

V. B. INDUSTRIES LIMITED

26th Annual Report 2012 - 2013

Board of Directors

Ram Prakash Choudhary
Sandip Ray
Raj Kumar Sharma

Chairman & Managing Director
Independent Director
Independent Director

Registered Office

2, Ganesh Chandra Avenue
2nd Floor.
Kolkata-700 013

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 : 28th September 2013
Time : 2.30 P.M.
Venue : 2, Ganesh Chandra Avenue, 2nd Floor
Kolkata 700 013,

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Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of **V. B. INDUSTRIES LIMITED** will be held on Friday, the 28th day of September, 2013 at 3.30 P.M. at 2, Ganesh Chandra Avenue, 2nd Floor , Kolkata-700013, 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 2013.
2. To declare dividend.
3. To appoint Director in place of Mr. Raj Kumar Sharma, who retires by rotation and being eligible offers himself for re-appointment
4. To appointed Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Notes :

1. 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.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 21th September 2013 to 28th September 2013 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id ybindustries@gmail.com for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. 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 the Depository Participant to the Annual General Meeting.
8. 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.
9. 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.
10. 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.

11. 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.
12. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
13. Members are requested to bring copies of Annual Report to the Annual General Meeting.
14. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
15. Members are requested to quote Folio Number/Client ID in their correspondence.
16. The Equity shares of the Company are listed on Calcutta Exchanges and Listing Fees for the financial year 2013-2013 have been paid to CSE.
17. **Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a “Green initiative in the Corporate Governance” by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. ABS Consultants Private Limited.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

Details of Director seeking appointment / re-appointment in the Annual General Meeting on 28th September 2013 (in term of Clause 49 of the Listing Agreement)

<p><u>Ram Prakash Chowdhary</u></p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas</p> <p>Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board</p> <p>Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Hargend Chowdhary 12th June 1963 18th March 2010 , Taxation, Capital & Money Market</p> <p>15 Years B.A Member of Audit Committee, Investor Grievance Committee and Share Transfer Committee Member of Share Transfer Committee in Nil in own name and Nil in the name of Relatives.</p>
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<p><u>Sandip Ray</u> Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board</p> <p>Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Sri Raj Krishna Ray 1st March 1962 18th March 2010 Accounts, Audit & Taxation Matters 28 Years B.Com. Member – Audit Committee Chairman – Investor Grievance Committee Member – Share Transfer Committee Not Any</p> <p>Nil</p>
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

The Board of Directors of your Company appointed Mr. Sandip Ray as s Additional Director of your Company at the Board meeting held on 5th February 2009 to broad base the Board.

Mr. Sandip Ray, Age 51, B.Com, has vast knowledge and rich experience in Financial & Income Tax related activities as well as expertise in Accounting, Taxation and secretarial Matters. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Sandip Ray for the office of Director of the Company.

Mr. Sandip Ray does not hold any shares in his own name or in the name of his relatives.

Mr. Sandip Ray is 2 No other Directorship and Committee Chairmanship in any of the Listed and Public Limited Cos.

Kolkata, June 30, 2013

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

Registered Office :

2, Ganesh Chandra Avenue , 2nd Floor,
kolkata, 700 013

Ram Prakash Chowdhary
Chairman & Managing Director

Directors' Report, Management Discussions & Analysis

To The Members,

Your Directors have pleasure in presenting the 26th Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2013.

(Rs)

Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	17,23,232	13,68,928
Profit before Tax & Extraordinary Items	4,18,223	2,90,763
Less : Provision for Taxation	1,29,231	89,746
Profit after Tax	2,88,992	2,01,017
Less Income tax earlier year	-	92,746
Profit available for appropriation	2,88,992	11,87,969
Add : Profit Carried Forward from Previous Year	15,85,132	12,96,140
Appropriated as under :		
Proposed Dividend	0.00	0.00
Corporate Tax on above Dividend	0.00	0.00
Transfer to General Reserve	0.00	0.00
Balance carried forward to Next Year	15,85,132	12,96,140

BUSINESS OPERATIONS

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2012-2013. Directors are pleased to inform that in spite of difficult times, your Company, based on its intrinsic strength, has broadly maintained its performance. Gross income from operations remained remarkable figure of around ` 17.23 Lac whereas PAT remains at 2.89 during the year.

The Company has no NBFC Business and is not registered with Reserve Bank of India (RBI) who is the sole regulatory body for monitoring activities of Registered NBFCs. Further, the Company is also doing investment activities in Capital and Securities Market. Apart from these, the Company is into the business of wealth management and Financial Consultancy services.

