



**V. B.
INDUSTRIES
LIMITED**

**27TH ANNUAL REPORT
2013-2014**

V. B. INDUSTRIES LIMITED

BOARD OF DIRECTORS

| | |
|-----------------------|----------------------|
| Ram Prakash Chowdhary | Chairman |
| Vikash Kothari | Managing Director |
| Sandip Ray | Independent Director |
| Raj Kumar Sharma | Independent Director |
| Johar Pal Singh | Independent Director |

REGISTERED OFFICE

9, Old China Bazar Street
Room No. 85, 5th Floor
Kolkata -700 001

BANKERS

Punjab National Bank

AUDITORS

M/s. N. Kanodia & Co.
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

ABS Consultants Private Limited
99, Stephen House
4, B.B.D. Bag (East)
Kolkata-700 002

ANNUAL GENERAL MEETING

Date : 30th September, 2014
Time : 11.00 A.M.
Venue : 9, Old China Bazar Street
Room No. 85, 5th Floor
Kolkata -700 001

Corporate Identification No.
L51909WB1982PLC035222

27TH ANNUAL REPORT 2013 - 2014

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NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of M/s. **V. B. INDUSTRIES LIMITED** will be held on Tuesday, the 30th day of September, 2014 at 11.00 A.M. at 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001 to transact the following businesses as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2014.
2. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. N. Kanodia & Co., Chartered Accountants, Kolkata (FRN : 327668E), who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the fourth consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS :

3. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution :

"RESOLVED THAT Pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 (the Act) and in terms of Articles of Association of the Company, Mr. Johar Pal Singh (DIN : 00113986), who was appointed as an Additional Director of the Company at the Board meeting held on 10th March 2014 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 161 of the Act, and in whose respect the Company has received a notice from a member under Section 160 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Johar Pal Singh for the office of Director of the Company be and is hereby appointed as Non-Executive, Independent Director of the Company for the period of 5 Years commencing from 10th March 2014."

4. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution :

"RESOLVED THAT Pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Raj Kumar Sharma (DIN: 02114170) an Independent Director and in respect of whom

the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from April 1, 2014 to March 31, 2019.”

5. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution :

“RESOLVED THAT Pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sandip Ray (DIN: 02495503) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from April 1, 2014 to March 31, 2019.”

6. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 2(94) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) the Company hereby approves appointment of Mr. Vikash Kothari (DIN : 06823998) as Managing Director of the Company, for a period of 5 years commencing from April 1, 2014 up to March 31, 2019 upon the terms and conditions as set out in the Explanatory Statement and the Agreement submitted to this meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall deemed to include any Committee of Directors for the time being authorized by the Board of Directors) to alter and vary the terms and conditions of the said re-appointment and/or Agreement in such manner as may be agreed to between the Board and Mr. Vikash Kothari.”

Notes :

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to

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inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. The Register of Member and the Share Transfer Books of the Company will remain closed from 23rd September 2014 to 30th September 2014 (both days inclusive).
6. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
7. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id vbindustries1@gmail.com for quick and prompt redressal of their grievances.
8. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by appropriate authorities to the Annual General Meeting.
9. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
10. Members are requested to intimate change in their address immediately to M/s ABS Consultants Private Limited, the Company's Registrar and Share Transfer Agents, at their office at 99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002.
11. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above.
12. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
14. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you're the quarterly reports and other communication via email.
15. Copies of Annual Report 2014 are being sent by electronic mode only to all the members whose email address are registered with the Company's Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The Members who have not registered their email address, physical copies of

Annual Report 2014 are being sent by the permitted mode.

16. The Notice for the 27th AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. Members are requested to bring copies of Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.
17. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice-a-versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
18. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. August 29, 2014.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members facility to exercise their votes at the 27th AGM by electronic means and the business may be transacted through e-voting as per details below:-
 - a) Date and time of commencement of voting through electronic means: **Monday, September 22, 2014 at 9.30 a. m.**
 - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Wednesday, September 24, 2014 at 5.30 p. m.**
 - c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **August 29, 2014**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**
 - d) Details of Website: www.evotingindia.com
 - e) **Details of Scrutinizer:** Gayatri Bhide, Practising Company Secretary (ACS No. 31886), Prop., M/s. G. S. Bhide & Associates, Vapi (Gujarat). E-mail: gayatribhideandco@gmail.com
 - f) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.**
20. **The instructions for Members for e-voting are as under:**

Applicable in all cases whether NOTICE is received by e-mail or in physical form:

 - i Log on to the e-voting website www.evotingindia.com during the voting period
 - ii Click on "Shareholders" tab
 - iii Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip along with "V. B. INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT".

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv Next enter the Image Verification as displayed and Click on Login.
- v If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi If you are a first time user please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes.
- vii After entering these details appropriately, click on “SUBMIT” tab.
- viii Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field.
- Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x Click on the EVSN for V. B. INDUSTRIES LIMITED on which you choose to vote.
- xi On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the 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.

21. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Ms. Gayatri Bhide, Scrutinizer, C/o ABS Consultants Private Limited, Unit: V. B. Industries Limited, 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001, Tel. No: +91 33-2220 1043, Fax No : +91 33- 2243 0153, E-mail : absconsultant@vsnl.net so as to reach him on or before September 22, 2014 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
22. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
23. (i) Members who have registered their e-mail addresses with the depositories or with the Company's RTA are being sent Notice of ballot by e-mail and members who have not registered their e-mail addresses will receive Ballot Form along with the Notice through Courier/ Post.
(ii) Members can request for a Ballot Form at ABS Consultants Private Limited, Unit: V. B. Industries Limited, 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001 or they may also address their request through e-mail to: absconsultant@vsnl.net. Contact no +91 33-2220 1043.
(iii) In case of voting by physical ballot, the institutional members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.30 p.m. on Monday, September 22, 2014.

- (iv) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.
24. The shareholders can also access the Annual Report 2013-14 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., www.vbindustries.com.
25. Additional Information pursuant to Clause 49 of Listing Agreement with Stock Exchanges in respect of the Directors seeking appointments at the AGM, are furnished and forms a part of Notice. The Directors have furnished the requisite consents / declarations for their appointment.
26. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
27. Members are requested to quote Folio Number/Client ID in their correspondence.
28. The Equity shares of the Company are listed on U. P. and Calcutta Exchanges and Listing Fees for the financial year 2013-2014 have been paid to both Exchanges.

Statement pursuant to Section 102 of the Companies Act 2013

ITEM NO. 3

The Board at its meeting held on 10th March 2014, have appointed Mr. Johar Pal Singh as Additional Director of the Company with effect from 10th March 2014, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Johar Pal Singh will hold the office up to the date of ensuring AGM. The Company has received Notice in writing under the Provisions of Section 160 of the Companies Act, 2013 from the Member along with a necessary deposit proposing the candidature of Mr. Johar Pal Singh for the office of the Director.

The Company has received from Mr. Johar Pal Singh –

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Further, the Board at its meeting held on 10th March 2014, also appointed (subject to approval of Members in AGM), Mr. Johar Pal Singh as Non-Executive, Independent Director of the Company for a period of 5 Years commencing from 10th March 2014 on following terms & conditions –

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1. Remuneration – Nil
2. Period of Appointment – 5 Years commencing from 10th March 2014
3. The Appointment may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Resolution seeks the approval of members in terms of Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and the Rules made there under for the appointment of Mr. Johar Pal Singh a Non-Executive, Independent Director of the Company for a period of 5 years commencing from 10th March 2014.

No Director, Key Managerial Person or their Relatives, except Mr. Johar Pal Singh, to whom resolution relates, is interested or concerned in the resolution.

The Board recommends the Resolution set out forth in Item No. 3 for the approval of Members.

