Hyderabad
Date: 02nd December, 2020

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (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") and MCA 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 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. The Register of Members and Share Transfer Books will remain closed from Wednesday, December 23, 2020 to Tuesday, December 29, 2020 (both days inclusive).
5. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours upto the date of the Annual General Meeting.
6. 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.
7. 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 all 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.
8. 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.
9. 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.
10. 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.

11. 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.

12. 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.
13. 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 (PAN) either at the time of opening of the account or at any time subsequently. In case they have not furnished the PAN 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.
14. Members may also note that the Notice of the 35th 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 Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2019-20 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 2019-20 will also be available on the Company's website: www.vamaind.com, on the website of the Stock Exchange, i.e. BSE Limited, at 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.

15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
16. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
17. 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. 4 is furnished herewith and forms part of the Notice.
18. Retirement of Director by rotation: Mrs. R. Rama Sravanthi. being eligible, offers herself for re-appointment.

The Board of Directors recommend her re-appointment, whose office is liable to retire by rotation

E-VOTING INSTRUCTIONS

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 shall be conducted as per the guidelines and Circulars issued by the Ministry of Corporate Affairs (MCA). The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual 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 MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 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's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The members, whose names appear in the Register of Members / list of Beneficial Owners as on "Cut off Date", i.e., Tuesday, December 22, 2020, i.e. the date prior to the commencement of Book Closure date, are entitled to vote on the resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report may approach the Company for required assistance in connection with generation of the User ID / Password in order to exercise their right to vote by electronic means. The remote e-voting period will commence on Saturday, December 26, 2020 at 09.00 hrs and shall end on Monday, December 28, 2020 at 17.00hrs. The members will not be able to cast their votes electronically beyond the date and time mentioned above.
4. The Company has appointed Mr. Vikas Sirohiya, Practicing Company Secretary (Membership. No. 15116 and C.P No. 5246) to act as the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner.

Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereunder:

5. The Members can join the AGM through VC/ OAVM mode 30 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 Chair persons 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.

6. 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.
7. 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.
8. In line with the Ministry of Corporate Affairs (MCA) CircularNo.17/2020 dated April13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.vamaind.com. The Notice can also be accessed from the website of BSE Limited, www.bseindia.com. The AGM Notice is also hosted on the website of CDSL (agency for providing the e-Voting facility), i.e.www.evotingindia.com

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

- (i) The remote voting period begins on Saturday, December 26, 2020 at 09.00 hrs and ends on Monday, December 28, 2020 at 17.00 hrs. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, December 22, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Please ensure your credentials are correct in all respects
- (v) Click on "Shareholders" module.
- (vi) 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.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) 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.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat/ Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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> <ul style="list-style-type: none"> • 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 as mentioned in instruction (vi).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) 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.

- (xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant Company, i.e., Vama Industries Limited on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) 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.
- (xx) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING ON THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders-please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (frontandback), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to the Company Secretary at investorservices@vama.co.in
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to the Company Secretary at investorservices@vama.co.in
3. The Company Secretary shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:

1. Shareholder will be provided facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are advised to join the Meeting through Laptops / I Pads for better experience.
3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. 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 the respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of foresaid glitches.

5. 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, i.e., from December 18, 2020 (9.00 A.M.) to December 25, 2020 (5.00 PM), mentioning their name, demat account number/folio number, email id, mobile number at **investorservices@vama.co.in**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, i.e., from December 18, 2020 (9.00 A.M.) to December 25, 2020 (5.00 PM), mentioning their name, demat account number/folio number, email id, mobile number at **investorservices@vama.co.in**. These queries will be replied suitably by the Company vide email.
6. Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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.
4. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- 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 tohelpdesk.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; **investorservices@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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 helpdesk.evoting@cdslindia.com or call 1800225533.

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 December 22, 2020.
- ii. The Scrutinizer, after scrutinising the votes cast during the AGM 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 December, 2020

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

Item Nos.3 & 4

We would like to recollect that Mrs. V. Parvathi (DIN: 01240583) was appointed as the Additional Director and subsequently elevated as the Whole time Director of the Company by the Board wef 11.09.2020 in place of Mr. V. Rajam Raju, who resigned from the Board due to his pre-occupation.

To put it chronologically, Mrs. V. Parvathi, was appointed by the Board to the office of Additional Director wef 11.09.2020, who shall hold her office as such till the ensuing AGM of the Company.

However, the Company has received a Notice in writing from a member along with the deposit of Rs.1 lac as required under Section 160 of the Act proposing the candidature of Mrs. V. Parvathi for the office 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.

Further, it may be noted that, Mrs. V. Parvathi, was then already in the whole time employment of the Company.

Mrs. V. Parvathi, aged about 57 years is one of the Promoters of the Company. She has about 5 years experience in the field of Accounts HR and Admin.

In the aforesaid backdrop, the Board, in the same Meeting held on 11.09.2020, appointed Mrs. V. Parvathi to the office of Whole Time Director of the Company (designated as Executive Director), for a period of 3 Years, with effect from 11.09.2020 at a remuneration of Rs.19,000 per month.

Mrs. V. Parvathi is not disqualified from being appointed a director in terms of section 164 of the Act and has given her consent to act as Director and also as Whole Time Director of the Company. Further, the appointments of Mrs. V. Parvathi to the said offices of Additional Director and Whole Time Director have been recommended by the Nomination and remuneration Committee of the Company.

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 resolutions set out at Item No.3&4 are recommended for your consideration.

A Copy of letter of appointment of Mrs. V. Parvathi to the office of Whole Time Director of the Company (designated as Executive Director), 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.

Mrs. V. Parvathi is the wife of Mr. V. Atchyuta Rama Raju, the Chairman and Managing Director of the Company. Apart from the said, she is not related to any other Director of the Company.

Mrs. V. Parvathi may be deemed to be interested in the resolutions set out at Item No.3 and 4 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.3&4 in the Notice, except to the extent of shares held by them in the paid up share capital of the Company.

Brief profile

Mrs. V. Parvathi (57 years) is a commerce graduate and one of the Promoters of the Company. She has experience of more than 5 years in the field of Accounts, HR and Admin. She takes personal interest in developing teams with a strong belief that ordinary people are capable of making things possible.

She is a member of Risk Management Committee.

It is proposed to seek members' approval for her appointment and remuneration payable to her as the Whole Time Director (designated as Executive Director) of the Company, in terms of the applicable provisions of the Act.

Detailed Profile of Mrs. V. Parvathi is available and can be accessed <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	R. Rama Sravanthi
Date of Appointment including terms and conditions of appointment	Re appointed to the office of Director in the AGM held on September 26, 2018. Retires by rotation in the ensuing AGM, and being eligible offering herself for re-appointment. She shall be subject to retirement by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013. No other specific terms and conditions.
Date of first appointment on the Board	01.03.2015
Date of Birth	01.01.1986
Expertise in Specific Functional areas and Experience	Has rich experience in the field of Medical Science promotions
Educational Qualification	Master of Physiotherapy
Directorships in other Companies (other than Vama Industries Limited)	NIL
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	Being a non-executive Director, not entitled to any remuneration other than Sitting Fee as decided by the Board from time to time.
Shareholding in the Company as on 31.03.2020	Nil
Relationship between Directors inter-se/ Manager and KMPs	Not related to any Director, Manager or KMPs
Number of Meetings of the Board attended during the year 2019-20	7

Name of the Director	V. Parvathi
Date of Appointment including terms and conditions of appointment	11.09.2020. Appointed to the office of Additional Director and subsequently as Whole Time Director, (designated as Executive Director) for a period of 3 years effective 11.09.2020 at a remuneration of Rs.19,000 per month.
Date of first appointment on the Board	11.09.2020
Date of Birth	10.04.1963
Expertise in Specific Functional areas and Experience Science promotions	HR and Admin. Experience of more than 5 years in the field of HR and Admin
Educational Qualification	B.Com
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	Appointed as whole time Director for a period of 3 years effective 11.09.2020 at a remuneration of Rs.19,000 per month. Hence, remuneration last drawn as well as remuneration sought to be paid remains the same.
Shareholding in the Company as on 31.03.2020	7,74,500 Equity shares
Relationship between Directors inter-se/ Manager and KMPs	Wife of V. Atchuta Rama Raju, the Chairman and Managing Director of the Company. Not related to any other Director or Manager or KMPs of the Company.
Number of Meetings of the Board attended during the year 2019-20	N.A (Since appointed subsequent to close of FY 2019-20)

**Additional Disclosure in terms of Section II of Part II of Schedule V of the Companies Act, 2013
in relation to Item Nos.3 & 4**

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:	2019-20	2018-19	2017-18
Turnover (operational revenue)	1614.16	3837.08	6863.00
Net profit after tax	1614.16	3837.08	6863.00
Amount of dividend paid during the FY	97.97	79.77	469.90
Rate of dividend declared	10.51	52.54	52.54
	1%	5%	5%
	(FV 2/-)	(FV 2/-)	(FV 2/-)
Foreign Investments or collaborations	As on 31.03.2020, investments made by the Company in its wholly owned subsidiary, M/s. Vama Technologies Pte. Ltd., Singapore stood at Rs.4.52 lacs (after taking into account the Exchange rate fluctuations)		

II. INFORMATION ABOUT THE APPOINTEE

	Mrs. V. Parvathi		
Background Details	Mrs. V. Parvathi, aged about 57 years, is one of the promoters of the Company. She has rich experience of more than 5 years in the field of HR and admin. She plays a vital role in the HR related activities of the Company and handles general administration at different levels in the organisation.		
Past remuneration (Rs per annum)	2019-20	2018-19	2017-18
	Not a Director during any of the said Financial Years. However, as an employee of the Company, she has been paid a remuneration of Rs.2.28 lacs per annum during the said Financial Years.		
Job profile and his suitability	Laced with a 5 years hands on experience in various areas such as accounts, HR and admin, Mrs. V. Parvathi is a good choice to head the HR and admin departments of the Company.		
Recognition or awards	Nil		
Remuneration proposed	Rs.2.28 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 experience of Mrs. V. Parvathi and her job profile, 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.	Mrs. V. Parvathi holds 7,74,500 Equity Shares of Rs.2 each of the Company. She draws a remuneration of Rs.2.28 lacs per annum. Apart from the said, Mrs. V. Parvathi does not have any other direct pecuniary relationship with the Company. Further, Mrs. V. Parvathi is the wife of Mr. V. Atchyuta Rama Raju, the Chairman and Managing Director of the Company. Mr. V. Atchyuta Rama Raju is one of the promoters of the Company holding 1,25,55,120 equity shares of Rs.2 each. The details of transactions may be referred at Note.2.30 of the Standalone Financial Statements. Thus Mrs. V. Parvathi stands interested indirectly.
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 December, 2020

Dear Members,

The Board of Directors are pleased to present the Company's 35th Annual Report and the Company's Audited Financial Statement (Standalone & Consolidated) for the financial year ended March 31, 2020.

FINANCIAL PERFORMANCE

Our Financial Performance for the year ended March 31, 2020 is summarized below:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Turnover	1614.16	3837.08	3000.08	5379.16
Other Income	80.32	93.81	96.08	93.81
Total Income	1694.48	3930.89	3096.16	5472.97
PBIDT	170.11	479.81	336.53	218.58
Less: (i) Interest	233.92	331.02	238.64	335.99
(II) Depreciation	32.46	34.49	32.46	34.49
Profit Before Exceptional Item and Tax	(96.27)	114.30	65.43	(151.90)
Exceptional Item	-	-	-	-
Profit Before Tax	(96.27)	114.30	65.43	(151.90)
Less: Provision for Tax				
- Current	-	30.28	-	30.28
- Deferred	1.70	4.25	17.87	(22.36)
Profit After Tax	(97.97)	79.77	47.56	(159.82)
Earnings Per Share (EPS)	(0.19)	0.15	0.09	(0.30)
Balance Carried to B/S	501.78	612.42	511.16	476.27

PERFORMANCE SUMMARY AND STATE OF AFFAIRS

As observed in the table laid above, it can be understood that FY 2019-20 was not a great year for your Company. Despite concerted efforts of your management, the Company could not outbeat the uncertain economic conditions prevalent across the globe. At domestic level also, business conditions were not very conducive for your Company. Our business depends largely on government orders, especially space and defence sectors. Owing to various policy decisions and procedural delays, we could not generate expected revenues during the FY 2019-20. However, at consolidated level, the Company could turn around and report positive figures against loss during the previous FY 2018-19.

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 a operational income of Rs. 3000.08 lacs for the FY 2019-20 when compared to Rs. 5379.16 lacs for the FY 2018-19. Similarly, we recorded a PAT of Rs. 47.56 lacs for the FY 2019-20 when compared to a Net loss of Rs. 159.82 lacs for the FY 2018-19.

Standalone Level

At Standalone Level, we have achieved an operational turnover of Rs.1614.16 lakhs and incurred a Net Loss of Rs.97.97 lacs for the FY 2019-20 as against an operational turnover of Rs.3837.08 lacs and profit after tax of Rs.79.77 Lacs for the FY 2018-19.

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.