FUTURE PLANS

The Current financial year was remarkable year for the Company. The Company has expanded its business and has done very well in spite of adverse Market situation and tight monetary situation. The Company is willing to expand this business more and more in both Capital & Money Market and thus willing to deliver to Members of the Company.

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 any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

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

In accordance with the provisions of Act and Articles of Association of your Company, Mr. Raj Kumar Sharma, Director of your Company, retires by rotation and are due for election at the ensuring Annual General Meeting. Mr. Raj Kumar Sharma, being eligible, offers themselves for re-appointment.

The Board recommends the appointment of both Mr. Ram Prakash Chowdhary and Mr. Sandip Ray. pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

Further, none of the Directors of the Company are disqualified under section 274(1) (g) of the Companies Act 1956.

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 2013, 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.

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

Auditors M/s. Manabendra Bhattacharyya & Co., Chartered Accountants, Kolkata holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors under section 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the 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

There were no employees in Company during the year under review.

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 having no business other than the business of Investing in Securities Market as well as to lend money to Corporate and HNIs 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, June 30, 2013

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

Registered Office :

2, Ganesh Chandra Avenue, 2nd Floor
Kolkata 700 013

Ram Prakash Chowdhary
Chairman & Managing Director

Management discussion & Analysis

The growth in global economy during 2012-2013 was affected due to impact of high oil prices and certain other commodity prices, the spillover from the Japanese natural disasters and monetary tightening in the Emerging Market Economies (EMEs) to contain inflationary pressures. The global market was also disturbed by perceptions of inadequate solutions to the Euro zone sovereign debt problem, exposure of banks to Euro zone and renewed fears of recession. However, during the last quarter of 2012, the immediate financial market pressures in the Euro zone have been alleviated to some extent, by the European Central Bank (ECB) injecting liquidity of more than one trillion Euros through the two long term refinancing operations. Growth in the Euro zone, however, was negative in quarter IV. The Emerging and Developing Economies (EDEs) are showing signs of slowdown in growth. As a result, the global growth for 2012 and 2013 is expected to be lower than anticipated earlier.

Indian Economy has witnessed a disturbing turn of events. During the year under review, the Indian Economy recorded a growth of 6.9 percent as compared to 8.4 percent in previous year. Both foreign and domestic investors became jittery in the last few months owing to persistent inflation, fiscal deficits, and lack of meaningful reforms in the Indian economy and continued global uncertainty that lead to lower capital inflows. This has also resulted in sharp depreciation of rupee against US dollar from a level of INR 43.94 per USD on 27th July, 2012 to an all-time low of INR 54.23 per USD on 15th December, 2012.

Rupee depreciation has also resulted in an increase in fuel prices as well as commodity prices. High volatility in Forex Market prompted RBI to take several measures for augmenting foreign exchange reserves and for curbing the speculation in foreign exchange.

Reserve Bank of India made adjustments 13 times in policy rates since March 2010 to control inflation and this lead to an increase in lending rate for commercial borrowings and thus resulting in lower growth in the Indian Economy. However in March 2013, Reserve Bank of India reduced the CRR from 5.5 percent to 4.75 percent to take care of structural liquidity deficit. Further on 17th April, 2013 Reserve Bank of India cut the repo rate by 50 bps to 8 percent with immediate effect, reverse repo rate, with a spread of 100 bps below repo rate adjusted to 7 percent. This decision to cut the rate was due to growth decelerating significantly to 6.1 percent in the 3rd quarter of the last year and also due to WPI inflation moderating to below 7 percent by March 2013.

REVIEW OF OPERATIONS

The Company registered a gross income of ` 17.23 Lac as compared to ` 13.69 Lac in previous financial year. PBIT Margin during the year remains ` 4.18 Lac in comparison to last years'

figure of ` 2.91 Lac whereas Net Profit remains at ` 2.88 Lac in comparison to last years' figure of ` 1.08 Lac.