ITEM NO. 4 & 5

The Board has appointed Mr. Raj Kumar Sharma and Mr. Sandip Ray as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. Raj Kumar Sharma and Mr. Sandip Ray as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

| NAME | NO. OF YEARS | TERM |
|----------------------|--------------|--|
| Mr. Raj Kumar Sharma | 5 Years | Commencing from 1 st April 2014 up to 31 st March 2019 |
| Mr. Sandip Ray | 5 Years | Commencing from 1 st April 2014 up to 31 st March 2019 |

These Appointments may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Company has received from Mr. Raj Kumar Sharma and Mr. Sandip Ray –

- Consent in writing to act as Directors in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors

for the office of Directors of the Company.

In the opinion of the Board, Mr. Raj Kumar Sharma and Mr. Sandip Ray fulfill the conditions for their appointments as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and is independent of the management.

A copy of the draft letters of appointment setting out the terms and conditions of appointment of Mr. Raj Kumar Sharma and Mr. Sandip Ray are available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Mr. Raj Kumar Sharma and Mr. Sandip Ray are interested in the resolutions set out respectively at Item No. 4 & 5 of the Notice with regard to their respective appointment.

The relatives of Mr. Raj Kumar Sharma and Mr. Sandip Ray may be deemed to be interested in the resolutions set out respectively at Item No. 4 & 5 of the Notice, to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item No. 4 & 5 of the Notice for approval of the members.

ITEM NO. 6

The Board at its meeting held on 10th March 2014, appointed Mr. Vikash Kothari as Managing Director of the Company with effect from 1st April 2014.

Mr. Vikash Kothari is graduate in Commerce. He has joined the Board as Non-Executive Director of the Company on 10th March 2014 and since then he is active in looking after the day to day affairs of the Company in absence of Mr. Ram Prakash Chowdhary, Chairman.

Mr. Vikash Kothari shall be continue with his responsibilities as was doing since then and shall devote his whole time to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time.

In regard to remuneration and perquisites, to be determined and paid, will be decided by the Nomination & Remuneration Committee and will be within the limits prescribed in the Act.

Mr. Vikash Kothari is interested in the resolutions set out respectively at Item Nos. 6 of the Notice with regard to their respective appointment.

The relatives of Mr. Vikash Kothari may be deemed to be interested in the resolutions set out respectively at Item No. 6 of the Notice, to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item No. 6 of the Notice for approval of the members.

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Details of Director seeking appointment / re-appointment in the 27th Annual General Meeting on 30th September 2014 (in term of Clause 49 of the Listing Agreement)

| JOHAR PAL SINGH | |
|--|---|
| Fathers' Name | Late Shiw Ratan Singh |
| Date of Birth | 6th October 1947 |
| Date of Appointment | 10th March 2014 |
| Expertise in specific functional areas | Legal, Accounts, Taxation, Capital & Money Market |
| Years of Experience | 40 Years |
| Qualifications | B. Com., LLB |
| List of outside Directorship held | Unisys Softwares & Holding Industries Limited |
| Member of Committee on the Board | None |
| Member/Chairman of Committee in other Companies | Chairman – Audit Committee Member – Investor Grievance Committee |
| No. of Shares held in own name or in the name of Relatives | Nil |

| VIKASH KOTHARI | |
|--|---|
| Fathers' Name | Sri Jagat Singh Kothari |
| Date of Birth | 26th October 1987 |
| Date of Appointment | 10th March 2014 |
| Expertise in specific functional areas | Accounts, Audit & Taxation, Company Law Matters |
| Years of Experience | 4 Years |
| Qualifications | B. Com. C. S. |
| List of outside Directorship held | Not Any |
| Member of Committee on the Board | Not Any |
| Member/Chairman of Committee in other Companies | Not Any |
| No. of Shares held in own name or in the name of Relatives | Nil |

Kolkata, May 30, 2014

By order of the Board
For V. B. INDUSTRIES LIMITED

Registered Office :
9, Old China Bazar Street
5th Floor, Room No. 85, Kolkata-700 001

RAM PRAKASH CHOWDHARY
(DIN : 01625637)
Chairman

Directors' Report, Management Discussions & Analysis

To The Members,

Your Directors have pleasure in presenting the 27th Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2014.

₹ in Lac

| Financial Results | Year Ended 31.03.2014 | Year Ended 31.03.2013 |
|---|--------------------------|--------------------------|
| Income | 26.19 | 17.23 |
| Profit before Tax & Extraordinary Items | 11.61 | 4.18 |
| Less : Provision for Taxation | 3.59 | 1.29 |
| Profit after Tax | 8.02 | 2.89 |
| Less : Extra-Ordinary Items | - | - |
| Profit available for Appropriation | 8.02 | 2.89 |
| Add : Profit Carried Forward from Previous Year | 15.85 | 12.96 |
| Appropriated as under : | | |
| Transfer to General Reserve | 0.00 | 0.00 |
| Balance carried forward to Next Year | 23.87 | 15.85 |

OVERVIEW OF ECONOMY

A survey by global consultancy firm Ernst & Young (E&Y) sees India as the world's most attractive investment destination. With the opening up of foreign direct investment (FDI) in several sectors, India is today an eye-catching destination for overseas investors. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products.

The World Bank has projected an economic growth rate of 5.7 per cent in FY15 for India, due to a more competitive exchange rate and several significant investments going forward.

India is the third biggest economy in the world in terms of purchasing power parity (PPP), according to a World Bank report. The country was ranked 10th in the previous survey conducted in 2005.

The stakes held by foreign institutional investors (FII) in Indian companies touched a record high in the fourth quarter of FY 14. The estimated value of FII holdings in India stands at US\$ 279 billion.

OVERALL PERFORMANCE & OUTLOOK

The Business environment continued to remain challenging and the dry out of Turnover & lack of retail participation in Stock Market leading to adverse impact on the business of the Company. The same story was in term of Money Market where fear of bad loans continued to rise pushed the Company to have caution in its business during financial year 2013-2014. In spite of unfavorable economic scenario, your Directors are pleased to inform you that your Company has managed to be in profit during the year under review.

Gross income from operations during the year was stood at ₹ 26.19 Lac in comparison to last

years' figure of ₹ 17.23 Lac. In term of Net Profit after Tax, the same has been remained at ₹ 8.02 Lac in comparison to last years' Net Profit of ₹ 2.89 Lac, with a growth of almost near to two fold in comparison to last years' figure.

Your Company is in to the Business of treasury operations and Investments in Shares & Securities.

Your Company is hopeful of doing well in coming days and continues to remain as one of healthy and profitable entrepreneur in coming years.

DIVIDEND

In order to conserve resources to meet the working capital requirements, your Directors do not propose any dividend for the year under review.

SUBSIDIARY COMPANY

The Company does not have Subsidiary Company.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

MANAGEMENT

There is no Change in Management of the Company during the year under review.

DIRECTORS

During the year, the Board has appointed Mr. Johar Pal Singh and Mr. Vikash Kothari as Independent Directors of the Company to broad base the Board.

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

INDEPENDENT DIRECTORS

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Revised Clause 49 of the Listing Agreement (applicable from October 1, 2014), any person who has already served as independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of the present term, for one more term of up to 5 (five) years only.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2014, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently

and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

STATUTORY INFORMATION

The Company being in to the business treasury operations & Investments, requirement regarding and disclosures of Particulars of Conservation of Energy and Technology Absorption prescribed by the rule is not applicable to us.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in research and development to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

AUDITORS

The Auditors M/s N. Kanodia & Co., Chartered Accountants, Kolkata who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from the conclusion of the 27th Annual General Meeting up to the conclusion of the 32nd consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. N. Kanodia & Co, that their appointment, if made, would be in conformity with the limits specified in the said Section.