BUSINESS OPERATIONS AND OUTLOOK

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

Vama is expanding into the latest technologies like High Performing Computing Services and cloud services which are in high demand globally. We have already done some 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 pandemic in our country during the late March, 2020 is yet to show any signs of respite. The number of positive cases, despite the best possible safety and precaution measures is creating havoc among one and all. We all are breathing in the environment of fear, gloom and uncertainty. Normal life has taken a different approach. The economy has been plunged into troubled waters. The immediate revival seems to be a distant reality. The priorities at all levels are being reworked. Vama, being substantially dependent on Government budget allocations and sector specific resources at its disposal, has been hit hard in more than one way. The tenders have been either delayed or been suspended temporarily. Cash crunch is another challenge. We are experiencing our worst times.

During the first half of the current FY, we could do bare minimum business with reduced margins. Further, in view of the current wave of Covid -19, which is showing the signs of recurrence in many parts of our country, the worries seems to be far from over. Uncertainty looms large over the possibility of revival anytime soon.

In the aforesaid backdrop, as of now its beyond our capability to ascertain the cascading impact of the ongoing pandemic on our business operations.

However, the management laced with all its experience and acumen, shall put all its efforts to restore the Company's operations, once the requisite normalcy is restored.

Further, we draw your attention to Note 1 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, 2020.

DIVIDEND

In view of the loss incurred for the FY 2019-20, and the current turbulent phase, your Directors does not recommend any dividend for the financial year.

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 2019-20 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, 2020, it has recorded a turnover of USD 20.59 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 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_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 2019-20	Maximum amount outstanding during the year 2019-20
1	Vama Industries Limited (Holding Company)	Loans/advances to subsidiaries Vama Technologies Pte Ltd (Wholly owned subsidiary)	NIL	NIL
		Loans/advances to associates	N.A.	N.A.
		Loans/advances to firms/ companies in which Directors are interested	NIL	NIL
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, Mr. V. Rajam Raju (DIN: 01314420) was reappointed to the office of Director in the previous AGM held on 25th September, 2019, who resigned subsequently 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. R. Rama Sravanthi (DIN: 07098278) retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment.

Mrs. V. Parvathi (01240583) was appointed to the office of Additional Director and subsequently elevated as the Whole time Director of the Company (designated as Executive Director), by the Board wef 11.09.2020. Her appointment as such shall be for a period of 3 years and her office of Director shall be subject to retire by rotation. Appropriate resolutions proposing her appointment to the office of Director and approving her appointment to the office of Whole time Director of the Company are laid at item Nos.3 & 4 respectively in the Notice attached hereto.

Further, as a matter of update, it may be noted that 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.

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.

The revised compositions of the committees of the Board are hereunder:

Audit Committee

Mr. V. Srinivas	– Chairman
Mr. K.Venkata Krishna Rao	– Member
Mr. K. Vara Prasad Raju	– Member
Mrs. R. Rama Sravanthi	-- Member

Nomination and Remuneration Committee

Mr. K.Venkata Krishna Rao	– Chairman
Mr. V. Srinivas	– Member
Mr. K. Vara Prasad Raju	– Member
Mrs. R. Rama Sravanthi	-- Member

Stakeholders Relationship Committee

Mr. K.Venkata Krishna Rao	– Chairman
Mr. V. Srinivas	– Member
Mrs. R. Rama Sravanthi	-- Member

Risk Management Committee

Mr. V. Srinivas	– Chairman
Mr. V.Atchyuta Rama Raju	– Member
*Mr. V. Rajam Raju	– Member

Subsequent upon the resignation of Mr. V. Rajam Raju from the Board of Directors, Mrs. V. Parvathi was appointed as a member of Risk Management Committee in his place.

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. In order to broad base the committees' strength, Mrs.R. Rama Sravanthi was inducted into Audit committee, Nomination and Remuneration Committee and Stakeholders Committee. Further, performance evaluation was also carried out for Mrs.R. Rama Sravanthi, who retires by rotation and being eligible, has offered herself for reappointment.

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

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

The Board duly met 7 times during the Financial Year 2019-20 i.e., 01st April 2019, 29th May 2019, 13th August 2019, 24th August 2019, 11th November 2019, 28th November, 2019, and 14th February 2020. 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 owes a special note of thanks for their exemplary guidance and contribution during the Covid crisis times. It worked round the clock to provide requisite support and assistance to our management in their endeavour to mitigate the Covid impact.

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

Our Internal Financial Control Systems are on par with Industry standards. We have adopted policies and procedures which enables implementation of appropriate internal financial controls across the organization. It also ensures the orderly and

efficient conduct of business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. Internal Financial Controls are an integrated part of the Risk Management Process, addressing financial and financial reporting risks. The Internal Financial Controls have been documented, digitized and embedded in the business process.

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

AUDITORS

Statutory Auditors:

M/s. V N S S & Associates, Chartered Accountants, (FRN 018367S) 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):

1. With reference to "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 1 of the Standalone Financial Statements attached herewith.

2. With reference to 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 crunch at that particular point of time. 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 submits their Report on quarterly basis.

Secretarial Auditors :

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Anand Kumar C. Kasat, Practicing Company Secretary, a member of ICSI (M. No.42078) to undertake the secretarial audit of the Company for the FY 2019-20.

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

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

COST RECORDS:

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

SECRETARIAL STANDARDS:

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

CONTRACTS OR AGREEMENTS WITH RELATED PARTIES

During the FY 2019-20, 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 2019-20, the unclaimed dividend in respect of financial year 2011-12 amounting to Rs.20,583 (Rupees Twenty Thousand Five hundred Eighty Three 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>.

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, 2020. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the FY 2020. 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 Director during the FY ended 31st March, 2020 and / or outstanding as on the said date are as hereunder:

Sl. No.	Name	Borrowings during the year (Rs. In lacs)	Amt. outstanding as on 31st March, 2020 (Rs. In lacs)
1.	Mr. V. Atchyuta Rama Raju	221.21	246.55

Further, Mr. V. Atchyuta Rama Raju has provided declaration(s) in writing that the amounts lent by him are his own funds and not been given out of funds acquired by him 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_2019_20.pdf

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

The details of the vigil mechanism are provided in the Corporate Governance Report and are set out in Annexure 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

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

DISPATCH OF ANNUAL REPORTS

In compliance with the applicable provisions, we shall dispatch the Annual Report for the FY 2019-20 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 2019-2020 & 2020-2021 has been duly paid. You may further note that the listing/ trading was never suspended at any time during the financial year 2019-20.

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.8.5 lakhs 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, 2020 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.4.52 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, 2020.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. In the preparation of the Annual Accounts for the FY ended 31st March, 2020, the applicable Accounting Standards have been followed and that no material departures are made from the same; (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.)
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the Financial year and of the profits of the company for the year ended 31st March, 2020;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.

- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no orders passed by the Regulators / Courts which would impact the going concern status of our Company and its future operations. Further, we confirm that there were no instances of fraud to be reported by the Auditors vide their Report for the FY 2019-20.

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

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

Further, we shall be ever indebted to our shareholders 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 December, 2020

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	01.04.2019 to 31.03.2020
3.	Reporting Currency	USD
4.	Exchange rate used for conversion	
	i. as on the last date of FY (for Balance Sheet items)	75.38 per USD
	ii. average yearly rate for P & L items	70.85 per USD
5.	Share Capital	\$ 6,000
6.	Reserves & Surplus	\$ 13856 (Retained Earnings)
7.	Total Assets	\$ 460,833
8.	Total Liabilities	\$ 460,833
9.	Investment	--
10.	Turnover	\$ 2,059,772
11.	Profit/(Loss) before taxation	\$ 232,191
12.	Provision for taxation	-
13.	Profit/(Loss) after taxation	\$ 232,191
14.	Proposed Dividend	--
15.	% of Shareholding	100

Part "B" Associates and Joint Ventures – Not Applicable

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

For and on behalf of the Board of Directors

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

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

Sd/-
R. Rama Sravanthi
Director
(DIN: 07098278)

02nd December, 2020
Hyderabad

Sd/-
G Siva
Chief Financial Officer

Sd/-
Gurpreet Singh Sial
Company Secretary

Form AOC-2

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

Particulars for contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm length 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, 2020, 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, 2020 are as follows:

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Vama Technologies Pte. Ltd., (Wholly Owned subsidiary)
	Nature of contracts/arrangements/transaction	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.5 Crores
	Date of approval by the Board	01.04.2019
	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 December, 2020
Hyderabad

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
[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,
Ground Floor, B-12, Madhura Nagar
Hyderabad-500038

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, 2020 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 us for the financial year ended on 31st March, 2020 according to the provisions of:

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

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period); and**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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.

I further report that, having regard to the compliance system prevailing in the Company and on examination 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

- Apart from the said, there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the company's affairs.

However, attention is drawn to Notes to Financial Statements, which describes the managements assessment of the impact of Covid -19 pandemic on the operations and financial results of the Company and its group.

Sd/-

ANAND KUMAR C KASAT

Practicing Company Secretary

M. No. 42078

C.P. No. 17420

UDIN A042078B001352915

Place: Hyderabad

Date: 30th November, 2020

[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,
Ground Floor, B-12, Madhura Nagar
Hyderabad-500038

Secretarial Audit Report of even date is to be read along with this letter.
Management's Responsibility

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.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, i have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.

Sd/-
ANAND KUMAR C KASAT
Practicing Company Secretary
M. No. 42078
C.P. No. 17420
UDIN A042078B001352915

Place: Hyderabad
Date: 30th November, 2020

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(Inflow): 284.00
- ii. Foreign Exchange Outgo : 132.62

For and on behalf of the Board

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

Date : 02nd December, 2020

Place : Hyderabad

Management Discussion and Analysis Report

1. Competitive position of the Company

Competitive position of the Company

(a) Industry structure and developments

The Fourth Industrial Revolution (or Industry 4.0) is the on-going 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.

Schwab expects this era 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.

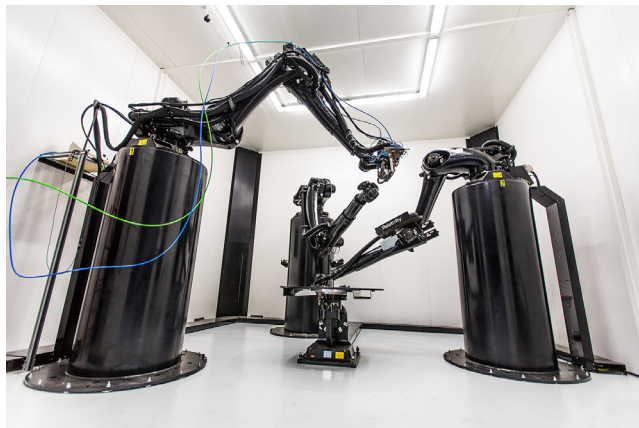
Smart factory

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.

3D printing



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.

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

Getting new customers is significant for an IT services company. Considering the fact that IT consulting firms primarily work on a contract basis, it's always important for them to focus on gaining new clients. A contract isn't permanent. Because of this, while working with one or more clients, efforts are always being put into finding new ones, which can become quite a nerve--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. Newness and complexity have been a second driver. A third driver has been the building to critical mass high levels of expertise not economical to maintain in a particular company.

(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:

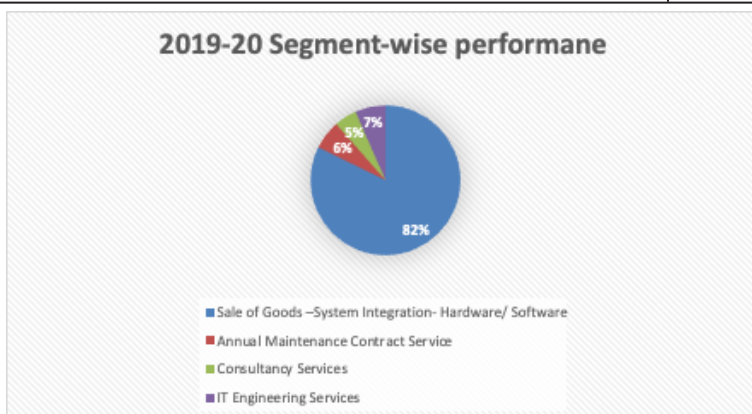
- IT Services and Consulting
- Engineering Services
- IT Infrastructure Solutions
- Mobile Application
- Internet of Things
- Cloud Technologies
- BI and Analytics
- Manual and Automation Testing
- Software Development
- Database Services and Blockchain
- CAD and Engineering Data Management
- Product 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

Revenue	2019-20	2018-19
Sale of Goods – System Integration-hardware/software	2468.82	4,855.36
Annual Maintenance Contract Service	187.17	181.06
Consultancy Services	146.85	170.59
IT Engineering Services	197.24	172.15
Total Revenue	3000.08	5,379.16



(d) Outlook

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

Vama is expanding into the latest technologies like High Performing Computing Services and cloud services which are in high demand globally. We have already done some 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.

(e) Risks and concerns.