BUSINESS SEGMENT

The Company is not to the NBFC Business and is not registered with Reserve Bank of India (RBI) who is the sole regulatory body for monitoring activities of Registered NBFCs. Further, the Company is also doing investment activities in Capital and Securities Market. Apart from these, the Company is into the business of wealth management and Financial Consultancy services; in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

OPPORTUNITIES

Money markets exist to facilitate efficient transfer of short-term funds between holders and borrowers of cash assets. For the lender/investor, it provides a good return on their funds. For the borrower, it enables rapid and relatively inexpensive acquisition of cash to cover short-term liabilities. One of the primary functions of money market is to provide focal point for RBI's intervention for influencing liquidity and general levels of interest rates in the economy. RBI being the main constituent in the money market aims at ensuring that liquidity and short term interest rates are consistent with the monetary policy objectives.

In Stock Market or Capital Market, the first and for most thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.

THREATS & CONCERNS

India may actually end up seeing off an opportunity as a threat. This would largely be driven by the country's weak ability to carry out plans in time due to its political and bureaucratic quality, which is increasingly being accepted as corrupt and inefficient.

Why we say that it would pass off the opportunity as a threat is because this may happen despite India having a top class think tank alive to possible solutions and various scenarios that may emerge.

The current recession does not appear as a purely economic one, and nor will the fallouts be restricted to economics alone. While factors that lead me to conclude this are many, one can quickly look at the maddening fluctuation in oil prices and try convincing them that this is truly economic demand and supply at work. I stand unconvinced.

This recession is a test of political leadership across the world and of the belief in a global economic order.

Unfortunately, performance on both these counts by India's politicians has been far from impressive. One can see it in the state of infrastructure, the delay in taking crucial action and the immediate raising of protective barriers when a global meltdown commenced.

However this can be handled by way of undertaking large private participation projects, Investment and regulate education with a twofold objective - Improve the quality of India's huge population presently in working age group and second undertake effective and radical reforms to ensure all children visit at least part time school, by way of Tax reforms that bring some

order in central vs. state taxation. Cracking down on corruption, which is India's single most important threat. Empowering the Vigilance Commission and set up an executive body not answerable from the political framework (like the army / judiciary) with special windows with judiciary for time bound trials. Focus on ground level corruption initially to ensure public's respect for the law is reinforced first. It would also be more agreeable to the politicians, so there may be a chance that it happens.

RISK MANAGEMENT

We follow Enterprise Risk Management (ERM) tool designed to clarify the risk levels and encourage behavior throughout the Group. The process considers opportunities and threats to short and medium term objectives as defined. ERM ensures the coordination and development of risk management activities throughout all decision making levels and communicates all significant risks to the top level of management. The tool is designed to provide the risk score measures for each of the potential risk as well as its financial, reputational and operational impact by way of quarterly report. The report provides for categorization of risk into threat or opportunity and provides brief statement on its cause, impact, treatment, control measures, level of confidence in the controls, acceptability of identified risks, potential improvements, risk improvement plans critical success factors and target dates to control the risk. The risk assessment is done annually with quarterly updates. The process has been designed to deliver timely results.

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 in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with two physically separated server parks operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. 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.

The total number of employees on the rolls of the Company as on 31st March 2013 was 4 as against 3 as at 31st March 2012.

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 except reinstatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Kolkata, June 30, 2013

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

Registered Office :
2, Ganesh Chandra Avenue, 2nd Floor,
Kolkata 700 013

Ram Prakash Chowdhary
Chairman & Managing Director

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 is the set of systems and practices to ensure that the affairs of the Company are being managed in a way that ensures accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and societal expectations.

V. B. INDUSTRIES LIMITED (VBIL) is committed to international compliance standards, to ensure checks and balances between the board and management as well as a sustainable approach to value creation. In defining the management structure, organisation and processes of the Company, the corporate governance principles aim to provide stakeholders value and transparency to promote sustainable long-term success. This is demonstrated in shareholders returns, high credit ratings, governance processes and customer focused work environment. The Company believes that adherence to business ethics and commitment to corporate governance will help the Company to achieve its goal of maximizing value for all its stakeholders and endeavors to not only match international standards but also strives to set a benchmark for corporate governance initiatives.

BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

The Board has three 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.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

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 7 times on 19th April, 14th May, 30th June, 13th August, 12th October and 28th October in year 2012 and on 19th January in the year 2013 during the financial year 2012-2013.

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 :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership in Other Companies	Committee Chairman Ship in Other Companies	No. of Directorship in other Public Ltd. Co.
Ram Prakash Chowdhary*	Chairman & Managing Director	7	Yes	1	Nil	1
Sandip Ray	Independent Director	7	Yes	Nil	2	Nil
Raj Kumar Sharma	Independent Director	7	Yes	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 Audit Committee has been re-constituted w.e.f. 1st April 2011.