The shareholders are requested to appoint Auditors and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT:

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial throughout the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

The Company is in to the business of Investment activities in Securities Market as well as in to treasury operations during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be **NIL**.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Kolkata, May 30, 2014

By order of the Board
For V. B. INDUSTRIES LIMITED

Registered Office :

9, Old China Bazar Street
5th Floor, Room No. 85, Kolkata-700 001

RAM PRAKASH CHOWDHARY
(DIN : 01625637)
Chairman

Management Discussion & Analysis

MACRO ECONOMIC ENVIRONMENT

In the recent past, the Indian economy has had to overcome varied challenges in its resolve to sustain its economic success. The major challenges included: unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressures. The slowdown manifested in the decline in the growth of Gross Domestic Product (at factor cost at constant 2004-05 prices) from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and 4.5 per cent in 2012-13. With the economy projected to have registered a growth rate of 4.9 per cent in 2013-14, the declining trend in growth seems to have reversed. The growth slowdown in India is broadly in sync with trends in similar emerging economies. The sharp downturn in growth owes to the interface of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies. The growth of real GDP has generally shown a declining trend since the first quarter (Q1) of 2011-12, and is characterized by a moderation in services growth and a protracted slowdown in industry. The revival in agriculture on the back of a steady monsoon and robust growth in financial and business services led to a modest uptick in growth in 2013-14.

The monetary policy stance of the Reserve Bank of India has been driven by the imperatives of keeping inflation in check and supporting growth revival while managing a complex external economic situation. With moderation in overall headline inflation, as per the Wholesale Price Index (WPI), during 2012-13 and during the first two quarters of 2013-14, there was a reduction in the repo rate by 25 basis points in May 2013. Headline WPI inflation averaged 6.16 per cent during 2013-14 (April-December) as compared to 7.56 per cent in the corresponding period of the previous year. Despite easing, the level of inflation is high, especially in terms of consumer price indices.

On the fiscal front, the slowdown in growth affected tax collections and receipts from disinvestment of Public Sector Undertakings. However, the Government is on track to achieve the fiscal deficit to GDP target envisaged for 2013-14

REVIEW OF OPERATIONS & SEGMENTAL PERFORMANCE

The Business environment during the financial year was continued to remain challenging. Other factors like recession, inflation, scarcity of demand by ultimate consumers and falling turnover in Capital Market due to lack of participation by retail investors further affected the overall performance for 2013-2014. However somehow, the Company managed to do well in spite of adverse business conditions.

Both Gross Revenue and Net Profit before Tax have been increased during the year in comparison to last financial year. Gross Revenue during the year was ₹ 26.19 Lac in comparison to last years' revenue of ₹ 17.23 Lac whereas Net income from operations after Tax remains at ₹ 8.02 Lac during the year in comparison to last years' income of ₹ 2.89 Lac.

In term of Segment Results, the Company has earned its entire revenue from one segment i.e. from treasury operations and the same was stood at ₹ 26.19 Lac.

BUSINESS SEGMENT

Your Company is in to the Business of finance and investments in Securities Market.

OPPORTUNITIES

The Indian money market is “a market for short-term and Long term funds with maturity ranging from overnight to one year and includes financial instruments that are deemed to be close substitutes of money. It is diversified and has evolved through many stages, from the conventional platform of treasury bills and call money to commercial paper, certificates of deposit, repos, FRAs and IRS more recently.

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of short-term funds by providing an equilibrium mechanism.

Despite the recent headwinds India has faced, its fundamentals remain solid. The economy is slowly regaining momentum, with both domestic and external conditions starting to improve. Favorable demographics and recent government reforms are expected to accelerate expansion over the medium term, making India the world’s fifth-fastest growing economy by 2015. Recent reforms in support of growth include the raised FDI ceilings for the retail, airline, telecoms, financial and defense sectors. To support future growth, the Government should focus on infrastructure investment and increased efficiency in delivery mechanisms. The monetary policy might remain tight in the near future, triggered by the US Federal Reserve’s remarks in May about potentially scaling back its quantitative easing program. Consequently, to support the rupee, the Central Bank has announced a window in which foreign currency non-resident US dollar fund swaps will be allowed, enabling banks to convert US dollar deposits by Indians abroad. India saw tepid GDP growth in 2012, as it grappled with a challenging investment climate. Recently, the economy has been hampered by high fiscal deficit and low investment growth. The Government aims to bring down the fiscal deficit from 4.9% in 2012–13, to 3% by 2016–17.

In 2013, equity markets remained tame due to slowing economy, bonds lost value as interest rates rose and physical assets such as real estate and gold also started feeling the effect of economic slowdown.

THREATS & CONCERNS

Many developing countries including India have reaped handsome rewards from surging capital inflows in recent years. This is widely regarded as a very welcome phenomenon, raising levels of investment and encouraging economic growth. But surging capital inflows can also be something of a double-edged sword, inflicting rather less welcome and destabilizing side effects, including a tendency for the local currency to gain in value, undermining the competitiveness of export industries, and potentially giving rise to inflation. Why inflation? Capital inflows result in a buildup of foreign exchange reserves. As these reserves are used to buy domestic currency, the domestic monetary base expands without a corresponding increase in production: too much money begins to chase too few goods and services.

To ease the threat of currency appreciation or inflation, central banks often attempt what is known as the “sterilization” of capital flows. In a successful sterilization operation, the domestic component of the monetary base (bank reserves plus currency) is reduced to offset the reserve inflow, at least temporarily. In theory, this can be achieved in several ways, such as by encouraging private investment overseas, or allowing foreigners to borrow from the local market. The classical form of sterilization, however, has been through the use of open

market operations, that is, selling Treasury bills and other instruments to reduce the domestic component of the monetary base. The problem is that, in practice, such sterilization can be difficult to execute and sometimes even self-defeating, as an apparently successful operation may raise domestic interest rates and stimulate even greater capital inflows. Unfortunately, many developing countries also lack the tools available to run a classical sterilization policy, or find it simply too costly to do so. This is often the case wherever the financial system is not fully liberalized.

RISK MANAGEMENT

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management.

The Company's business critical software is operated on a server with regular maintenance and back-up of data. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-13, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its

business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Kolkata, May 30, 2014

By order of the Board
For V. B. INDUSTRIES LIMITED

Registered Office :

9, Old China Bazar Street
5th Floor, Room No. 85, Kolkata-700 001

RAM PRAKASH CHOWDHARY
(DIN : 01625637)
Chairman

Annexure to the Directors' Report

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through -

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

GOVERNANCE STRUCTURE

The Corporate Governance Structure at V. B. Industries Ltd. (VBIL) is as under :-

1. **Board of Directors** : The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. **Committees of the Board** : The Board has constituted the following committees viz. Audit Committee, Share Transfer Committee and Investors' Grievance Committee. Each of said Committee has been managed to operate within a given framework.

BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

The Board has five members with an Executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 6 times on 9th May, 30th June, 12th August and 7th November in year 2013 and on 14th February and 10th March in the year 2014 during the financial year 2013-2014.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

V. B. INDUSTRIES LIMITED

| Name | Designation | DIN | Date of Joining | Board Meetings Attended | Whether Attended AGM | Committee Membership in other Public Ltd. Cos. | Committee Chairmanship in other Public Ltd. Cos. | No. of Directorship in other Public Ltd. Cos. |
|------------------------|----------------------|----------|-----------------------------|-------------------------|----------------------|--|--|---|
| Ram Prakash Chowdhary* | Chairman | 01625637 | 18 th March 2010 | 6 | Yes | 1 | Nil | 1 |
| Vikash Kothari | Managing Director | 06823998 | 10 th March 2014 | 6 | No | Nil | Nil | Nil |
| Raj Kumar Sharma | Independent Director | 02114170 | 18 th March 2010 | 6 | Yes | 2 | 1 | 1 |
| Sandip Ray | Independent Director | 02495503 | 18 th March 2010 | 6 | Yes | Nil | Nil | Nil |
| Johar Pal Singh | Independent Director | 00113986 | 10 th March 2014 | 6 | No | 1 | 1 | 1 |

AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the “Board”) of V. B. INDUSTRIES LIMITED. (the “Company”) in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company’s compliances with legal and regulatory requirements, (c) the Company’s independent auditors’ qualification and independence, (d) the audit of the Company’s Financial statements, and the performance of the Company’s internal audit function and its Independent Auditors.

Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) to review the Annual Budget;

- c) to take note of the significant decisions taken or important developments considered at the Management
- d) Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

Authority and Responsibilities

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee –

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements 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 (2AA) of section 217 of the Companies Act, 1956;
 - 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

V. B. INDUSTRIES LIMITED

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing 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;
16. Discussion 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, Audit Committee reviews the followings :

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The members of Audit Committee met five times on 9th May, 30th June, 12th August and 7th November in year 2013 and on 14th February in the year 2014 during the financial year 2013-2014.

| Name | Number of Meetings Held | Meetings Attended |
|-----------------------|-------------------------|-------------------|
| Ram Prakash Chowdhary | 5 | 5 |
| Raj Kumar Sharma | 5 | 5 |
| Sandip Ray* | 5 | 5 |

* Chairman of the Committee

REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2013-2014.

No Stock option has been allotted to any of the Directors during the financial year 2013-2014.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Raj Kumar Sharma; Independent Director with two other Directors namely Mr. Sandip Ray & Mr. Ram Prakash Chowdhary.

The members of Share Transfer Committee met four times on 30th June, 12th August and 7th November in year 2013 & on 14th February 2014 during the financial year ended on 31st March 2014.

| Name | Number of Meetings Held | Meetings Attended |
|---------------------------|--------------------------------|--------------------------|
| Mr. Sandip Ray | 4 | 4 |
| Mr. Ram Prakash Chowdhary | 4 | 4 |
| Mr. Raj Kumar Sharma* | 4 | 4 |

**Chairman of Committee*

INVESTOR GRIEVANCE COMMITTEE

The Board of V. B. INDUSTRIES LIMITED has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, M/s. ABS Consultants Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Mr. Puspal Chandra as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, four meetings of the Committee of Directors were held on 30th June, 12th August and 7th November in year 2013 & on 14th February 2014 during the financial year ended on 31st March 2014.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

| Name | Position | Category | Meetings Attended |
|---------------------------|----------|----------------------------|-------------------|
| Mr. Sandip Ray | Chairman | Independent, Non-Executive | 4 |
| Mr. Raj Kumar Sharma | Member | Independent, Non-Executive | 4 |
| Mr. Ram Prakash Chowdhary | Member | Promoter, Executive | 4 |

Details of Shareholders’ Complaints

At the beginning of the Year there was Nil Complaint pending for resolution and during the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year.

Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The Company has designated email ID under Clause 47(f) of Listing Agreement and the same is vbindustries1@gmail.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES section on SEBI website for faster addressing and resolutions of Investor Complaints.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

| Annual General Meeting | Date & Time | Venue |
|---|--|--|
| 26 th Annual General Meeting | 28 th September 2013, 1.30 PM | 2, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700 013 |
| 25 th Annual General Meeting | 28 th September 2012, 3.30 PM | 2, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700 013 |
| 24 th Annual General Meeting | 29 th September 2011, 3.30 PM | 2, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700 013 |

Special Resolution passed at last three Annual General Meetings:

No Special Resolution was passed during last three Annual General Meetings.

Passing of Resolution by Postal Ballot:

No Special Resolution has passed through Postal Ballot Rules during last three years.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting was held during the financial year ended 31st March 2014.

BOARD DISCLOSURES

Compliance with Governance Framework

The Company is in compliance with all mandatory requirements of Clause 49 of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors i.e. in financial year 2014-2015.

Disclosure on materially significant related parties transactions that may have potential conflict of interests of the Company at large

There are no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors, Senior Management or relatives etc., which may have potential conflict with the interest of the Company at large.

Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a "Code of Conduct" for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such designated Employees who are expected to have access to unpublished price sensitive

information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel has been denied access to the Audit Committee.
- (d) **Reconciliation of Share Capital:-** A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company have served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2012-13 in term of provisions of Listing Agreement entered into with CSE & UPSE by the Company. Further, no penalties have been levied or actions have been taken by CSE & UPSE or SEBI during last three years.
- d) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- e) The financial statements of the Company are unqualified.
- f) The Board of Directors of the Company have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct

Policy. No Employee has been denied access to the Audit Committee.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Calcutta and U. P. Stock Exchanges and published in the leading English Newspapers i.e. Bengal Leader and in vernacular language Newspaper i.e. Dainiklipi.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.vbindustries.com.
- Official News releases have been posted on its web portal www.vbindustries.com.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report is available on its website www.vbindustries.com. Further, if Investor is desirous of getting physical copy of Annual Report, Investor can send their request to M/s. ABS Consultants Pvt. Ltd., Registrar & Share Transfer Agent, by sending request letter or by sending email to them.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section “Shareholders Information” which forms part of this Annual Report.

SHAREHOLDERS’ INFORMATION

a. Next Annual General Meeting

The information regarding 27th Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

- Date : 30th September 2014
- Time : 11.00 A.M.
- Venue : 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001

b. Financial Calendar : 1st April to 31st March.

c. Future Calendar :

| Subject Matter | Date |
|---|-----------------------|
| Financial Reporting of 1 st Quarter ended on 30 th June 2014 | Mid of August, 2014 |
| Financial Reporting of 2 nd Quarter ended on 30 th September 2014 | Mid of November, 2014 |
| Financial Reporting of 3 rd Quarter ended on 31 st December 2014 | Mid of February 2015 |
| Financial Reporting of 4 th Quarter ended on 31 st March 2015 | During May 2015 |
| Date of Annual General Meeting | During September 2015 |

d. Date of Book Closure : 23rd Sept. 2014 to 30th Sept. 2014. (Both days inclusive)

e. Dividend Payment : Nil

f. Listing of Shares : Kolkata & U. P. Stock Exchanges

V. B. INDUSTRIES LIMITED

- g. Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees to both CSE & UPSE for Financial year 2013-2014 have been paid.
- h. Stock Code & ISIN Code** : 10025057 on CSE
: INE334E01017 on CDSL & NSDL
- i. Market Price Data** : Due to thin volume as well as non-availability of Market Price Data of the Scrip on CSE, we are unable to produce the same for the Scrip vs. CSE Sensex.

j. Registrar & Share Transfer Agent.

M/s. ABS Consultants Private Limited has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. ABS Consultants Private Limited

99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002
Phone - 033-22430153 / 033-22201043, Fax 033-22430153,
E-Mail: absconsultant@vsnl.net

k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, **ABS Consultants Private Limited** and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Distribution of Shareholding as on 31st March 2014

| No. of Equity Shares | No. of Share Holders | % of Share Holders | Total No. of Shares Held | % of Share Holding |
|----------------------|----------------------|--------------------|--------------------------|--------------------|
| 1-500 | 145 | 78.38 | 16950 | 0.13 |
| 501-1000 | 1 | 0.54 | 540 | 0.00 |
| 1001-2000 | - | - | - | - |
| 2001-3000 | - | - | - | - |
| 3001-4000 | - | - | - | - |
| 4001-5000 | 1 | 0.54 | 4839 | 0.04 |
| 5001-10000 | 4 | 2.16 | 40000 | 0.31 |
| 10001-50000 | 24 | 12.97 | 863671 | 6.59 |
| 50001-100000 | 2 | 1.08 | 134000 | 1.02 |
| 100001 & above | 8 | 4.32 | 12047950 | 91.91 |
| Total.... | 185 | 100.00 | 13107950 | 100.00 |

m. Shareholding Pattern as on 31st March 2014

| Categories | No. of Shares | % of Shareholding |
|---|-----------------|-------------------|
| Promoters, Directors & Relatives & Person acting in concert | 117500 | 0.90 |
| Indian Bank / Mutual Funds | 0 | 0 |
| NRI/OCBS | 0 | 0 |
| Private Corporate Bodies | 11667950 | 89.01 |
| Indian Public | 1322500 | 10.09 |
| Total | 13107950 | 100.00 |

n. Dematerialization of Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within 21 days from the date of issue of Shares.