- Retraining good talent
- Rapid technological changes and innovations
- Data Breaches
- Cost competitiveness
- Assaults on internet infrastructure by hackers
- Government policies and priorities
- Force majeure events and circumstances

(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

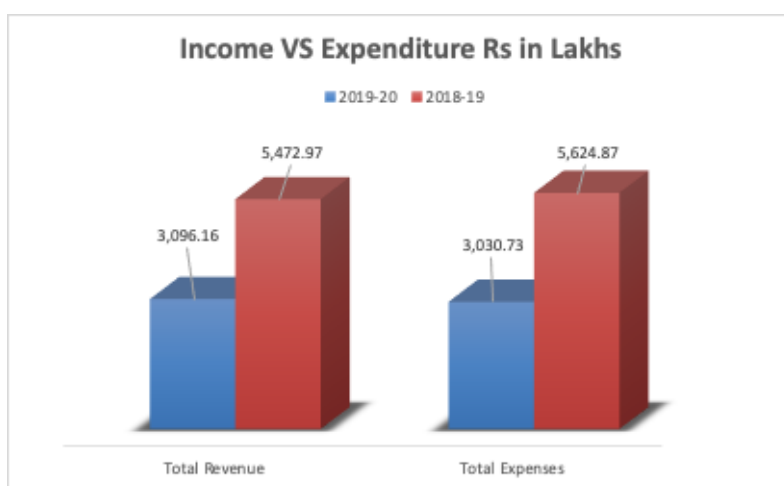
(g) Discussion on financial performance with respect to operational performance

Rs.In Lakhs

INCOME	2019-20	2018-19
Export Revenue		
IT Services	197.16	181.25
Sales of computers & Peripherals	1459.31	1616.86
Domestic Revenue		
Services / Consultancy / Projects	334.10	342.55
Sales of computers & Peripherals	1009.51	3238.50
Other Income	96.08	93.81
Total Revenue	3096.16	5472.97

Rs.In Lakhs

EXPENDITURE	2019-20	2018-19
Material Consumed	2103.52	4692.02
Changes in inventories	20.56	-53387
Employee Benefit Expenses	436.93	498.54
Finance Cost	238.64	335.99
Depreciation and Amortisation Expenses	32.46	34.49
Other Expenses	198.62	597.70
Total Revenue	6006.39	6006.39



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

When it comes to talent in the tech sector, one thing is certain: The “shelf life” of skills is getting shorter and shorter. As a result, retraining has become crucial: Companies should invest more in educating and training workforces for the digital era.

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

Sr.No	Category	Number of employees as on 31/03/2020
1	*Executive Director	2
2	Key Managerial Personnel (KMP)	2
3	Other employees	96
	Total	100

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

- (i) Details of significant changes (compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

On Standalone basis:

	Particulars	2019-20	2018-19	Explanation
i	Debtors Turnover	0.28	0.46	Fall in turnover primarily due to external factors (explained in Directors Report)
ii	Inventory Turnover	0.71	2.65	Fall in turnover primarily due to external factors (explained in Directors Report)
iii	Interest Coverage Ratio	0.18	1.62	Compared to Net Profit for the FY 2018-19, the Company has incurred a Net Loss for the FY 2019-20. Hence the change
iv	Current Ratio	1.52	1.52	-
v	Debt Equity Ratio	0.58	0.54	Negligible change
vi	Operating Profit Margin (%)	3.55%	9.16%	Operational Income decreased drastically whereas revenue expenditure remained almost flat.
vii	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	-5.78%	2.03%	Operational Income decreased drastically whereas revenue expenditure remained almost flat. Thus incurred a Net Loss for the FY 2019-20, compared to Net Profit for the previous FY.

On consolidated basis:

	Particulars	2019-20	2018-19	Explanation
i	Debtors Turnover	0.49	0.64	Fall in turnover primarily due to external factors (explained in Directors Report)
ii	Inventory Turnover	0.40	0.97	Fall in turnover primarily due to external factors (explained in Directors Report)
iii	Interest Coverage Ratio	1.56	0.17	Compared to Net loss for the FY 2018-19, the Company has recorded a Net Profit for the FY 2019-20. Hence the change
iv	Current Ratio	1.43	1.44	Negligible change
v	Debt Equity Ratio	0.58	0.58	-
vi	Operating Profit Margin (%)	6.93%	168%	Other Expenses and Employee Cost has decreased. Hence the operating profit has increased.
vii	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	1.54%	-2.92%	Compared to Net loss for the FY 2018-19, the Company has recorded a Net Profit for the FY 2019-20 on account of reduction in various expenses. Hence, the positive NP margin for the FY 2019-20

- (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 suffered a Net Loss of Rs.97.97 lacs for the FY 2019-20. Thus the Return on Net Worth for the said FY stands at (5.10%). However, for the FY 2018-19, the Company earned a Net Profit of Rs.79.77 lacs. Thus the Return on Net Worth for the said FY stands at 3.92%. The said change has occurred primarily on account of drastic decrease in turnover and eventual loss for the FY 2019-20. Detailed discussion has been provided in the Director Report.

2. Disclosure of Accounting Treatment

The Company has prepared financial statements which comply with IndAS applicable for periods ending on 31st March 2020, together with the comparative period data as at and for the year ended 31st March 2019, 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.

For and on behalf of the Board

Sd/-

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

Date : 02nd December, 2020

Place : Hyderabad

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 2019-20		
		Remuneration of Director / KMP	% increase in Remuneration	Ratio of Remuneration of each Director / KMP to median remuneration of employees
1	Mr. V.A Rama Raju Chairman & Managing Director	24.05	21.47	6.29
2	*Mr.V. Rajam Raju Executive Director	18.00	Nil	4.71
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	11.04	Nil	N.A
8	** Ms. Vandana Modani Company Secretary	3.69	N.A	N.A

*Mr.V. Rajam Raju resigned wef 11.09.2020

** Ms. Vandana Modani resigned wef 01.11.2020

B. Percentage Increase in the median remuneration of all employees in the Financial Year 2019-20:

The median annual remuneration of employees of the Company during the financial year was Rs.3.82 lacs In the financial year, there was a increase of 58.06% in the median remuneration of employees.

C. Number of permanent employees on the rolls of Company as on 31st March 2020

There were 100 permanent employees on rolls of the Company as on March 31, 2020

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., 2019-20 is 34.75% whereas there was an increase in the managerial personnel remuneration of 11.24 % 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)

02nd December, 2020
Hyderabad

Annexure – VI (ii)

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

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

Sl. No	Name of the Employee	Age (Years)	Designation	Qualification	Remuneration (per annum)	Nature of Employment	Experience (Years)	Date of Commencement of Employment	Previous Employment	Relationship with Directors/Managers	Nature of Duties of employee	% of Share holding in the Company
1.	SRINIVASA CHARY K	43	Project Manager(IT)	B. Sc Computers	1,620,000	permanent	18	March 2005	Micropack Ltd	Not related to any Director	Project Manager	NIL
2	Telapalli Gowri Shankar	42	Manager Pre-sales Solution Architect	MCA	1,500,000	permanent	16	Oct-2018	Wipro	Not Related to any Director	Manager	NIL
3	VEERA PRASAD A	41	Project Manager	B.Tech	1,278,600	permanent	16	April/ 2005	Concurrent Analysis Pvt. Ltd	Not Related to any Director	Project Manager	NIL
4	SRINIVAS R	41	Project Manager	B.Tech	1,278,600	permanent	15	Apr-2005	Concurrent Analysis Pvt. Ltd	Not Related to any Director	Mechanical design Engineering	NIL
5	T HARISH	39	Head HPCC	M.sc. Computers	1,260,000	permanent	11	Apr-2007	Locuz Enterprise Solution Ltd	Not Related to any Director	Project Lead	NIL
6	SUVARNA B	39	Project Manager	B.E	1,260,000	permanent	18	Apr-2005	Concurrent Analysis Pvt. Ltd	Not Related to any Director	Mechanical design Engineering	NIL
7	SIVA G	40	CFO	ICWA (inter), M Com & MBA	1,104,000	permanent	13	Oct-2007	K N Murthy & Co	Not Related to any Director	Finance & Accounts	0.009
8	JAGADISH BABU T	40	Project	DME	1,088,520	permanent	13	Apr-2007	RMSI & Satyam any Director	Not Related to any Director	Engineering Services	
9	JAYA NAVEEN CH	40	Project Manager	MBA(Systems & marketing)	969,000	permanent	9	Apr-2006	NA	Not Related to any Director	Project Manager	NIL
10	N M VENKATESH	35	Accounts Manager	B. Tech	900,000	permanent	11	Jan-2014	ICON Design Automation Repository Pvt. Ltd	Not Related to any Director	Sales	NIL
11	ANIL KUMAR CH	43	Purchase Manager	Bsc (Computers)	828,000	permanent	15	Mar-2005	NA	Not Related to any Director	Manager	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 the following report detailing of the systems and processes of Corporate Governance at Vama Industries Limited (VAMA):

I. Our philosophy on Code of Governance:

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

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

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

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

II. Board of Directors

a) Composition and category of directors

The Board of your company has a good mix of executive and non-executive directors with half of the Board of the Company comprising independent directors. As on date of this report, the board consists of 6 directors - comprising 2 Executive directors , 3 Independent directors, and 1 non-executive 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 to discuss and decide on Company / Business policy and strategy apart from statutory and other business. The Board meetings are pre-scheduled and a tentative annual calendar of the Board meetings is circulated to the directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

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

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

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

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

Attendance of Directors in the Board Meetings:

Name	Category	Attended
Promoter & Executive Directors		
Mr. V. Atchyuta Rama Raju	Chairman and Managing Director	7/7
Mr. V. RajamRaju	Executive Director	7/7
Non - Promoter & Non - Executive Directors		
Mr. K. Vara Prasad Raju	Independent Director	6/7
Ms. R. Rama Sravanthi	Non-Executive Director	7/7
Mr. V. Srinivas	Independent Director	6/7
Mr. K. Venkata Krishna Rao	Independent Director	6/7

Note : Mr. V. Rajam Raju resigned from his office wef 11.09.2020.

Attendance at the last Annual General Meeting held on 25.09.2019

Name	Yes / No
Mr. V. Atchyuta Rama Raju	Yes
Mr. V. RajamRaju	Yes
Mr. K. Vara Prasad Raju	Yes
Ms. R. Rama Sravanthi	No
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.
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.

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

d) Number and Date of Board Meetings

During the FY 2019-2020, 07 (Seven) Board Meetings were held on 01st April, 2019, 29th May 2019, 13th August 2019, 24th August 2019, 11th November 2019, 28th November, 2019, and 14th February 2020. The time-gap between any two consecutive meetings is not more than 120 days.

e) Disclosure of relationship between Directors inter-se

Mr. V. Atchyuta Rama Raju and Mr. V. Rajam Raju are brothers and share no relationship with any other Director on the Board. 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 Prasad Raju	1500	0.0029	0
2	Ms. R. Rama Sravanthi	0	0	0
3	Mr. V. Srinivas	0	0	0
4	Mr. K. Venkata Krishna Rao	34,750	0.066	0

g) Familiarization programme for Independent Directors:

The Board familiarization programme comprises the following:

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

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

Our Familiarization Programme may be accessed on our Website at:

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

Separate Independent Directors' meeting:

In compliance with schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors held their meeting on 14th February, 2020, 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 from the Chairman of the Board;
- Review of the performance of non-independent directors and the Board;
- Review of the performance of the Chairman of the Company;
- Assessment of the quality and quantity and timeliness of flow of information to the Board; and
- Review of informal meeting with senior management personnel

All independent directors were present at the aforesaid meeting.

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

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

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

The above mentioned skills are collectively available with the Board.

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

Skills / expertise in relation to business operations	Name of Directors having such skills / expertise
Wide 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
Corporate Governance & Strategic management	Mr.V. Srinivas and Mr. K. Venkata Krishna Rao
Finance and Administration	V. Atchyuta Rama Raju

i) Confirmation about Independent Directors

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

The Independent Directors on our Board are as follows:

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

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

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

III. Audit Committee

a) A brief description of terms of reference

The role of the audit committee includes the following:

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

- ❖ To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ❖ to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ❖ to review the functioning of the whistle blower mechanism;
- ❖ to approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- ❖ to carry out any other function as directed by the Board of Directors
- ❖ to review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding 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
Mr.K.Vara Prasad Raju	Member
Mr.K. Venkata Krishna Rao	Member
Mrs. R. Rama Sravanthi (Appointed w.e.f 14.02.2020)	Member

c) Meetings and Attendance during the year

During the financial year ended on 31st March, 2020, the Audit Committee met 5 times -29.05.2019, 13.08.2019, 24.08.2019, 11.11.2019, and 14.02.2020 - 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. Vandana Modani, Company Secretary, acts as the Secretary of the Audit Committee.

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

IV . NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference

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

b) Composition, name of members and chairperson

Name of the Member	Designation
Mr.K. Venkata Krishna Rao	Chairman
Mr . V.Srinivas	Member
Mr. K. Vara Prasad Raju	Member
Mrs. R. Rama Sravanthi (Appointed w.e.f 14.02.2020)	Member

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

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

c) Meeting and attendance during the year

During the financial year ended on 31st March, 2020, the Nomination & Remuneration Committee met 4 times on 29.05.2019, 24.08.2019, 11.11.2019 and 14.02.2020

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

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
- 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.

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		Total Amount
		MD: V. Atchyta Rama Raju	WTD: V. Rajam Raju	
1	Gross salary	24,05,000	18,00,000	42,05,000
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,05,000	18,00,000	42,05,000
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
c	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil
	-others	Nil	Nil	Nil
5	Others	Nil	Nil	Nil
	Total	24,05,000	18,00,000	42,05,000
	Ceiling as per the Act	84 Lakhs	84 Lakhs	

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. K.Venkata Krishna Rao
b	Name and designation of compliance officer	Ms.Vandana Modani upto 01.11.2020 Mr. Gurpreet SinghSial w.e.f 01.11.2020
c	Number of shareholders' complaints received as on March 31, 2020	Nil
d	Number not solved to the satisfaction of shareholders as on March 31, 2020	Nil
e	Number of pending complaints as on March 31, 2020	Nil

Composition & Attendance in Meetings

The Stakeholders' Relationship Committee met 4 times on 29.05.2019, 24.08.2019, 11.11.2019 and 14.02.2020 during the year under review.

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

Mrs. R. Rama Sravanthi was appointed as member in place of Mr. V. Atchyuta Rama Raju wef 14.02.2020.

Ms. Vandana Modani, 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.

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
* Mr. V. Rajam Raju	Member

c) Meetings and Attendance during the year:

The Committee met 4 times on 29.05.2019, 24.08.2019, 11.11.2019 and 14.02.2020 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	4	4
Mr.V. Atchyuta Rama Raju	Member	4	4	4
* Mr. V. RajamRaju	Member	4	4	4

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

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

VII. GENERAL BODY MEETINGS

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

Financial Year	Time	Location
2018-19 34th 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
2016-17 32nd AGM	Sep 25, 2017 (Monday) at 10.00 A.M	Hotel Inner Circle , Raj Bhavan Road, Somajiguda, Hyderabad – 500 082

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

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

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.

VIII. MEANS OF COMMUNICATION

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

- All the communication, may it be results or notices etc, by way of News Papers is published in Financial Express (English) and Andhra Prabha (Telugu) dailies.
- 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>
- Event based news / press releases are posted on our website and also furnished to the Stock Exchange.
- No presentations were made to institutional investors or to the analysts during the financial year under review.
- The company promptly informs Stock Exchange about all the price sensitive information and all such other matters which in our opinion are material and relevant for the shareholders.

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

IX. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date & Time: December 29, 2020 at 2.30 P.M
Venue: Through VC / OAVM

b. Financial Year (2019-2020)

The Financial year under review is 2019-2020 [01st April, 2019 to 31st March, 2020].

c. Dividend: No Dividend has been recommended for the FY 2019-20

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 2011-12 was transferred to the said fund in November, 2019. 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 Jeejeebhoy 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 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, 2020

e. Stock Code

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

f. Market Price Data

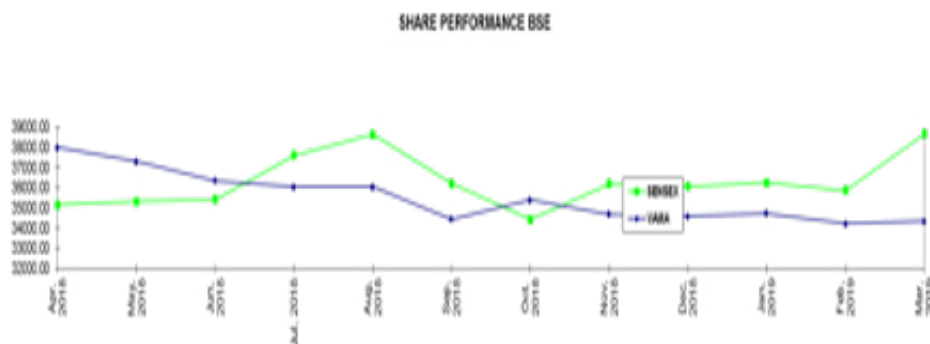
Monthly high, low and the volume of equity shares traded on BSE Limited during the financial year 2019-20:

Financial Year	High (₹)	Low (₹)	Volume Traded (No. of Shares)
April 2019	9.1	7.21	516973
May 2019	10.19	7.63	463234
June 2019	10	7.5	294455
July 2019	16.7	7.68	263431
August 2019	13.38	10.46	320498
September 2019	11.4	9.43	265433
October 2019	10.62	8.19	202602
November 2019	9.34	7.04	155572
December 2019	10.4	5.22	105128
January 2020	10.29	7.15	187429
February 2020	8.44	5.95	359258
March 2020	6.99	4.12	196053

Category of Shareholders as on 31.03.2020

Sl.No	Category of shareholders	No. of shares	Percentage
1	Promoters	225,61,830	42.94
2	Public	244,64,286	46.56
3	Corporate Bodies	53,71,592	10.22
4	Clearing Members	26,577	0.05
5	Non Resident Indians	58,055	0.11
6	Government Companies	57,660	0.11
	Total	525,40,000	100

g. Performance in comparison to broad-based indices



h. The trading of our securities was never suspended at any point of time during the FY 2019-20.

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, RajbhavanRoad,
Hyderabad-500 082.

j. Share Transfer System:

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

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

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

k. Distribution of shareholding

(As on 31.03.2019)

Range of Equity Shares	No of shares	% to capital	No of share holders	% of shareholders
1-500	269480	0.5129	1473	58.1065
501-1000	272148	0.5180	318	12.5444
1001-2000	313501	0.5967	200	7.8895
2001-3000	314787	0.5991	121	4.7732
3001-4000	180501	0.3435	50	1.9724
4001-5000	247152	0.4704	52	2.0513
5001-10000	759933	1.4464	99	3.9053
10001-9999999999	50182498	95.5129	222	8.7574
	52540000	100.00	2745	

Shareholders holding more than 1% of the shares

The Details of the shareholders (non-promoters) holding more than 1% of the equity as at March 31,2020 are as follows :

Sl. No	Name of the Shareholder	No of shares	% of share capital
1	Mr. Anil Unnikrishnan	67,00,000	12.75
2	M/s. Nirant Technologies Pvt. Ltd.	25,00,000	4.76
3	M/s. Sainaren Properties Pvt. Ltd.	20,00,000	3.81
4	Mr. Gayithri Kishor	16,48,760	3.14
5	Mr. V V S Murthy	8,00,000	1.52
6	M/s. Grandeur Products Limited	7,71,255	1.47
7	Mr. SubbaRao Vitakula	7,50,000	1.43
8	Mr. T V AppaRao	7,25,445	1.38

l. Dematerialization of shares and liquidity

As at March 31, 2020, 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.

V. 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

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.

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 X to the Board's Report and may also be accessed on the Company's Website at the link: http://www.vamaind.com/Policies/Vigi_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

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

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

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

Composition & Attendance in Meetings:

The Committee met 2 times on 29.05.2019 and 14.02.2020 during the year under review

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

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

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

m. The status of compliance with discretionary requirements as specified in Part E of Schedule II of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

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

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

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

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

Not Applicable

XII. Pledge of Promoters shares

Subsequent to the close of FY, pursuant to one of the conditions of loan sanction, promoters created pledge on their shares in favour of SBICAP Trustee Company Limited (for and on behalf of SBI) as detailed hereunder:

- Mr. V. Atchyuta Rama Raju - 65,36,200 shares (12.44 %)
- Mrs. V. Parvathi - 2,32,350 shares (0.44 %)

XIII. 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.

XIV. 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, 2020.

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

XV. Certificate on Corporate Governance

The Company has obtained certificate from a Practicing Company Secretary, Mr. Anand Kumar C. Kasat, 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 herewith and will be sent to the stock exchanges, along with the Annual Reports to be filed by the Company.

XVI. 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.

XVII. 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.

For and on behalf of the Board

Sd/-

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

Date : 02nd December, 2020

Place : Hyderabad

CEO & CFO Certification

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



The Board of Directors
VAMA Industries Limited
Hyderabad.

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

A. We have reviewed financial statements and the cash flow statement of our Company for the financial year ended 31st March, 2020 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

- * Significant changes in internal control over financial reporting during the year;
- * Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- * 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.

For and on behalf of the Board

Sd/-

V. Atchyuta Rama Raju

Chairman and Managing Director
(DIN: 00997493)

Sd/-

G. Siva

Chief Financial Officer

Place: Hyderabad
Date: 02nd December, 2020

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, 2020.

For and on behalf of the Board

Sd/-

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

Place: Hyderabad
Date: 02nd December, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF VAMA INDUSTRIES LIMITED.

I have examined the compliance of conditions of Corporate Governance by M/s. Vama Industries Limited ("the Company"), for the year ended March 31, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period April 01, 2019 to March 31, 2020.

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.

Sd/-

Anand Kumar C. Kasat

Practicing Company Secretary

M. No.42078

C.P.No.17420

UDIN: A042078B001353069

Place: Hyderabad

Date: 02nd December, 2020

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, 2020, 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.

Sd/-

Anand Kumar C. Kasat

Practicing Company Secretary

M. No.42078

C.P.No.17420

UDIN: A042078B001353069

Place: Hyderabad

Date: 02nd December, 2020

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS INDEPENDENCE

1. Introduction:

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

2. Scope:

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

3. Terms and References:

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

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

4. Policy:

4.1 Qualifications and Criteria

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

Committee Meetings;

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

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

4.2 Criteria of Independence

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

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

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

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

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

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 0 ther 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)

02nd December, 2020
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)

02nd December, 2020
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)

02nd December, 2020
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)

02nd December, 2020
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, 2020, 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, 2020, 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 1 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 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.
- iv. The company has opted for a moratorium period for repayment of interest on working capital facilities and term loans, however interest would continue to be charged for this period.

For V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

UDIN : 20225281AAAABA6059

Place: Hyderabad

Date: 27.07.2020

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 2020, 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 March 31, 2020 for a period of more than six months from the date they became payable except ESI Payable of Rs 0.82 Lakhs, Professional Tax Payable of Rs 0.18 Lakhs and Tax Deducted at Source of Rs. 92.36 Lakhs payable for a period of more than six months from the date became payable.

- c) According to the information and explanations given to us, there are no material statutory dues including Provident Fund, Employees' State Insurance, Professional Tax (in the state of Telangana), Income-tax, Customs Duty, Goods and Service Tax, cess and any other material statutory dues pending for deposit with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have dues to financial institutions, government and to debenture holders.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements 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.

F

or V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

UDIN : 20225281AAAABA6059

Place: Hyderabad

Date: 27.07.2020

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 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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 & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn. No. 018367S

UDIN : 20225281AAAABA6059

Place: Hyderabad

Date: 27.07.2020

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020


(₹ In lakhs)

Particulars	Note No	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
Property Plant and Equipment	2.01	245.52	256.00
Intangible Assets	2.02	195.85	128.63
Tangible Assets Under Developmet		-	-
Financial Assets			
Investments	2.03	4.52	4.16
Other Financial Assets	2.04	194.82	131.91
Other Long term Loans and Advances	2.05	5.25	16.80
Other Non-Current Assets	2.06	105.31	20.17
		751.27	557.67
Current Assets			
Inventories	2.07	1,312.95	1,249.06
Financial Assets			
Trade Receivables			
Cash and Cash equivalent	2.08	1,043.69	1,711.14
Other Financial Assets	2.09	711.04	878.14
Other Current Assets	2.10	102.19	232.93
	2.11	339.51	453.41
		3,509.38	4,524.68
		4,260.65	5,082.35
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2.12	1,050.80	1,050.80
Other Equity	2.13	871.78	982.42
		1,922.58	2,033.22
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.14	3.50	37.92
Deffered Tax Liabilities (Net)	2.15	26.71	25.01
		30.21	62.93
Current Liabilities			
Financial Liabilities			
Borrowings	2.16	1,055.24	790.78
Trade Payables	2.17	838.76	1,594.31
Other Financial Liabilities	2.18	148.51	108.99
Provisions	2.19	30.28	40.98
Other Current Liabilities	2.20	235.07	451.14
		2,307.86	2,986.20
		4,260.65	5,082.35
Total Assets			

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: 27.07.2020

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/-

R. Rama Sravanthi

Director

DIN : 07098278

Sd/-

Vandana Modani

Company Secretary

STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2020


(₹ In lakhs)

Particulars	Note No	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Income			
Revenue from Operations	2.21	1,614.16	3,837.08
Other Income	2.22	80.32	93.81
Total Revenue		1,694.48	3,930.89
Expenses			
Cost of Materials Consumed	2.23	967.80	3,163.48
Changes in Inventories	2.24	(63.89)	(449.42)
Employee Benefits Expense	2.25	436.93	498.54
Finance Costs	2.26	233.92	331.02
Depreciation and Amortisation Expenses	2.01	32.46	34.49
Other Expenses	2.27	183.53	238.48
Total Expenses		1,790.75	3,816.59
Profit Before Tax		(96.27)	114.30
Tax Expense			
i) Current Tax		-	30.28
ii) Deffered tax		1.70	4.25
Profit for the Year		(97.97)	79.77
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Tax on items that will not be reclassified to profit or loss		-	-
		-	-
Items that will be reclassified to Profit or Loss			
Items that may be reclassified subsequently to profit or loss		-	-
Tax on Items that may be reclassified subsequently to profit or loss		-	-
		-	-
Total Other Comprehensive income / loss for the year, net of Tax		-	-
Total Comprehensive Income for the Year		(97.97)	79.77
Earning per Share			
Basic Earning Per share @ Rs. 2/- Each		(0.19)	0.15
Diluted Earning Per share @ Rs. 2/- Each		(0.19)	0.15

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: 27.07.2020

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/-
R. Rama Sravanthi
Director
DIN : 07098278

Sd/-
Vandana Modani
Company Secretary

Statement of Changes in Equity for the year ended 31.03.2020

(₹ In lakhs)