The Shares of Company are traded on Calcutta Stock Exchange Ltd. 88.89% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2014.

o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

p. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/ transmission of name/transposition of name.

- q. For the Attention of Shareholders holding shares in electronic form**
Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
- r. Details on use of Public Funds Obtained in the last three years :**
No Fund has been raised during last three financial years.
- s. Investors Correspondence**
Shareholders can contact the following Officials for secretarial matters of the Company :-
Mr. Puspal Chandra - Tel : 033-2234 6715, Email : vbindustries1@gmail.com
- t. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**
Not Any.
- u. Code of Conduct**
The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.
- v. Registered Office**
9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001
Email : vbindustries1@gmail.com; URL : www.vbindustries.com

Chairman & Managing Director's Declaration on Code of Conduct

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To The Members of

V. B. INDUSTRIES LIMITED

- a) We have reviewed financial statements and the cash flow statement for the year 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 the 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 the 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 the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **V. B. Industries Ltd.**
S/d-
Ram Prakash Chowdhary
(DIN : 01625637)
Chairman

ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, Ram Prakash Chowdhary, Chairman of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2014.

Kolkata, May 30, 2014

For **V. B. INDUSTRIES LIMITED**
S/d-
Ram Prakash Chowdhary
(DIN : 01625637)
Chairman

Secretarial Compliance Report for the Year ended 31st March 2014

The Board of Directors,

V. B. INDUSTRIES LIMITED

We have examined the registers, records, books and papers of M/s. V. B. Industries Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under the Act and amended thereto from time to time and includes Companies Act, 2013 as applicable (hereinafter referred to as 2013 Act) and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2014. In our opinion and to the best of our information and according to the examinations carried out by and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has not paid any remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
9. The Company Has closed the register from 21st September 2013 to 28th September 2013 (both days Inclusive) during the previous year.
10. The Company has complied with the provisions of section 154 of the Act during the year.
11. The Company has not declared dividend thus not required to comply with the provisions of section 205 of the Act during the year.
12. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
13. The Company has not advanced any loans to its Directors or persons or firms or Companies

referred to under section 295 of the Act during the year.

14. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
15. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions section 184 of the Act.
16. The Company has not appointed any person as a place of profit in terms of section 188 of the Act during the year.
17. The Company has not issued any duplicate share certificate during the financial year.
18. The Company has complied with the provisions of section 186 of the Act.
19. The Company :
 - a) has delivered all the Share Certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act;
 - b) Was not required to deposit amount in a separate Bank Account as the Company has not declared Dividend during the year.
 - c) Was not required to post warrants to members of the Company within the required time as the Company has not declared Dividend during the year.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Was duly complied with the requirement of section 186 of the Act.
20. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
21. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
22. The Company has not issued any Shares, Debentures or other Securities during the financial year.
23. The Company has not bought back any share during the financial year.
24. There was no redemption of preference shares or debentures during the financial year.
25. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
26. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
27. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2014.

28. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
29. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
31. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
32. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
33. The Company has not received any money as security from its employees during the financial year 2013-14.

For **G. S. Bhide & Associates**
Company Secretaries

Place : Mumbai
Date : May 30, 2014

Gayatri S. Bhide
Proprietor
C. P. No. 11816

V. B. INDUSTRIES LIMITED**Annexure "A"**

Name of the Company : V. B. INDUSTRIES LIMITED
 CIN : L51909WB1982PLC035222
 Financial Year ended : 31st March, 2014

Register as maintained by the Company :-

Statutory Registers :

| Sl. No. | Section under the Companies Act, 2013 | Name of the Register |
|---------|---------------------------------------|--|
| 1. | 88 | Register of Members |
| 2. | 94 | Copies of Annual Returns |
| 3. | 118 | Minutes Books for Board / General Meetings |
| 4. | 189 | Register of contracts, companies and firms in which directors are interested |
| 5. | 170 | Register of Directors |
| 6. | 170 | Register of Directors' Shareholding |

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2014.

| Sr. No. | Form N. / Return | Filed u/s | For | Whether filed within prescribed time Yes / No | If delay in filing whether requisite additional Fees paid Yes/No |
|---------|---|-------------------|--------------------------|---|--|
| 1. | Form 23AC and ACA for the Financial Year ended on 31 st March 2013 | 220 | Annual Requirement | No | Yes |
| 2. | Form 20B for the Financial Year ended 31 st March 2013 | 159 | Annual Requirement | No | Yes |
| 3. | Form 32 | 303(2) and 264(2) | Appointment of Directors | No | Yes |

b) Forms and Returns filed with Regional Director : Nil

c) Forms and Returns filed with Central Government or other Authorities : Nil

For **G. S. Bhide & Associates**
 Company Secretaries

Place : Mumbai
 Date : May 30, 2014

Gayatri S. Bhide
 Proprietor
 C. P. No. 11816

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

V. B. INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by **V. B. Industries Ltd.** (The Company) for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the 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 an opinion on the financial statement of the Company.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

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

For **N. Kanodia & Co.**
Chartered Accountants
Firm Registration No. 327668E

Place : Kolkata
Date : May 30, 2014

Nikunj Kanodia
Proprietor
Membership No. 069995

Independent Auditors' Report

To

The Members of V. B. Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. V. B. INDUSTRIES LTD** which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

- b) in the case of the Statement of Profit and Loss, of the *Profit* of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that :
 - (a) We have 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For N. Kanodia & Co.
Chartered Accountants
Firm Registration No. 327668E

Place : Kolkata
Date : May 30, 2014

Nikunj Kanodia
Proprietor
Membership No. 069995

Annexure to the Auditors' Report**Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even dated**

- i a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the assets have been physically verified by the management during the year under a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
- c) No part of Fixed Assets has been disposed off during the year.
- ii a) The inventory of the company consists only of shares/securities in demat form. As per the information given to us, the demat statement is verified from time to time by the management and no discrepancy has been found on such verification.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification
- iii a) The company has not granted any loan to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956.
- b) The company has during the year not taken any loan secured or unsecured from any party covered in the register maintained under section 301 of the Companies Act, 1956. Unsecured Loan taken in earlier year has been repaid in full.
- c) In our opinion, the rate of interest and other terms and conditions of unsecured loan taken by the company were not prima-facie prejudicial to the interest of the company.
- d) In our opinion, payment of the principal amount and interest were regular.
- iv In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business, for the purpose of purchase and sale of shares and sale of services. There has been no purchase of Fixed Asset during the year. During the course of our audit, no major weakness has been noticed in the internal control system.
- v a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contract and arrangements referred to in section 301 of the Act have been entered in the register maintained under that section, and
- b) According to the information and explanations given to us, there is no transaction made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the financial year.
- vi In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public during the year within the provisions of Sec. 58A & 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

V. B. INDUSTRIES LIMITED

- viii The activity of the Company doesn't require any cost records to be maintained.
- ix The company is regular in depositing with appropriate authorities undisputed statutory dues like income tax, and other material statutory dues applicable to it. As informed to us, provisions of Provident Fund, Investor Education and protection fund, ESI, Wealth tax, Service Tax, Custom duty, Excise Duty are not applicable to the company this year. In our opinion, there are no disputed statutory dues.
- x The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash loss during the financial year covered by our audit but has incurred cash loss in the immediately preceding financial year.
- xi In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.
- xii According to the information and explanation given to us the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii The Provisions of any special statute as specified under paragraph(xiii) of the order are not applicable to the Company.
- xiv The Company is dealing in shares and securities, and proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name.
- xv According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others, from banks or financial institutions.
- xvi According to information and explanation given to us, the term loan (Housing loan) not taken by the Company was not applied for the purpose for which loan was obtained.
- xvii According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix In our opinion as the company has not issued any debentures, the provisions of paragraph (xix) are not applicable to the Company.
- xx The Company has not raised any money through public issue during the year.
- xxi According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For N. Kanodia & Co.
Chartered Accountants
Firm Registration No. 327668E