Particulars	Equity Share Capital	Retained Earnings	Securities Premium	Actuarial Gains or Losses	Total Equity
Balance as at 01/04/2019	1,050.80	612.42	370.00	-	2,033.22
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		-	-	-	-
Balance as at 31/03/2020	1,050.80	501.78	370.00	-	1,922.58
Particulars	Equity Share Capital	Retained Earnings	Securities Premium	Actuarial Gains or Losses	Total Equity
Balance as at 01/04/2018	1,050.80	557.32	370.00	-	1,978.12
Profit for the Year		79.77	-	-	79.77
Excess Provision made for FY 2017-18		38.57	-	-	38.57
Dividend paid		(52.54)	-	-	(52.54)
Corporate Dividend Tax		(10.70)	-	-	(10.70)
Amount Transfer to General Reserve		-	-	-	-
Net Change in Fair Value of FVTPL investments and others		-	-	-	-
Balance as at 31/03/2019	1,050.80	612.42	370.00	-	2,033.22

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020


(₹ In lakhs)

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	(96.27)	114.30
Adjustments		
Depreciation and Amortisation Expense	32.46	34.49
Dividend and Interest Income	(80.32)	(93.81)
Finance Cost	233.92	331.02
Provision for doubtful debts/advances/ impairment	-	-
Fair value adj for Investments	-	-
Operating profit before working capital changes	89.79	386.00
Movements in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	667.45	579.19
(Increase)/Decrease in Inventories	(63.89)	(449.42)
Changes in Other Financial Assets	130.74	113.33
Changes in Other Current Assets	(8.65)	(203.82)
Increase/(Decrease) in Trade Payables	(755.55)	(440.77)
Increase/(Decrease) in Other Financial Liabilities	39.52	69.73
Increase/(Decrease) in Other Current Liab.	(228.93)	86.44
Cash generated from Operations	(129.52)	140.68
Direct Taxes paid	78.41	(103.25)
Net Cash from Operating activities	(51.11)	37.43
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets (Net)	(89.20)	(3.34)
Intangible assets under development	-	-
(Purchase) / Sale of Investments (Net)	(0.36)	122.85
Change in Other Financial Assets(Non current)	(62.91)	48.21
Changes in Long Term Loans & Advances	11.55	25.65
Changes in Other Non Current Assets	(85.14)	3.77
(Increase)/Decrease in Other Long Term Liab. / Long Term Prov.	-	-
Dividend and Interest Income received	80.32	93.81
Net Cash from Investment Activities	(145.74)	290.95
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	-	-
Proceeds / (Repayment) from Long Term Borrowings	(34.42)	(136.59)
Proceeds / (Repayment) from Short Term Borrowings	264.46	403.64
Finance Cost	(233.92)	(331.02)
Dividend Paid	(10.51)	(52.54)
Dividend Tax Paid	-	-
Net cash used in financing activities	(14.39)	(116.51)
Net (Decrease) / Increase in cash and cash equivalents	(211.24)	211.87
Cash and cash equivalents at the beginning of the year	223.50	11.63
Cash and Cash equivalents at the end of the year	12.26	223.50

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)

2. The accompanying notes are an integral part of the financial statements

3. We have taken into consideration Cash and Cash equivalents instead of effective Cash and Cash equivalents.

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

Chartered Accountants

 Sd/-
V N S SRINIVASARAO
 Proprietor

 M.No. 225281
 Firm Regn No. 018367S
 Place : Hyderabad
 Date: 27.07.2020

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

 Sd/-
G. Siva
 Chief Financial Officer

 Sd/-
R. Rama Sravanthi
 Director
 DIN : 07098278

 Sd/-
Vandana Modani
 Company Secretary

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

A. General Information

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

Basis of preparation and presentation of Financial Statements

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

The Company has consistently applied accounting policies to all applicable periods except for the changes mentioned hereinbelow :

Amendment to Ind AS 12 ‘Income Taxes’:

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 ‘Income Taxes’ with effect from 1st April 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from 01st April, 2020, this amendment will have no impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1st April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 ‘Employee Benefits’:

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 ‘Employee Benefits’ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The amendment is effective from 1st April 2019, the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

Ind AS 116, Leases :

The Company has adopted Ind AS 116 “Leases” with effect from 01st April 2019 and applied to its Lease contracts existing on 01st April 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

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	10

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

3) Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

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

Financial Assets at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial Assets at FVTOCI

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

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

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

Financial Assets at FVTPL

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

Investment in Mutual Funds

Mutual funds investment is in scope of Ind AS 109 are measured at fair value. For all other instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

Investments in subsidiaries

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

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

Retention Money

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

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

Impairment of trade receivables

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

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

Derecognition

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

4) Inventories

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

5) Impairment of non-financial assets

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

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

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

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

6) Cash & Cash Equivalents

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

7) Employee Benefits

Short term employee benefits

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

Defined Contribution Plan

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

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.

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.

Impact of COVID-19 Key accounting judgements, estimates and assumptions.

In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and the Government of India ordered a nationwide lockdown during Mar'20,

limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

However, as the Company operates in an industry that is considered not essential in India and other countries, its operations were severely affected during lockdown. However, Operating activities are resumed after lockdown period by ensuring appropriate safety measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis. Based on its current estimates, the Company expects to fully recover the carrying amount of receivables, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

i. Depreciation and amortization

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. Inventories

The method of valuation of Inventories has been stated in Note No. 1 & Note No. 2.07 of Significant Accounting Policies. The Company has considered the possible impact relating to COVID-19 while determining the net realizable value of inventory of Computer Systems and Hardware. Based on the available internal and external information as determined by the Management, the Company does not expect the carrying values of such inventories to be significantly impacted.

iv. Trade Receivables

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. Based on other internal and external sources of information as determined by the Management, the Company expects to fully recover the carrying amount of Trade Receivables.

The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue.

However, 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.

2.01: Property, plant and equipment

(₹.in Lakhs)

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
	290.44	-	-	290.44	34.42	10.48	-	-	44.92	245.52	256.00

Particulars	Gross carrying value			Accumulated depreciation / impairment					Net carrying value		
	As at 01.04.2018	Additions	Disposals	As at 31.03.2019	As at 01.04.2018	For the year	Impairment for the year	Disposals	As at 31.03.2019	As at 31.03.2018	
	Computers	24.67	1.58	-	26.25	2.89	5.35	-	-	8.24	18.01
Furniture & Fixtures	5.46	1.24	-	6.70	2.91	0.40	-	-	3.31	3.39	2.55
Air Conditioners	4.47	-	-	4.47	0.94	0.48	-	-	1.42	3.04	3.53
Electrical Fittings	3.18	0.52	-	3.70	1.07	0.34	-	-	1.41	2.28	2.11
Office Equipment	1.01	-	-	1.01	0.33	0.03	-	-	0.36	0.65	0.68
Vehicles	39.06	-	-	39.06	13.63	6.05	-	-	19.68	19.38	25.43
Land *	209.25	-	-	209.25	-	-	-	-	-	209.25	209.25
	287.10	3.34	-	290.44	21.77	12.65	-	-	34.42	256.00	265.33

(₹.in Lakhs)

2.02: Intangible Assets

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	128.63
	323.57	89.20	-	412.77	194.94	21.98	-	-	216.92	128.63

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

2.03 Investments

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
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)	4.52	4.16
Aggregate amount of unquoted investments	4.52	4.16

2.04 Other Financial Assets (Non Current)

Particulars	As at 31.03.2020	As at 31.03.2019
Deposits and Others		
Security Deposits	22.72	26.63
Electricity Deposit	0.96	0.96
Telephone Deposit	0.20	0.20
Rental Deposit	4.91	6.62
Prepaid Expenses	87.16	-
Other Deposits	0.04	0.04
Retention Money	78.83	97.46
	194.82	131.91

2.05 Long Term Loans & Advances

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured Considered good		
Other Loans and Advances	5.25	16.80
	5.25	16.80

2.06 Other Non-Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Un-Secured Considered Good		
Other Advances	14.64	11.70
Deposit with Statutory Authorities		
TDS Receivables	90.67	8.47
	105.31	20.17

2.07 Inventories

Particulars	As at 31.03.2020	As at 31.03.2019
Stock - In Trade#	1,312.95	1,249.06
	1,312.95	1,249.06

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 31.03.2020	As at 31.03.2019
(Un-Secured Considered Good) "Outstanding for a period exceeding six months from the date they are due for payment"	775.17	804.66
Others *	351.01	1,002.67
	1,126.18	1,807.33
Breakup for Security Details		
Un-Secured Considered Good	1,126.18	1,807.33
Less: Probability of Default and Provision for Impairment	82.49	96.19
	1,043.69	1,711.14
Current	404.22	1,711.14
Non-Current	721.96	-
	1,126.18	1,711.14
Less: Provision for Doubtful Debts	65.86	65.86
Less: Impairment due to Expected Credit Loss	16.63	30.33
	82.49	96.19
Closing Balance	1,043.69	1,711.14

Movement of Impairment in Trade receivables

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	96.19	104.30
Add: Additional Allowance of Expected Credit Loss	-	-
Less: Additional Allowance of Expected Credit Gain	13.70	8.11
	82.49	96.19

* Trade Receivable include Income Accrued but bills not raised of Rs. 122.78 Lakhs (FY 2018-19 Rs. 121.69 Lakhs)

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

2.09 Cash & Bank Balances

Particulars	As at 31.03.2020	As at 31.03.2019
a) Cash & Cash Equivalents		
Cash on hand	7.65	7.19
Balances with banks		
- Current Accounts	1.29	214.02
' - Deposit Accounts	698.78	654.64
b) Other Bank Balances (with restricted use)		
- 'Unclaimed Dividend Account	3.32	2.29
	711.04	878.14

2.10 Other Financial Assets (Current)

(₹ In lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Loans and Advances to Related Parties	-	137.96
Interest Accrued but not due on FD's	19.64	13.55
Security Deposit	-	-
Retention Money	82.55	81.42
	102.19	232.93

2.11 Other Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Prepaid Expenses	44.18	166.75
Loans and Advances to Employees	36.78	8.65
Advance Tax	26.15	18.98
Advance to Suppliers / Expenses	140.26	117.15
Other Advances	2.85	8.56
Service Tax Input/VAT Input/GST Input	89.29	133.32
	339.51	453.41

2.12 Share Capital

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
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	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 31.03.2020	As at 31.03.2019
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,2020 :

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.

2.13 Other Equity

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Securities Premium		
Opening Balance	370.00	370.00
Add: Premium on Shares Issued during the Year	-	-
	370.00	370.00
Retained Earnings		
Opening Balance	612.42	557.32
Add: Excess Provision made for FY 2017-18	-	38.57
Add: Net profit Transferred from the Statement of profit and loss	(97.97)	79.77
	514.45	675.66
Less: Appropriations		
Dividend	10.51	52.54
Corporate Dividend Tax	2.16	10.70
Total	501.78	612.42
Total Other Equity	871.78	982.42

2.14 Long Term Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
Vehicle Loans from Banks	3.50	7.31
Unsecured Borrowings :		
Loan from Financial Institutions	-	30.61
	3.50	37.92

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 21 (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 29 (rate of Interest: 9.55%)

Unsecured Business Loans

Magma Fincorp Limited

It is repayable in 24 monthly installments of Rs. 2,52,119/- each commencing from January 2018, This loan is totally repaid in Feb'20 (Rate of Interest: 18.75%)

Edelweiss Retail Finance Limited

It is repayable in 24 monthly installments of Rs. 2,01,635/- each commencing from January 2018, This loan is totally repaid in Mar'20 (Rate of Interest: 19.00%)

Dewan Housing Finance Corporation Limited

It is repayable in 24 monthly installments of Rs. 1,76,435/- each commencing from January 2018, This loan is totally repaid in Dec'19 (Rate of Interest: 19.00%)

Equitas Small Finance Bank Ltd

It is repayable in 24 monthly installments of Rs. 1,51,230/- each commencing from February 2018, This loan is totally repaid in Jan'20 (Rate of Interest: 19.00%)

Religare Finvest Limited

It is repayable in 24 monthly installments of Rs. 1,00,817/- each commencing from January 2018, This loan is totally repaid in Mar'20 (Rate of Interest: 19.00%)

Shriram City Union Finance Limited

It is repayable in 24 monthly installments of Rs. 1,76,431/- each commencing from April 2018, This loan is totally repaid in Mar'20 (Rate of Interest: 19.00%)

Tata Capital Financial Services Limited

It is repayable in 24 monthly installments of Rs. 1,00,574/- each commencing from February 2018, This loan is totally repaid in Jan'20 (Rate of Interest: 18.75%)

2.15 Deferred Tax Liabilities

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	25.01	20.76
Add: on Account of Timing Differences in Property, Plant & Equipment	1.70	2.96
Add: on Account of Others	-	1.29
	26.71	25.01

2.16 Other Financial Liability

Particulars	As at 31.03.2020	As at 31.03.2019
Loans Repayable on Demand		
Secured Borrowings :		
Working Capital Loans from Banks	808.69	756.44
Unsecured Borrowings :		
Loans from Related Parties	246.55	34.34
	1,055.24	790.78

Cash Credit from State Bank of India:

Rate of Interest : 12.00%

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

Personal Guarantee:

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

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.

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.

Unsecured Borrowings :

Loans from Related Parties consists of

Name of the Related Party	Nature of Relationship	(Rs. In Lakhs)	
		As at 31.03.2020	As at 31.03.2019
Shri V.Atchyuta Rama Raju	Director	246.55	25.34
Shri V. Rajam Raju	Director	-	9.00

2.17 Trade Payables

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Due to Micro and Small Enterprises	-	-
Due to Others		
for Goods & Service	838.76	1,594.31
	838.76	1,594.31

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 31.03.2020	As at 31.03.2019
Unpaid Dividend #	3.32	3.21
Expenses Payable	145.19	105.78
	148.51	108.99

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

2.19 Short Tem Provisions

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
For Employee Benefits	-	-
Others ##	-	10.70
Provision for Income Tax	30.28	30.28
	30.28	40.98

include "Dividend Tax Payable"

2.20 Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Other Payables		
Statutory Liabilities	139.38	173.78
Advance received from Customers	29.93	3.12
Current Maturities of Long-Term Debt Secured		
Vehicle Loan from bank	3.58	5.02
Unsecured		
Loan from Financial Institutions	62.18	269.23
	235.07	451.14

India Infoline Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

IVL Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Bajaj Finance Limited

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 31.03.2020	For the Year Ended 31.03.2019
Sale of Products		
- Domestic	1,009.51	3,238.50
- Export	-	-
Sale of Services		
- Domestic	334.10	342.55
- Export	270.55	256.03
	1,614.16	3,837.08
Sale of Goods under broad heads		
Computers & Peripherals / Software	1,009.51	3,238.50
	1,009.51	3,238.50
Services rendered under broad heads		
Annual Maintenance Contract Service	187.17	181.07
Consultancy Services	220.24	245.37
IT Engineering Services	197.24	172.14
	604.65	598.58

2.22 Other Income

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest on Fixed Deposits	47.34	33.77
Other Income	32.98	60.04
	80.32	93.81

2.23 Cost of Material Consumed

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Purchase of Material	859.78	3,108.53
Transport / AMC / Labour Charges	108.02	54.95
	967.80	3,163.48

2.24 Changes in Inventories

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Inventories at the end of the year	1,312.95	1,249.06
Inventories at beginning of the year	1,249.06	799.64
Net Increase/ (Decrease)	63.89	449.42

2.25 Employee Benefit Expenses

(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Salaries and Wages	389.15	435.07
Director's Remuneration	28.55	37.80
Contribution to Provident and other Funds	18.86	23.67
Staff Welfare Expenses	0.37	2.00
	436.93	498.54

2.26 Finance Cost

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest Expense		
Interest	116.73	183.64
Interest on others	60.16	81.53
Other Borrowing Costs		
Loan Processing Charges	11.44	23.31
Other Finance Charges		
Bank Charges	45.59	42.54
	233.92	331.02

2.27 Other Expenses

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Advertisement	1.40	2.02
Audit Fees	1.50	1.50
Business Promotion Expense	4.31	11.02
Communication Expense	5.17	4.98
Conveyance	4.18	6.63
Power and Fuel	7.71	11.59
Fees & Taxes	5.38	10.40
Forex Fluctuations	12.05	33.14
Office & General Expenses	13.53	8.40
Insurance	6.41	6.73
LD Clause Charges	26.36	5.04
Professional Expenses	39.65	65.83
Printing & Stationery	0.42	2.09
Postage & Telegram	0.81	0.92
Rent	32.02	35.90
Repairs & Maintenance	0.44	1.27
STPI Service Charges	0.55	0.55
Travelling Expenses	21.05	30.11
Vehicle Maintenance	0.59	0.36
	183.53	238.48

2.28 Auditors Remuneration

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2018-19
a) Audit Fees	1.00	1.00
b) Other Charges		
Taxation Matters	0.50	0.50
Certification Fees		
c) Reimbursement of out of pocket expenses	-	-
Total	1.50	1.50

2.29 Earnings per Share

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Earnings		
Profit attributable to equity holders	(97.97)	79.77
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)	(0.19)	0.15
Earnings per share of par value Rs.2/- – Diluted (INR)	(0.19)	0.15

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 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. 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	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

Related Party Transactions: (₹ in lakhs)

S.No	Nature of Transaction	FY 2019-20				FY 2018-19				
		KMP	Relative of KMP	EDS	Subsidiary	Total	KMP	Relative of KMP	EDS	Subsidiary
1	Directors Remuneration / Salary	56.78	2.28			59.06	53.84	2.28		56.12
2	Consultancy Service Income				73.31	73.31			83.88	83.88
3	Dividend	3.67	0.84			4.51	18.36	4.20		22.56

Balance with Related Parties:

S.No	Nature of Transaction	FY 2019-20				FY 2018-19				
		KMP	Relative of KMP	EDS	Subsidiary	Total	KMP	Relative of KMP	EDS	Subsidiary
1	Rent Deposit			9.75		9.75			11.70	11.70
2	Expenses payable					-	9.19			9.19
3	Unsecured Loan	246.55				246.55	34.34			34.34
4	Loans & Advances		5.00	0.25		5.25		5.00	0.25	137.96
5	Investments				4.52	4.52			4.16	4.16
6	Trade Receivables		6.38		119.89	126.27		6.38		81.05

Transactions with Related Parties during the year:

(₹ In Lakhs)

S. No.	Particulars	FY 2019-20	FY 2018-19
1	Directors Remuneration / Salary		
	V.A.Rama Raju	24.05	19.80
	V.Rajam Raju	18.00	18.00
	V.Parvathi	2.28	2.28
	Gavireddy Siva	11.04	10.64
	M K BhaskaraTeja	-	3.90
	M Vandana	3.69	1.50
2	Consultancy Service Income		
	Vama Technologies Pte Ltd	73.31	83.88
3	Dividend		
	V Atchyuta Rama Raju	2.51	12.56
	V Rajam Raju	1.16	5.80
	Gottumukkala Atchyuta Rama Raju	0.60	3.00
	Bangarraju Mudundi	0.02	0.09
	V Parvathi	0.15	0.77
	V Sarada	0.02	0.09
	M Krishna Veni	0.02	0.08
	V Pushpavathi	0.01	0.07
	Mohan Raju Indukuri	0.01	0.05
	Uma Vani Indukuri	0.01	0.05
4	Rent Deposit		
	Reliance Tea Pvt Ltd	9.75	11.70
5	Expenses payable		
	G Siva	-	9.19
6	Unsecured Loan		
	V Atchyuta Rama Raju	246.55	25.34
	V Rajam Raju	-	9.00
7	Loans & Advances		
	Vama Technologies Pte Ltd	-	137.96
	Reliance Tea Pvt Ltd	0.25	0.25
	Asha Lube Solutions Pvt Ltd.	5.00	5.00
8	Investments		
	Vama Technologies Pte Ltd	4.52	4.16
9	Trade Receivables		
	Vama Technologies Pte Ltd	119.89	81.05
	Asha Automine Pvt Ltd	6.38	6.38

2.31 Earnings / Expenditure in Foreign Currency

Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Reimbursement of expenses	9.23	8.28
Import Purchase	122.59	1,409.99
Bank Charges	0.80	1.34
Total	132.62	1,419.61

Earnings in Foreign Currency

Particulars	FY 2019-20	FY 2018-19
Engineering Services	194.61	172.14
Consultancy Services	75.94	83.88
	270.55	256.02

2.32 Segment Reporting

The Company concluded that there is only one operating segment i.e, IT related services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108, to the extent applicable.

2.33 Employee benefits

Contribution to provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed Rs. 16.47 Lakhs and Rs. 19.31 Lakhs to the provident fund plan during the years ended 31st March 2020 and 2019, 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 2019-20	FY 2018-19
Current taxes expense		
Domestic	-	30.28
Deferred taxes expense / (benefit)		
Domestic	1.70	4.25
Total income tax expense / (benefit) recognized in the statement of P & L	1.70	34.53

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 2019-20	FY 2018-19
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 2019-20	FY 2018-19
Profit before income taxes	(96.27)	114.30
Enacted tax rate in India	26.00%	26.00%
Computed expected tax	-	29.72
Effect of:		
Expenses not deductible for Tax purposes	51.98	34.49
Expenses deductible for Tax purposes	(39.00)	(32.33)
Taxable at Special Rates	-	-
Income tax	-	30.28
Effective tax rate	0.00%	26.49%

The Company's average effective tax rate for the years ended March 31, 2020 and 2019 were 0.00% and 26.49%, 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 2019-20	FY 2018-19
Deferred tax assets / (liabilities) :		
Property, plant and equipment	(26.71)	(25.01)
Others	-	-
Net deferred tax assets / (liabilities)	(26.71)	(25.01)

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

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

e. Movement in deferred tax assets and liabilities during the year ended 31st March 2019 & 2020 (₹ In Lakhs)

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)

2.35 Investments

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

2.36 Retention Money

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

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

The details of Retention Money as of 31st March 2019 are as follows: (₹ In Lakhs)

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

The details of Retention Money as of 31st March 2020 are as follows:

Particulars	As at 01.04.2018	Recognized in statement of profit and loss	Recognized in EQUITY	As at 31.03.2019
Opening as on 01.04.2019	(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)

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-20	Mar-19	Mar-20	Mar-19
Financial assets				
Cash and cash equivalents	711.04	878.14	711.04	878.14
Investments	4.16	3.90	4.52	4.16
Trade Receivables	1,126.18	1,807.33	1,043.69	1,711.14
Other financial assets	296.68	437.53	297.01	364.84
Total	2,138.06	3,126.90	2,056.26	2,958.28
Financial liabilities				
Borrowings	1,058.74	828.70	1,058.74	828.70
Trade payables	838.76	1,594.31	838.76	1,594.31
Other financial liabilities	148.51	108.99	148.51	108.99
Total	2,046.01	2,532.00	2,046.01	2,532.00

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. 16.63 as at 31st March 2020 and Rs. 30.33 at 31st March 2019.

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 2020.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2020 and 31st March 2019 are as follows:

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Balance at the beginning of the year	30.33	38.44
Impairment Loss / (Gain) of Trade receivables	(13.70)	(8.11)
Balance at the end of the year	16.63	30.33

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 2020 and 2019, the Company has utilized working capital credit limits (fund based) from banks of Rs. 809.00 Lakhs and Rs 750.00 Lakhs respectively

As of 31 March 2020, the Company had working capital (current assets less current liabilities) of Rs. 1,201.52 Lakhs including cash and cash equivalents of Rs. 711.04 Lakhs. As of 31 March 2019, the Company had working capital of Rs. 1,538.48 Lakhs, including cash and cash equivalents of Rs. 878.14 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020

(₹. In Lakhs)

Particulars	2021	2022	2023	Thereafter	Total
Trade payables	838.76	-	-	-	838.76
Long term borrowings #	65.76	3.15	0.35	-	69.26
Bank overdraft, short-term loans and borrowings*	1,055.24	-	-	-	1,055.24
Statutory Liabilities	139.38	-	-	-	139.38
Other liabilities*	148.51	-	-	-	148.51

* 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 2019-20	FY 2018-19
Total Debt	2,338.07	3,049.13
Total Equity	1,922.58	2,033.22
Debt Equity Ratio	1.22:1	1.50:1

2.39 Contingent Liabilities and Commitments:

(₹. In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts	-	-
Income		
b) Guarantees		
Bank Guarantees	1,648.94	1,680.46
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

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, 2020, 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, 2020, 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 1 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. 347.37 Lakhs as at 31st March, 2020, total revenues of Rs. 1,475.07 Lakhs and total net profit after tax amounting to Rs. 161.70 Lakhs, total comprehensive income of Rs. 161.70 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, 2020 taken on record by the Board of Directors, none of the Holding Company's directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Holding Company and the subsidiary do not have any pending litigations which would impact its financial position.
 - ii. The Holding Company and the subsidiary did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Holding company has opted for a moratorium period for repayment of interest on working capital facilities and term loans, however interest would continue to be charged for this period.
- h. With respect to the matter to be included in the Auditor's Report under Section 197(16) :
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to Holding Company's directors during the current year is in accordance with the provisions under Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For V N S S & ASSOCIATES

Chartered Accountants

Sd/-

V N S SRINIVASARAO

Proprietor

M. No. 225281

Firm Regn No. 018367S

Place: Hyderabad

Date: 27.07.2020

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 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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

UDIN : 20225281AAAABB9311

Place: Hyderabad

Date: 27.07.2020

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020


(₹ In lakhs)

Particulars	Note No	As at 31.03.2020	As at 31.03.2019
ASSETS			
Non-Current Assets			
Property Plant and Equipment	2.01	245.52	256.00
Intangible Assets	2.02	195.85	128.63
Tangible Assets under Development		-	-
Financial Assets			
Investments	2.03	-	-
Other Financial Assets	2.04	320.11	134.95
Other Long term Loans and Advances	2.05	5.25	16.80
Other Non-Current Assets	2.06	105.31	20.17
		872.04	556.55
Current Assets			
Inventories	2.07	1,312.95	1,333.51
Financial Assets			
Trade Receivables	2.08	1,117.43	1,734.75
Cash and Cash equivalent	2.09	719.36	885.40
Other Financial Assets	2.10	102.19	120.95
Other Current Assets	2.11	359.64	490.76
		3,611.57	4,565.37
TOTAL ASSETS		4,483.61	5,121.92
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2.12	1,050.80	1,050.80
Other Equity	2.13	881.16	846.27
		1,931.96	1,897.07
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.14	3.50	37.92
Deferred Tax Liabilities (Net)	2.15	27.76	9.89
Other Non-Current Liabilities			
		31.26	47.81
Current Liabilities			
Financial Liabilities			
Borrowings	2.16	1,055.24	790.78
Trade Payables	2.17	1,046.42	1,780.48
Other Financial Liabilities	2.18	153.38	113.66
Provisions	2.19	30.28	40.98
Other Current Liabilities	2.20	235.07	451.14
		2,520.39	3,177.04
TOTAL ASSETS		4,483.61	5,121.92