Place : Kolkata
Date : May 30, 2014

Nikunj Kanodia
Proprietor
Membership No. 069995

Balance Sheet as at March 31st 2014

| PARTICULARS | Note No. | 31.03.2014 ₹ | 31.03.2013 ₹ |
|--------------------------------|-----------------|------------------------|------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 2.1 | 131,079,500 | 131,079,500 |
| Reserves and Surplus | 2.2 | 860,703,486 | 859,901,484 |
| | | 991,782,986 | 990,980,984 |
| NON-CURRENT LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade Payables | 2.3 | - | 100,500 |
| Other Current Liabilities | 2.4 | 984,000 | 390,000 |
| Short-Term Provision | 2.5 | 358,637 | 131,090 |
| | | 1,342,637 | 621,590 |
| TOTAL | | 993,125,623 | 991,602,574 |
| ASSETS | | | |
| NON- CURRENT ASSETS | | | |
| Fixed Assets | 2.6 | 190,000 | - |
| Non-Current Investments | 2.7 | 879,409,600 | 833,903,100 |
| Other Non-Current Assets | 2.8 | 588,506 | 673,644 |
| | | 880,188,106 | 834,576,744 |
| CURRENT ASSETS | | | |
| Cash and Bank Balances | 2.9 | 992,876 | 354,290 |
| Short-term Loans and Advances | 2.10 | 111,944,641 | 156,671,540 |
| | | 112,937,517 | 157,025,830 |
| TOTAL | | 993,125,623 | 991,602,574 |

Significant Accounting Policies and Notes to Accounts 1

AS PER OUR REPORT OF EVEN DATE

FOR N. KANODIA & CO.

Chartered Accountants
FRN. 327668E

FOR AND ON BEHALF OF BOARD

Nikunj Kanodia

Proprietor
M. No : 069995

Ram Prakash Chowdhary

(DIN : 01625637)
Director

Vikash Kothari

(DIN : 06823998)
Director

Place : Kolkata
Date : 30th May 2014

Statement of Profit & Loss for the Year Ended 31st March, 2014

| PARTICULARS | Note No. | 31.03.2014 ₹ | 31.03.2013 ₹ |
|---|----------|------------------|------------------|
| INCOME | | | |
| Revenue from operations | 2.11 | 2,618,083 | 1,723,232 |
| Other Income | 2.12 | 1,103 | - |
| TOTAL INCOME | | 2,619,186 | 1,723,232 |
| EXPENSES | | | |
| Payment & Perquisites to Employees | 2.13 | 776,000 | 730,300 |
| Other Expenses | 2.14 | 682,547 | 574,709 |
| TOTAL EXPENSES | | 1,458,547 | 1,305,009 |
| PROFIT BEFORE TAXATION | | | |
| Extraordinary items | | 1,160,639 | 418,223 |
| | | - | - |
| | | 1,160,639 | 418,223 |
| Tax Expense | 2.15 | | |
| Current Tax | | 358,637 | 129,231 |
| NET PROFIT FOR THE YEAR | | 802,002 | 288,992 |
| Earnings per Equity Share: | | | |
| Basic and Diluted (Face Value of ₹ 10/- each, Previous Year ₹ 10/- each) | 2.16 | 0.06 | 0.02 |

AS PER OUR REPORT OF EVEN DATE

FOR N. KANODIA & CO.
Chartered Accountants
FRN. 327668E

FOR AND ON BEHALF OF BOARD

Nikunj Kanodia
Proprietor
M. No : 069995

Ram Prakash Chowdhary
(DIN : 01625637)
Director

Vikash Kothari
(DIN : 06823998)
Director

Place : Kolkata
Date : 30th May 2014

**Statement of Cash Flow Annexed to the Balance Sheet as at
31st March, 2014**

| | (In ₹) | |
|--|---------------------|---------------------|
| PARTICULARS | 31.03.2014 | 31.03.2013 |
| A. Cash Flow from Operating Activities | | |
| <i>Net Profit before tax and extraordinary Items</i> | 1,160,639 | 418,223 |
| <i>Adjustments for</i> | | |
| Interest Received | 2,618,083 | 1,723,232 |
| Depreciation | - | - |
| <i>Operating profit before working capital changes</i> | 3,778,722 | 2,141,455 |
| <i>Adjustments for Capital Changes</i> | | |
| Inventories | - | - |
| Decrease (Increase) in Trade and other Receivables | - | 165,937 |
| Decrease (Increase) Loan & Advances | 44,726,899 | 25,406,185 |
| Trade Payable and Provisions | 721,047 | (416,696) |
| <i>Cash Generated from operations</i> | 45,447,946 | 25,155,426 |
| Income Tax Liability For The Year | (358,637) | (129,231) |
| Extra ordinary Items | - | - |
| | (358,637) | (129,231) |
| Net Cash From Operating Activites | 48,868,031 | 27,167,650 |
| B. Cash Flow From Investing Activities | | |
| Decrease / (Increase) in Fixed Assets | (190,000) | - |
| Decrease / (Increase) in Investments | (45,506,500) | (26,260,300) |
| Interest Received | (2,618,083) | (1,723,232) |
| Depreciation | - | - |
| Misc. Expenditure | 85,138 | 85,138 |
| <i>Net Cash from Investing Activities</i> | (48,229,445) | (27,898,394) |
| C. Cash Flow From Financing Activities | | |
| Unsecured Loan | - | - |
| Extra ordinary Items | - | - |
| <i>Net Cash used in Financing Activities</i> | 638,586 | (730,744) |
| Net Increase in Cash & Cash Equivalents | (638,586) | 730,744 |
| Opening Balance of Cash & Cash Equivalents | 354,290 | 1,085,034 |
| Closing Balance of Cash & Cash Equivalents | 992,876 | 354,290 |

For and on behalf of the Board

Ram Prakash Chowdhary
Chairman

Kolkata, May 30, 2014

We have verified the attached Cash Flow Statement of M/s. V. B. Industries Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2014 and found the same in agreement therewith.

For N. KANODIA & CO.
Chartered Accountants

Nikunj Kanodia
Proprietor
Membership No. 069995

Kolkata, May 30, 2014

ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

Significant Accounting Policies General

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Accounts of the Company have been prepared on historical cost basis and on accrual basis of Accounting as going concern.
3. Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.
4. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

Fixed Assets

5. The Company is not having any of the Fixed Assets during the year under review.

Investments

6. Investments are valued at cost.

Revenue Recognition

7. Income is accounted on accrual basis except Dividend.

Gratuity

8. None of the Employee has completed the service period to become eligible for payment of gratuity.

Contingent Liabilities

9. No provision has been made in the books of Accounts as against income tax demand.

Others

10. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
11. None of the Earnings / Expenditures is in Foreign Currency.
12. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
13. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
14. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.
15. There was no employee receiving remuneration to the extent as laid on under section 217 (2A) of the Companies Act, 1956.

Segment Report

16. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company

17. Auditors Remuneration :

| | | |
|------------|-------------------|------------|
| Audit Fees | 31.03.2014 | 31.03.2013 |
| | 15000 | 15000 |

Related Party Transactions

18. Key Management Personnel –

- | | | |
|------------------------------|---|-------------------|
| a. Mr. Ram Prakash Chowdhary | - | Chairman |
| b. Vikash Kothari | - | Managing Director |

Related Party Transactions

19. Sum of ₹ Nil has been paid to related party during the financial year under review.

Differed Tax on Income

20. Differed Income Tax reflects the impact of reversed of timing difference of earlier year. Deferred Tax is measured on the Tax rates and Tax Laws enacted or substantively enacted at the Balance Sheet date. Differed tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such differed tax assets can be realized.