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: 27.07.2020

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/-

R. Rama Sravanthi

Director

DIN : 07098278

Sd/-

Vandana Modani

Company Secretary

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2020


(₹ In lakhs)

Particulars	Note No	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Income			
Revenue from Operations	2.21	3,000.08	5,379.16
Other Income	2.22	96.08	93.81
Total Revenue		3,096.16	5,472.97
Expenses			
Cost of Material Consumed	2.23	2,103.52	4,692.02
Changes in Inventories	2.24	20.56	(533.87)
Employee Benefits Expense	2.25	436.93	498.54
Finance Costs	2.26	238.64	335.99
Depreciation and Amortisation Expense	2.01	32.46	34.49
Other Expenses	2.27	198.62	597.70
Total Expenses		3,030.73	5,624.87
Profit Before Tax		65.43	(151.90)
Tax Expense			
i) Current Tax		-	30.28
ii) Deffered tax		17.87	(22.36)
Profit for the Year		47.56	(159.82)
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Profit or Loss		-	-
Tax on items that will not be reclassified to Profit or Loss		-	-
		-	-
Items that will be reclassified to Profit or Loss :			
Items that may be reclassified subsequently to Profit or Loss		-	-
Tax on Items that may be reclassified subsequently to Profit or Loss		-	-
		-	-
Total Other Comprehensive Income/(Loss) for the year net of tax		-	-
Total Comprehensive Income for the Year		47.56	(159.82)
Earning per Share			
Basic Earning Per share @ Rs. 2/- Each		0.09	(0.30)
Diluted Earning Per share @ Rs. 2/- Each		0.09	(0.30)

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: 27.07.2020

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/-

R. Rama Sravanthi

Director

DIN : 07098278

Sd/-

Vandana Modani

Company Secretary

(₹ In lakhs)

Statement of Changes in Equity as at 31/03/2020

Particulars	Equity Share Capital	Retained Earnings	Securities Premium	Actuarial Gains or Losses	Total Equity
Balance as at 01/04/2019	1,050.80	476.27	370.00	-	1897.07
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		-	-	-	-
Balance as at 31/03/2020	1,050.80	511.16	370.00	-	1,931.96

Statement of Changes in Equity as at 31/03/2019

Particulars	Equity Share Capital	Retained Earnings	Securities Premium	Actuarial Gains or Losses	Total Equity
Balance as at 01/04/2018	1,050.80	658.13	370.00	-	2078.93
Profit for the Year		(159.82)	-	-	(159.82)
Excess Provision made for FY 2017-18		41.20	-	-	41.20
Dividend paid		(52.54)	-	-	(52.54)
Corporate Dividend Tax		(10.70)	-	-	(10.70)
Amount Transfer to General Reserve		-	-	-	-
Net Change in Fair Value of FVTPL investments and others		-	-	-	-
Balance as at 31/03/2019	1,050.80	476.27	370.00	-	1,897.07

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020


(₹ In lakhs)

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	65.43	(151.90)
Adjustments		
Depreciation and Amortisation Expense	32.46	34.49
Gain on Investments carried at fair value through profit & loss	-	(4.97)
Finance Cost	238.64	335.99
Interest on Fixed Deposits and other income	(82.38)	(80.73)
Provision for doubtful debts/advances/ impairment	(13.70)	(8.11)
Other Comprehensive Income (net of tax)	-	-
Operating profit before working capital changes	240.45	124.77
Movements in Working Capital		
(Increase)/Decrease in Trade and Other Receivables	631.02	921.66
(Increase)/Decrease in Inventories	20.56	(533.87)
Changes in Other Financial Assets	18.76	86.97
Changes in Other Current Assets	8.57	(436.43)
Increase/(Decrease) in Trade Payables	(734.06)	(272.84)
Increase/(Decrease) in Other Financial Liabilities	39.72	70.55
Increase/(Decrease) in Other Current Liab.	(226.77)	196.30
Cash generated from Operations	(1.75)	157.11
Direct Taxes paid	78.41	(103.25)
Net Cash from Operating activities	76.66	53.86
B. Cash flow from Investing Activities		
(Purchase) / Sale of Investments (Net)	-	128.08
(Purchase) / Sale of Fixed Assets (Net)	(89.20)	(3.32)
Intangible assets under development	-	-
Change in Other Financial Assets(Non current)	(185.16)	48.04
Changes in Long Term Loans & Advances	11.55	25.65
Changes in Other Non Current Assets	(85.14)	3.77
(Increase)/Decrease in Other Long Term Liab. / Long Term Prov.	-	-
Dividend and Interest Income received	82.38	80.73
Net Cash from Investment Activities	(265.57)	282.95
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	-	-
Proceeds / (Repayment) from Long Term Borrowings	(34.42)	(136.59)
Proceeds / (Repayment) from Short Term Borrowings	264.46	403.64
Finance Cost	(238.64)	(335.99)
Dividend Paid	(10.51)	(52.54)
Dividend Tax Paid	(2.16)	(10.70)
Net Cash From / (Used In) financing activities	(21.27)	(132.18)
Net (Decrease) / Increase in cash and cash equivalents	(210.18)	204.63
Cash and cash equivalents at the beginning of the year	230.76	26.13
Cash and Cash equivalents at the end of the year	20.58	230.76

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)

2. The accompanying notes are an integral part of the financial statements

3. We have taken into consideration Cash and Cash equivalents instead of effective Cash and Cash equivalents.

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

Chartered Accountants

 Sd/-
V N S SRINIVASARAO

Proprietor

M.No. 225281

Firm Regn No. 018367S

Place : Hyderabad

Date: 27.07.2020

Sd/-

V. Atchyuta Rama Raju

Chairman & Managing Director

DIN : 00997493

Sd/-

G. Siva

Chief Financial Officer

Sd/-

R. Rama Sravanthi

Director

DIN : 07098278

Sd/-

Vandana Modani

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

The Company has consistently applied accounting policies to all applicable periods except for the changes mentioned hereinbelow :

Amendment to Ind AS 12 ‘Income Taxes’:

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 ‘Income Taxes’ with effect from 1st April 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from 01st April, 2020, this amendment will have no impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1st April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 ‘Employee Benefits’:

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 ‘Employee Benefits’ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The amendment is effective from 1st April 2019, the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

Ind AS 116, Leases :

The Company has adopted Ind AS 116 “Leases” with effect from 01st April 2019 and applied to its Lease contracts existing on 01st April 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

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	10

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

3) Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

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

Financial Assets at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial Assets at FVTOCI

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

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

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

Financial Assets at FVTPL

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

Investment in Mutual Funds

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

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

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

Investments in subsidiaries

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

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

Retention Money

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

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

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of

all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

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

Derecognition

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

4) Inventories

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

5) Impairment of non-financial assets

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

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

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

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

6) Cash & Cash Equivalents

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

7) Employee Benefits

Short term employee benefits

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

Defined Contribution Plan

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

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.

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.

Impact of COVID-19 Key accounting judgements, estimates and assumptions.

In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and the Government of India ordered a nationwide lockdown during Mar'20, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

However, as the Company operates in an industry that is considered not essential in India and other countries, its operations were severely affected during lockdown. However, Operating activities are resumed after lockdown period by ensuring appropriate safety measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis. Based on its current estimates, the Company expects to fully recover the carrying amount of receivables, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

i. Depreciation and amortization

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. Inventories

The method of valuation of Inventories has been stated in Note No. 1 & Note No. 2.07 of Significant Accounting Policies. The Company has considered the possible impact relating to COVID-19 while determining the net realizable value of inventory of Computer Systems and Hardware. Based on the available internal and external information as determined by the Management, the Company does not expect the carrying values of such inventories to be significantly impacted.

iii. Trade Receivables

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. Based on other internal and external sources of information as determined by the Management, the Company expects to fully recover the carrying amount of Trade Receivables. The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue.

However, 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.

2.1: Property, plant and equipment

(₹.in Lakhs)

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	-	-	1.90	2.56	3.04
Electrical Fittings	3.70	-	-	3.70	1.41	0.39	-	-	1.80	1.90	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	15.31	19.38
Land *	209.25	-	-	209.25	-	-	-	-	-	209.25	209.25
	290.44	-	-	290.44	34.42	10.48	-	-	44.90	245.52	256.00

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

(₹.in Lakhs)

2.2: Intangible Assets

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	128.63
	323.57	89.20	-	412.77	194.94	21.98	-	-	216.92	128.63

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

2.03 Investments

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Investments in Equity Instruments:		
Investment in Mutual Funds	-	-
	-	-

2.04 Other Financial Assets (Non Current)

Particulars	As at 31.03.2020	As at 31.03.2019
Deposits and Others		
Security Deposits	26.02	29.67
Electricity Deposit	0.96	0.96
Telephone Deposit	0.20	0.20
Rental Deposit	4.91	6.62
Prepaid Expenses	102.10	-
Other Deposits	0.04	0.04
Retention Money	185.87	97.46
	320.11	134.95

2.05 Long Term Loans & Advances

Particulars	As at 31.03.2020	As at 31.03.2019
Other Loans and Advances		
	5.25	16.80
	5.25	16.80

2.06 Other Non-Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Un-Secured Considered Good		
Other Advances	14.64	11.70
Deposit with Statutory Authorities		
TDS Receivable	90.67	8.47
	105.31	20.17

2.07 Inventories

Particulars	As at 31.03.2020	As at 31.03.2019
Stock - In Trade #	1,312.95	1,333.51
	1,312.95	1,333.51

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 31.03.2020	As at 31.03.2019
(Un-Secured Considered Good)		
“Outstanding for a period exceeding six months from the date they are due for payment”	672.40	828.27
Others *	527.52	1,002.67
	1,199.92	1,830.94
Breakup for Security Details		
Un-Secured Considered Good	1,199.92	1,830.94
Less: Probability of Default and Provision for Impairment	82.49	96.19
	1,117.43	1,734.75
Current	580.73	1,830.94
Non-Current	619.19	-
	1,199.92	1,830.94
Less: Provision for Doubtful Debts	65.86	65.86
Less: Impairment due to Expected Credit Loss	16.63	30.33
	82.49	96.19
Closing Balance	1,117.43	1,734.75

Movement of Impairment in Trade receivables

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	96.19	104.30
Add: Additional Allowance of Expected Credit Loss	-	-
Less: Additional Allowance of Expected Credit Gain	13.70	8.11
	82.49	96.19

* Trade Receivable include Income Accrued but bills not raised of Rs. 122.78 Lakhs (FY 2018-19 Rs. 121.69 Lakhs) * Trade Receivables hypothecated as security for availing working capital credit limits from banks

2.09 Cash & Bank Balances

Particulars	As at 31.03.2020	As at 31.03.2019
a) Cash & Cash Equivalents		
Cash on hand	7.65	7.19
Balance in banks		
- Current Accounts	9.61	220.36
- Deposit Accounts	698.78	654.64
b) Other Bank Balances (with restricted use)		
- Unclaimed Dividend Accounts	3.32	3.21
	719.36	885.40

2.10 Other Financial Assets (Current)

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Loans and Advances to Related Parties	-	-
Interest Accrued but not due on FD's	19.64	13.55
Security Deposit	-	-
Retention Money	82.55	107.40
	102.19	120.95

2.11 Other Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Prepaid Expenses	64.31	166.75
Loans and Advances to Employees	36.78	8.65
Advance Tax	26.15	18.98
Advance to Suppliers / Expenses	140.26	154.50
Other Advances	2.85	8.56
Service Tax Input/VAT Input/GST Input	89.29	133.32
	359.64	490.76

2.12 Share Capital

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
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	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 31.03.2020	As at 31.03.2019
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,2020 :

** 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 31.03.2020	As at 31.03.2019
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	476.27	658.13
Add: Excess Provision made for FY 2017-18	-	41.20
Add: Net profit Transferred from the Statement of P&L A/c	47.56	(159.82)
	523.83	539.51
Less: Appropriations		
Dividend	10.51	52.54
Corporate Dividend Tax	2.16	10.70
Total	511.16	476.27
Total Other Equity	881.16	846.27

2.14 Long Term Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
Vehicle Loans from Banks	3.50	7.31
Unsecured Borrowings :		
Loan from Financial Institutions	-	30.61
	3.50	37.92

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 21 (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 29 (rate of Interest: 9.55%)

Unsecured Business Loans

Magma Fincorp Limited

It is repayable in 24 monthly installments of Rs. 2,52,119/- each commencing from January 2018, This loan is totally repaid in Feb'20 (Rate of Interest: 18.75%)

Edelwesiss Retail Finance Limited

It is repayable in 24 monthly installments of Rs. 2,01,635/- each commencing from January 2018, This loan is totally repaid in Mar'20 (Rate of Interest: 19.00%)

Dewan Housing Finance Corporation Limited

It is repayable in 24 monthly installments of Rs. 1,76,435/- each commencing from January 2018, This loan is totally repaid in Dec'19 (Rate of Interest: 19.00%)

Equitas Small Finance Bank Ltd

It is repayable in 24 monthly installments of Rs. 1,51,230/- each commencing from February 2018, This loan is totally repaid in Jan'20 (Rate of Interest: 19.00%)

Religare Finvest Limited

It is repayable in 24 monthly installments of Rs. 1,00,817/- each commencing from January 2018, This loan is totally repaid in Mar'20 (Rate of Interest: 19.00%)

Shriram City Union Finance Limited

It is repayable in 24 monthly installments of Rs. 1,76,431/- each commencing from April 2018, This loan is totally repaid in Mar'20 (Rate of Interest: 19.00%)

Tata Capital Financial Services Limited

It is repayable in 24 monthly installments of Rs. 1,00,574/- each commencing from February 2018, This loan is totally repaid in Jan'20 (Rate of Interest: 18.75%)

2.15 Deferred Tax Liabilities

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	9.89	32.25
Add: on Account of Timing Differences in Property, Plant & Equipment	17.87	(22.36)
Add: on Account of Others	-	-
	27.76	9.89

2.16 Other Financial Liability

Particulars	As at 31.03.2020	As at 31.03.2019
Loans Repayable on Demand		
Secured Borrowings :		
Working Capital Loans from Banks	808.69	756.44
Unsecured Borrowings :		
Loans from Related Parties	246.55	34.34
	1,055.24	790.78

Cash Credit from State Bank of India:

Rate of Interest : 12.00%

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

Personal Guarantee:

1. Shri V.Atchyuta Rama Raju, MD, S/o. Late V. Venkata Satynarayana Raju
2. Shri V. Rajam Raju, Director, S/o. Late V. Venkata Satynarayana Raju.
3. Smt. V. Parvathi, Guarantor, W/o. Sri V. Atchyuta Rama Raju
4. 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.

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.

Unsecured Borrowings :

Loans from Related Parties consists of

Name of the Related Party	Nature of Relationship	(Rs. In Lakhs)	
		As at 31.03.2020	As at 31.03.2019
Shri V.Atchyuta Rama Raju	Director	246.55	25.34
Shri V. Rajam Raju	Director	-	9.00

2.17 Trade Payables

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Due to Micro and Small Enterprises	-	-
Due to Others for Goods & Service	1,046.42	1,780.48
	1,046.42	1,780.48

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 31.03.2020	As at 31.03.2019
Unpaid Dividend #	3.32	3.21
Expenses Payable	150.06	110.45
	153.38	113.66

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

2.19 Short Tem Provisions

(₹ In Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
For Employee Benefits	-	-
Others ##	-	10.70
Provision for Income Tax	30.28	30.28
	30.28	40.98

include "Dividend Tax Payable"

2.20 Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Other Payables		
Statutory Liabilities	139.38	173.78
Advance received from Customers	29.93	3.12
Current Maturities of Long-Term Debt		
Secured		
Vehicle Loan from bank	3.58	5.02
Unsecured		
Loan from Financial Institutions	62.18	269.22
	235.07	451.14

India Infoline Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

IVL Finance Limited

It is repayable in 36 monthly installments of Rs. 1,83,280/- each commencing from January 2018, balance of installments being 09 (Rate of Interest: 19.00%)

Bajaj Finance Limited

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 31.03.2020	For the Year Ended 31.03.2019
Sale of Products		
- Domestic	1,009.51	3,238.50
- Export	1,459.31	1,616.86
Sale of Services		
- Domestic	334.10	342.55
- Export	197.16	181.25
	3,000.08	5,379.16
Sale of Goods Under Broad Head		
Computers & Peripherals/ Software	2,468.82	4,855.36
	2,468.82	4,855.36
Services rendered Under Broad Head		
Annual Maintenance Contract Service	187.17	181.06
Consultancy Services	146.85	170.59
IT Engineering Services	197.24	172.15
	531.26	523.80

2.22 Other Income

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest on Fixed Deposits	47.34	33.77
Other Income	48.74	60.04
	96.08	93.81

2.23 Cost of Material Consumed

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Purchase of Material	1,968.66	4,609.77
Transport/ AMC/Labour Charges	134.86	82.25
	2,103.52	4,692.02

2.24 Changes in Inventories

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Inventories at the end of the year	1,312.95	1,333.51
Inventories at beginning of the year	1,333.51	799.64
Net Increase/ (Decrease)	(20.56)	533.87

2.25 Employee Benefit Expenses

(₹ In Lakhs)

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Salaries and Wages	389.15	435.07
Directors Remuneration	28.55	37.80
Contribution to PF and other Funds	18.86	23.67
Staff Welfare Expenses	0.37	2.00
	436.93	498.54

2.26 Finance Cost

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Interest Expenses		
Interest	116.73	183.64
Interest on others	60.16	81.53
Other Borrowing Cost		
Loan Processing Charges	11.44	23.31
Other Finance Charges		
Bank Charges	50.31	47.51
	238.64	335.99

2.27 Other Expenses

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Advertisement	1.40	2.02
Audit Fees	7.21	7.35
Business Promotion Exp	4.31	11.02
Communication Expenses	5.17	4.98
Conveyance	4.18	6.63
Power and Fuel	7.71	11.59
Fees & Taxes	5.38	10.40
Forex Fluctuations	15.26	26.40
Office & General Expenses	13.53	8.40
Insurance	7.11	7.12
LD Clause Charges	26.36	5.04
Professional Expenses	45.12	71.17
Printing & Stationery	0.42	2.09
Postage & Telegram	0.81	0.92
Rent	32.02	35.90
Repairs & Maintenance	0.44	1.27
STPI Service Charges	0.55	0.55
Travelling Expenses	21.05	30.11
Vehicle Maintenance	0.59	0.36
Discount/ Miscellaneous written off	-	354.38
	198.62	597.70

2.28 Auditors Remuneration

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2018-19
a) Audit Fees	6.71	6.85
b) Other Charges		
Taxation Matters	0.50	0.50
Certification Fees	-	-
c) Reimbursement of out of pocket expenses	-	-
Total	7.21	7.35

2.29 Earnings per Share

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Earnings		
Profit attributable to equity holders	47.56	(159.82)
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)	0.09	(0.30)
Earnings per share of par value Rs.2/- – Diluted (INR)	0.09	(0.30)

2.30 Related Parties

Subsidiary : Vama Technologies Pte Ltd

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

S. No.	Name of the Related Party	Nature of Relation Ship
1	V.A. Rama Raju	Key Managerial Personnel
2	V.Rajam Raju	Key Managerial Personnel
3	V.Parvathi	Relative of Key Managerial Personnel
4	Reliance Tea Private Limited	EDS*
5	Asha Automine Private Limited	EDS**
6	Asha Lube Solutions Private Limited	EDS**
7	Gottumukkala Achyuta Rama Raju	Relative of Key Managerial Personnel
8	Bangarraju Mudundi	Relative of Key Managerial Personnel
9	V Sarada	Relative of Key Managerial Personnel
10	M Krishna Veni	Relative of Key Managerial Personnel
11	Vegetna Pushpavathi	Relative of Key Managerial Personnel
12	Mohan Raju Indukuri	Relative of Key Managerial Personnel
13	Uma Vani Indukuri	Relative of Key Managerial Personnel
14	Gavireddy Siva	Chief Financial Officer
15	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

Related Party Transactions: (₹ in lakhs)

S.No	Nature of Transaction	FY 2019-20			FY 2018-19				
		KMP	Relative of KMP	EDS	Total	KMP	Relative of KMP	EDS	Total
1	Directors Remuneration / Salary	56.78	2.28	-	59.06	53.84	2.28	-	56.12
2	Dividend	3.67	0.84	-	4.51	18.36	4.20	-	22.56

Balance with Related Parties:

S.No	Nature of Transaction	FY 2019-20			FY 2018-19				
		KMP	Relative of KMP	EDS	Total	KMP	Relative of KMP	EDS	Total
1	Rent Deposit	-	-	9.75	9.75	-	-	11.70	11.70
2	Expenses payable	-	-	-	-	9.19	-	-	9.19
3	Unsecured Loan	246.55	-	-	246.55	34.34	-	-	34.34
4	Loans & Advances	-	5.00	0.25	5.25	-	5.00	0.25	5.25
5	Trade Receivables	-	6.38	-	6.38	-	6.38	-	6.38

Transactions with Related Parties during the year:

(₹ In Lakhs)

S. No.	Particulars	FY 2019-20	FY 2018-19
1	Directors Remuneration / Salary		
	V.A.Rama Raju	24.05	19.80
	V.Rajam Raju	18.00	18.00
	V.Parvathi	2.28	2.28
	Gavireddy Siva	11.04	10.64
	M K BhaskaraTeja	-	3.90
	M Vandana	3.69	1.50
2	Dividend		
	V Atchyuta Rama Raju	2.51	12.56
	V Rajam Raju	1.16	5.80
	Gottumukkala Atchyuta Rama Raju	0.60	3.00
	Bangarraju Mudundi	0.02	0.09
	V Parvathi	0.15	0.77
	V Sarada	0.02	0.09
	M Krishna Veni	0.02	0.08
	V Pushpavathi	0.01	0.07
	Mohan Raju Indukuri	0.01	0.05
	Uma Vani Indukuri	0.01	0.05
3	Rent Deposit		
	Reliance Tea Pvt Ltd	9.75	11.70
4	Expenses payable		
	G Siva	-	9.19
5	Unsecured Loan		
	V Atchyuta Rama Raju	246.55	25.34
	V Rajam Raju	-	9.00
7	Loans & Advances		
	Reliance Tea Pvt Ltd	0.25	0.25
	Asha Lube Solutions Pvt Ltd.	5.00	5.00
8	Trade Receivables		
	Asha Automine Pvt Ltd	6.38	6.38

2.31 Earnings / Expenditure in Foreign Currency

Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Reimbursement of expenses	9.23	8.28
Import Purchase	122.59	1,409.99
Bank Charges	0.80	1.34
Total	132.62	1,419.61

Earnings in Foreign Currency

Particulars	FY 2019-20	FY 2018-19
Engineering Services	194.61	172.14
Consultancy Services	75.94	83.88
	270.55	256.02

2.32 Segment Reporting

The Company concluded that there is only one operating segment i.e, IT related services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108, to the extent applicable.

2.33 Employee benefits

Contribution to provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed Rs. 16.47 Lakhs and Rs. 19.31 Lakhs to the provident fund plan during the years ended 31st March 2020 and 2019, respectively.

2.34 Income Taxes

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

(₹ In Lakhs)

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

Particulars	FY 2019-20	FY 2018-19
Current taxes expense		
Domestic	-	30.28
	17.87	(22.36)
Total income tax expense / (benefit) recognized in the statement of P & L	17.87	7.92

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

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

Particulars	FY 2019-20	FY 2018-19
Tax effect on actuarial gains/losses on defined benefit obligations	-	-
Total income tax expense/(benefit) recognized in the equity	-	-

c. Reconciliation of Effective tax rate:

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

Particulars	FY 2019-20	FY 2018-19
Deferred tax assets/(liabilities):		
Property, plant and equipment	(26.72)	(25.01)
Others	(1.04)	15.13
Net deferred tax assets / (liabilities)	(27.76)	(9.89)

2.35 Investments

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

2.36 Retention Money

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

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

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

(₹ In Lakhs)

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

The details of Retention Money as of 31st March 2020 are as follows:

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)

2.37 Financial Instruments

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

Particulars	Carrying Value		Fair value	
	Mar-20	Mar-19	Mar-20	Mar-19
Financial assets				
Cash and cash equivalents	719.36	885.40	719.36	885.40
Investments	-	-	-	-
Trade Receivables	1,199.92	1,830.94	1,117.43	1,734.75
Other financial assets	421.97	234.67	422.30	255.90
Total	2,341.25	2,951.01	2,259.09	2,876.05
Financial liabilities				
Borrowings	1,058.74	828.70	1,058.74	828.70
Trade payables	1,046.42	1,780.48	1,046.42	1,780.48
Other financial liabilities	153.38	113.66	153.38	113.66
Total	2,258.54	2,722.84	2,258.54	2,722.84

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. 16.63 as at 31st March 2020 and Rs. 30.33 at 31st March 2019.

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 2020.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2020 and 31st March 2019 are as follows:

(₹ In Lakhs)

Particulars	FY 2019-20	FY 2019-20
Balance at the beginning of the year	30.33	38.44
Impairment Loss / (Gain) of Trade receivables	(13.70)	(8.11)
Balance at the end of the year	16.63	30.33

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 2020 and 2019, the Company has utilized working capital credit limits (fund based) from banks of Rs. 809.00 Lakhs and Rs 750.00 Lakhs respectively

As of 31 March 2020, the Company had working capital (current assets less current liabilities) of Rs. 1,091.18 Lakhs including cash and cash equivalents of Rs. 719.36 Lakhs. As of 31 March 2019, the Company had working capital of Rs. 1,388.33 Lakhs, including cash and cash equivalents of Rs. 885.40 Lakhs.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020

(₹. In Lakhs)

Particulars	2021	2022	2023	Thereafter	Total
Trade payables	1,046.42	-	-	-	1,046.42
Long term borrowings #	65.76	3.15	0.35	-	69.26
Bank overdraft, short-term loans and borrowings*	1,055.24	-	-	-	1,055.24
Statutory Liabilities	139.38	-	-	-	139.38
Other liabilities*	148.51	-	-	-	148.51 *

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 2019-20	FY 2019-20
Total Debt	2,551.65	3,224.85
Total Equity	1,931.96	1,897.07
Debt Equity Ratio	1.32:1	1.70:1

2.39 Contingent Liabilities and Commitments:

(₹. In Lakhs)

Particulars	FY 2019-20	FY 2019-20
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts Income	-	-
b) Guarantees Bank Guarantees	1,680.46	1,680.46
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-