Earning per Equity Share

21.

| | Unit | 31.03.2014 | 31.03.2013 |
|---|------|-----------------|------------|
| Net Profit after Tax available for Share holders | ₹ | 8,02,002 | 2,88,992 |
| No. of Equity Shares | No. | 13107950 | 13107950 |
| Basis & Diluted Earnings Per Share of ₹ 10/- each | ₹ | 0.06 | 0.02 |

22. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For & on behalf of the Board

For N. Kanodia & Co.
Chartered Accountant

Nikunj Kanodia
Proprietor
Membership No. 069995

Kolkata, May 30, 2014

Ram Prakash Chowdhary
(DIN : 01625637)
Director

Vikash Kothari
(DIN : 06823998)
Director

Notes forming part of the Financial Statements for the year ended March 31, 2014

Note No.2.1 SHARE CAPITAL

| Particulars | 31.03.2014 | | 31.03.2013 | |
|--|-------------------|--------------------|-------------------|--------------------|
| | Number | ₹ | Number | ₹ |
| Authorised | | | | |
| Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-) | 14,000,000 | 140,000,000 | 14,000,000 | 140,000,000 |
| Issued, Subscribed & Paid Up: | | | | |
| Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-) | 13,107,950 | 131,079,500 | 13,107,950 | 131,079,500 |
| Share Capital Suspense | - | - | - | - |
| Total | 13,107,950 | 131,079,500 | 13,107,950 | 131,079,500 |

Reconciliation of number of shares.

| Particulars | 31.03.2014 | | 31.03.2013 | |
|---|------------|-------------|------------|-------------|
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 13,107,950 | 131,079,500 | 13,107,950 | 131,079,500 |
| Add : Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 13,107,950 | 131,079,500 | 13,107,950 | 131,079,500 |

The company has one class of Equity shares having a par value of ₹ 10/- each. Each shareholder is eligible to one vote per share held.

Details of Share held by shareholders holding more than 5% of the aggregate shares in the company

| Name of Shareholder | 31.03.2014 | | 31.03.2013 | |
|------------------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Scan Infrastructure Limited | 3,222,450 | 24.58 | 3,222,450 | 24.58 |
| Warner Multimedia Limited | 3,069,500 | 23.42 | 3,069,500 | 23.42 |
| Prime Capital Market Limited | 2,480,000 | 18.92 | 2,480,000 | 18.92 |
| Unisys Softwares & holding Ind Ltd | 2,440,000 | 18.61 | 2,440,000 | 18.61 |
| Total | 11,211,950 | 85.54 | 11,211,950 | 85.54 |

V. B. INDUSTRIES LIMITED

Note No. 2.2 RESERVES AND SURPLUS

| Particulars | 31.03.2014 | 31.03.2013 |
|---|--------------------|--------------------|
| | ₹ | ₹ |
| Securities Premium account- Opening Balance | 858,260,400 | 858,260,400 |
| Add.Transfer from statement of Profit & Loss | - | - |
| | 858,260,400 | 858,260,400 |
| General Reserves - Opening Balance | 55,952 | 55,952 |
| Add.Transfer from statement of Profit & Loss | - | - |
| | 55,952 | 55,952 |
| Surplus in Profit & Loss Statement | | |
| Opening Balance | 1,585,132 | 1,296,140 |
| Add: Net Profit for the year | 802,002 | 288,992 |
| | 2,387,134 | 1,585,132 |
| Total | 860,703,486 | 859,901,484 |

Note No. 2.3 TRADE PAYABLES

| Particulars | 31.03.2014 | 31.03.2013 |
|-------------------------------------|------------|----------------|
| | ₹ | ₹ |
| Total outstanding dues to Creditors | - | 100,500 |
| Total | - | 100,500 |

Note No. 2.4 OTHER CURRENT LIABILITIES

| Particulars | 31.03.2014 | 31.03.2013 |
|------------------------|----------------|----------------|
| | ₹ | ₹ |
| Other payables | | |
| Provision for Expenses | 984,000 | 390,000 |
| Total | 984,000 | 390,000 |

Note No. 2.5. SHORT TERM PROVISIONS

| Particulars | 31.03.2014 | 31.03.2013 |
|--------------------------|----------------|----------------|
| | ₹ | ₹ |
| Provision for Income Tax | 358,637 | 131,090 |
| Total | 358,637 | 131,090 |

V. B. INDUSTRIES LIMITED

Note. No 2.7 NON CURRENT INVESTMENTS

| Particulars | Numbers | Face Value | 31.03.2014 | 31.03.2013 |
|--|-----------|------------|-------------|------------|
| | | | ₹ | ₹ |
| Long Term Investments (Trade) | | | | |
| (1) IN FULLY PAID-UP EQUITY SHARES (QUOTED) | | | | |
| Denim Developers Ltd | 3,123,000 | 10.00 | 31,223,000 | 31,223,000 |
| Parag Shilpa Investment Ltd | 688,321 | 10.00 | 378,576,550 | - |
| Pine Animation Ltd | 1,932,704 | 1.00 | 182,640,550 | - |
| | | | 592,440,100 | 31,223,000 |
| (2) IN FULLY PAID-UP EQUITY SHARES (UN-QUOTED) | | | | |
| Prince Tradecom Pvt Ltd | 4,000,000 | 10.00 | 40,000,000 | 40,000,000 |
| Satabdi Tradelink Pvt Ltd | 1,500,000 | 10.00 | 15,000,000 | 15,000,000 |
| Parampita Traders Pvt Ltd | 75,000 | 10.00 | - | 30,000,000 |
| Jasmin Steel Pvt Ltd | 30,000 | 10.00 | - | 7,500,000 |
| Vision Steels Pvt Ltd | 30,000 | 10.00 | - | 7,500,000 |
| Diyajyoti Steels Pvt Ltd | 30,000 | 10.00 | - | 7,500,000 |
| Marsh steel Trading Ltd | 30,000 | 10.00 | - | 7,500,000 |
| JMD Sounds Ltd | 61,400 | 10.00 | 61,400,000 | 61,400,000 |
| Sahayta Financial Consultancy Services Pvt Ltd | 400,000 | 10.00 | - | 20,000,000 |
| Shiv Mangal Vyapaar Pvt Ltd | 75,000 | 10.00 | - | 30,000,000 |
| Parampita Vinimay Pvt Ltd | 75,000 | 10.00 | - | 30,000,000 |
| Satabdi Tracon Pvt Ltd | 75,000 | 10.00 | - | 30,000,000 |
| Parampita Vinimay Pvt Ltd | 75,000 | 10.00 | - | 30,000,000 |
| Lakshya Energy Limited | 5,472,000 | 10.00 | 54,720,000 | 54,720,000 |
| Vulcon Power Pvt Ltd | 4,015,000 | 10.00 | 40,150,000 | 40,150,000 |
| Shree Ganesh Sugar Mills Pvt Ltd | 5,472,000 | 10.00 | - | 54,720,000 |
| Sargam Vintrade Pvt Ltd | 161,000 | 10.00 | - | 32,200,000 |
| Arissan Power Pvt Ltd | 48,000 | 10.00 | - | 4,800,000 |
| Toplight Tradelink Pvt Ltd | 48,000 | 10.00 | - | 4,800,000 |
| Hiltop Sales Pvt Ltd | 300,000 | 10.00 | - | 30,000,000 |
| Sudhanil Vanijya Pvt Ltd | 100,000 | 10.00 | - | 10,000,000 |
| Thunder Traders Ltd | 300,000 | 10.00 | - | 30,000,000 |
| Saltlake Vyapaar Pvt Ltd | 300,000 | 10.00 | - | 30,000,000 |
| Celecte Merchandise Pvt Ltd | 100,000 | 10.00 | - | 10,000,000 |
| Snapshot Merchants Pvt Ltd | 100,000 | 10.00 | - | 5,000,000 |
| Meghacity Kutir Pvt Ltd | 100,000 | 10.00 | - | 10,000,000 |
| Briwasi Distributors Pvt Ltd | 100,000 | 10.00 | - | 10,000,000 |
| Meghcity Enclave Ltd | 100,000 | 10.00 | - | 10,000,000 |

V. B. INDUSTRIES LIMITED

| | | | | |
|----------------------------------|------------|-------|--------------------|--------------------|
| Ksaizen power Limited | 75,000 | 10.00 | - | 7,500,000 |
| Gannayak Barter Pvt Ltd | 25,000 | 10.00 | - | 10,000,000 |
| Wisher Commodities Pvt Ltd | 100,000 | 10.00 | - | 10,000,000 |
| Brijdham Dealcom Pvt Ltd | 100,000 | 10.00 | - | 10,000,000 |
| Mayurpankh Vincome pvt ltd | 75,000 | 10.00 | - | 7,500,000 |
| Tturnkey Infrastructures Limited | 6,249,900 | 10.00 | 62,499,000 | 62,499,000 |
| Marubhumi Dealers Pvt Ltd | 12,500 | 10.00 | - | 5,000,000 |
| JLD Cement Limited | 1,302,050 | 10.00 | 13,200,500 | 33,200,500 |
| Jain Stock & Share Brokers Ltd | 419,060 | 10.00 | - | 4,190,600 |
| | 31,530,910 | | 286,969,500 | 802,680,100 |
| Total | | | 879,409,600 | 833,903,100 |

Aggregate Market Value of un Quoted Investments as on 31st March 2014 is ₹ 8747.17 Lac

Note No. 2.8 OTHER NON- CURRENT ASSETS

| Particulars | 31.03.2014 | 31.03.2013 |
|------------------------------|----------------|----------------|
| | ₹ | ₹ |
| (Unsecured Considerd Goods) | | |
| Deferred Revenue Expenditure | 541,800 | 619,200 |
| Preliminary Expenses | 46,706 | 54,444 |
| Total | 588,506 | 673,644 |

Note No 2.9 CASH AND BANK BALANCES

| Particulars | 31.03.2014 | 31.03.2013 |
|----------------------------------|----------------|----------------|
| | ₹ | ₹ |
| Cash and Cash Equivalents | | |
| Balances with Banks | 945,689 | 344,637 |
| In Current Accounts | | |
| Cash in hand | 47,187 | 9,653 |
| Total | 992,876 | 354,290 |

Note No. 2.10 SHORT-TERM LOANS & ADVANCES (Unsecured)

| Particulars | 31.03.2014 | 31.03.2013 |
|---|--------------------|--------------------|
| | ₹ | ₹ |
| Considered good | | |
| Loan to Others | 27,355,295 | 19,036,282 |
| Advances (Recoverable cash or in kind and value to be received) | 84,279,576 | 137,366,066 |
| Tax Deducted at Source | 309,770 | 269,192 |
| Total | 111,944,641 | 156,671,540 |

V. B. INDUSTRIES LIMITED

Note No.11 Revenue form Operation

| Particulars | 31.03.2014 | 31.03.2013 |
|------------------|------------------|------------------|
| | ₹ | ₹ |
| Interest on Loan | 2,618,083 | 1,723,232 |
| Total | 2,618,083 | 1,723,232 |

Note No. 2.12 Other Income

| | | |
|---------------|--------------|----------|
| Sundry Income | 1,103 | - |
| Total | 1,103 | - |

Note No. 2.13 Payments to perquisites to Employees

| | | |
|-------------------------|----------------|----------------|
| Salaries | 720,000 | 702,000 |
| Staff wealfare expenses | 56,000 | 28,300 |
| Total | 776,000 | 730,300 |

Note No. 2.14 Other Expenses

| | | |
|------------------------------------|----------------|----------------|
| Paymant to Auditor | 15,000 | 15,000 |
| Conveyance & Travelling Expenses | 73,270 | 107,726 |
| Preliminary Expenses w/off | 7,738 | 7,738 |
| Deferred Revenue Expenditure w/off | 77,400 | 77,400 |
| Accounting Charges | 24,000 | 24,000 |
| Professional Fees | 20,400 | 38,300 |
| Printing & stationery | 22,650 | 58,100 |
| Bank Charges | 12,252 | 17,004 |
| Advertisements | 23,291 | 13,498 |
| Depository Fee | 67,416 | 20,833 |
| Listing Fees | 35,000 | - |
| Telephone charges | 51,890 | 51,180 |
| Filling Fees | 18,500 | 5,500 |
| Office Maintanance Charges | 98,960 | 110,340 |
| Board Meeting & AGM Expenses | 67,280 | - |
| Office Rent | 42,000 | - |
| Demat Charges | 1,500 | - |
| Share Transfer Fees | 24,000 | 28,090 |
| Total | 682,547 | 574,709 |

Note No. 2.15 Tax Expenses

| | | |
|--------------|----------------|----------------|
| Income Tax | 358,637 | 129,231 |
| Total | 358,637 | 129,231 |

6. INTANGIBLE ASSETS

| | | Amount in ₹ | | | | | | | | | |
|---------------|--------------------------------------|---------------------------|---|---------------------------------------|--|--|---------------------------|---|-------------------------------|-------------------------------|--|
| | Cost/Book Value as at 1st April 2013 | Additions during the year | Deductions/ Adjustments during the year | Cost/Book Value as at 31st March 2014 | Depreciation on Cost / Book Value as at 1st April 2013 | Deductions / Adjustments during the year | Depreciation for the year | Depreciation on Cost / Book Value as at 31st March 2014 | Balance as on 31st March 2014 | Balance as at 31st March 2013 | |
| Computer | - | 190,000 | - | 190,000 | - | - | - | - | 190,000 | - | |
| Total | - | - | - | 190,000 | - | - | - | - | 190,000 | - | |
| Previous Year | - | - | - | - | - | - | - | - | - | - | |

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V. B. INDUSTRIES LIMITED

CIN : L51909WB1982PLC035222

Regd. Office : 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001

Email : vbindustries1@gmail.com; Website : www.vbindustries.com

Form No. MGT – 11, PROXY FORM / BALLOT FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), 2014)

Name of the Member _____

Registered Address _____

Folio No. / DP/Client ID _____

I/We being the members of _____ Shares of V. B. Industries Limited, hereby appoint -

1. _____ having email Id _____ Signature _____ or failing him

2. _____ having email Id _____ Signature _____ or failing him

3. _____ having email Id _____ Signature _____

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Tuesday, 30th September 2014 at 11.00 A.M. at 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001 and at any adjournment thereof in respect of such resolution(s) as are indicated below :

| Ordinary Business : | | For | Against |
|---------------------|---|-----|---------|
| 1. | Adoption of Financial Statements for the year ended March 31, 2014 | | |
| 2. | Appointment of M/s. N. Kanodia & Co., Chartered Accountants, as Auditors and to fix their remuneration. | | |
| Special Business : | | | |
| 3. | Appointment of Mr. Johar Pal Singh as Independent Director for a term of 5 Years. | | |
| 4. | Appointment of Mr. Raj Kumar Sharma as Independent Director for a term of 5 Years. | | |
| 5. | Appointment of Mr. Sandip Ray as Independent Director for a term of 5 Years. | | |
| 6. | Appointment of Mr. Vikash Kothari as Managing Director of the Company | | |

Signed this ____ day of _____ 2014

Sign. of Shareholder _____ Sign. of Proxy _____

Affix
Revenue
Stamp
₹ 1/-

V. B. INDUSTRIES LIMITED

CIN : L51909WB1982PLC035222

Regd. Office : 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001

Email : vbindustries1@gmail.com; Website : www.vbindustries.com

ATTENDANCE SLIP

Registered Folio No. /DP ID/Client Id _____

Name & Address of Share Holder _____

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company at 9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001 on Tuesday, 30th September 2014 at 11.00 A.M.

Members' Folio/DPI/Client Id _____

Member/Proxy's Name in Capital _____

Member/Proxy's Signature _____

Please complete the Folio/DP Id/Client Id and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the Entrance of the Meeting Place.

BOOK-POST

If undelivered, please return to:

V. B. INDUSTRIES LIMITED

9, Old China Bazar Street, Room No. 85, 5th Floor, Kolkata -700 001