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.

AUTHORITY AND RESPONSIBILITIES

The Audit Committee reviews the Company’s financial reporting process, disclosure of accounting treatment, 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, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company’s accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, 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, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, 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 & background, etc. of the candidate etc.

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

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new “Terms of Reference” of the Audit Committee were approved by the Board of Directors at its meeting held on 5th January 2010.

The members of Audit Committee met four times on – 30th June, 12th August and 12th October in year 2012 & on 19th February 2013 during the financial year ended on 31st March 2013.

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

* 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 2012-2013.

No Stock option has been allotted to any of the Directors during the financial year 2012-2013.

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, 13th August and 12th October in year 2012 & on 19th February 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
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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, twelve meetings of the Committee of Directors were held on April 4, May 2, June 1, July 1, August 2, September 1, October 3, November 2, and December 1st in year 2012 and on January 3, February 1 and March 2 in year 2013.

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	12
Mr. Raj Kumar Sharma	Member	Independent, Non-Executive	12
Mr. Ram Prakash Chowdhary	Member	Promoter, Executive	12

*Chairman of Committee

Details of Shareholders’ Complaints

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.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
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
23 rd Annual General Meeting	30 th September 2010, 3.30 PM	2, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700 013

Special Resolution passed at last three Annual General Meetings:

During the financial year 2012-13, Special Resolution was passed seeking appointment of Mr. Raj Kumar Sharma as Non-Executive, Independent Director, , No Special Resolution was being proposed or passed by the Members of the Company.

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

One Extra-Ordinary General Meeting was held by the Company during the financial year ended 31st March 2013.

BOARD DISCLOSURES

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 & BhSE by the Company. Further, no penalties have been levied or actions have been taken by CSE & BhSE 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 at its meeting held on 5th January 2010 have adopted the Whistle Blower Policy and appointed on 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 Stock Exchange Ltd. 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 will be posted to the shareholders of the Company.

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 25th Annual General Meeting for the financial year ended on 31st March 2013 is as follows :-

Date : 28th September 2013
 Time : 1.30 P.M.
 Venue : 2, Ganesh Chandra Avenue, 2nd Floor, Kolkata 700 013

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 2013	14 th August, 2013
Financial Reporting of 2 nd Quarter ended on 30 th September 2013	15 th November, 2013
Financial Reporting of 3 rd Quarter ended on 31 st December 2013	15 th February 2013
Financial Reporting of 4 th Quarter ended on 31 st March 2014	30 th May 2014

Date of Annual General Meeting	During September 2013
--------------------------------	-----------------------

- d. **Date of Book Closure** : 21st Sept. 2013 to 28th Sept. 2013. (Both days inclusive)
- e. **Dividend Payment** : Nil
- f. **Listing of Shares** : Kolkata, Stock Exchanges
- g. **Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2012-2013 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

- 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 2013

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	152	81.28	72329	0.55
501-1000	-	-	-	-
1001-2000	-	-	-	-
2001-3000	-	-	-	-
3001-4000	-	-	-	-
4001-5000	-	-	-	-
5001-10000	3	1.60	117500	0.90-
10001-50000	-	-	-	-
50001-100000	26	13.91	1250171	9.54
100001 & above	6	3.21	11667950	89.01
Total....	187	100.00	13107950	100.00

m. Shareholding Pattern as on 31st March 2013

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 one month from the date of issue of Shares.

The Shares of Company are traded on Calcutta Stock Exchange Ltd. 89.44% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2013.

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 forms can be obtained from the Company's Registrar and Share Transfer Agent.

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

t. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

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

2, Ganesh Chandra Avenue,
2nd Floor, Kolkata-700 013

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:

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.**

Ram Prakash Chowdhary
Chairman & Managing Director

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

I, Ram Prakash Chowdhary, Chairman & Managing Director 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 2013.

For **V. B. INDUSTRIES LIMITED**

Kolkata, June 30, 2013

Ram Prakash Chowdhary
Chairman & Managing Director

Secretarial Compliance Report for the Year ended 31st March 2013

The Board of Directors, V. B. INDUSTRIES LIMITED

We have examined the registers, records 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 thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2013.

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 closed the register from 21st September 2012 to 28th September 2012(both days Inclusive) during the previous year.
9. The Company has delivered all the necessary certificates of lodgements therepf for transfer of any other purpose in accordance with the provisions of the act.
10. The Company has complied with the provisions of section 154 of the Act during the year.
11. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
12. The Company has not paid any remuneration to the Managing Director and sitting fees to the Directors of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
13. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
14. 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.
15. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.

16. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions section 299 of the Act.
17. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
18. The Company has not issued any duplicate share certificate during the financial year.
19. The Company has complied with the provisions of section 372A of the Act.
20. 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) has deposited amount in a separate Bank Account as against declaration of Dividend during the year.
 - c) has posted warrants to members of the Company within the required time frame as against payment of Dividend to Members.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Was duly complied with the requirement of section 217.
21. 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.
22. 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.
23. The Company has not issued any Shares, Debentures or other Securities during the financial year.
24. The Company has not bought back any share during the financial year.
25. There was no redemption of preference shares or debentures during the financial year.
26. 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.
27. 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.
28. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2013.
29. 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
30. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
31. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
32. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
33. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
34. The Company has not received any money as security from its employees during the financial year 2012-13.

For **V.K. Sharma & Associates**
Company Secretaries

Place : Kolkata
Date : June 30, 2013

V. K. Sharma
Proprietor
C.P. No. 8617

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 2013 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

Place : Kolkata
Date : June 30, 2013

Nikunj Kanodia
Proprietor
Membership No. 069995

**AUDITORS' REPORT TO THE MEMBERS
OF
M/S. 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, 2013 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

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 flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 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 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.:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013.
- ii) In the case of the Statement of Profit and Loss of the Profit / Loss for the year ended on that date,
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at

31st March, 2013; and

- b. in the case of the Profit and Loss Account, for the *Profit* 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books [and proper returns adequate for the purpose of our audit have been received from branches not audited by us]
 - c. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.;
 - e. On the basis of written representations received from the directors as on 31st March,2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

(Nikunj Kanodia)
Proprietor
(Membership No. 069995)

Place: 43, Dobson Road,
Preetam Appt.5th Floor,
Howrah- 711001

Date: 30/06/2013

Re. : M/s. V. B. INDUSTRIES LIMITED

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.

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.

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.

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) (i) 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
- (ii) 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.

- (viii) The activities 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)

(Nikunj Kanodia)
Proprietor
(Membership No. 069995)

Date: 30/06/2013

V. B. INDUSTRIES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	Note No.	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	131,079,500	131,079,500
Reserves and Surplus	2.2	859,901,484	859,612,492
		990,980,984	990,691,992
NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
Trade Payables	2.3	100,500	100,500
Other Current Liabilities	2.4	390,000	845,000
Short-Term Provision	2.5	131,090	92,786
		621,590	1,038,286
TOTAL		991,602,574	991,730,278
ASSETS			
NON- CURRENT ASSETS			
Non-Current Investments	2.6	833,903,100	807,642,800
Other Non- Current Assets	2.7	673,644	758,782
		834,576,744	808,401,582
CURRENT ASSETS			
Trade Receivable	2.8	-	165,937
Cash and Bank Balances	2.9	354,290	1,085,034
Short-term loans and advances	2.10	156,671,540	182,077,725
		157,025,830	183,328,696
TOTAL		991,602,574	991,730,278
Significant Accounting Policies and Notes to accounts	1		

AS PER OUR REPORT OF EVEN DATE

FOR N. KANODIA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

Nikunj Kanodia
Proprietor
M. No : 069995
FRN. 327668E

R. P. Chowdhary
DIRECTOR

Sandip Ray
DIRECTOR

Place : KOLKATA
Date : 30th June 2013

Place : KOLKATA
Date : 30th June 2013

V. B. INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS	Note No.	31.03.2013	31.03.2012
INCOME			
Revenue from operations	2.11	1,723,232	879,978
Other Income	2.12	-	488,950
TOTAL INCOME		1,723,232	1,368,928
EXPENSES			
Employee Cost	2.13	370,300	369,500
Other expenses	2.14	934,709	708,665
TOTAL EXPENSES		1,305,009	1,078,165
PROFIT BEFORE TAXATION		418,223	290,763
Extraordinary item		-	-
		418,223	290,763
Tax Expense	2.15		
Current tax		129,231	89,846
Earlier year income tx		-	92,746
NET PROFIT FOR THE YEAR		288,992	108,171
Earnings per equity share:	2.16		
Basic and Diluted (Face Value of ₹ 10/- each, Previous Year ₹ 10/- each)		0.02	0.01

AS PER OUR REPORT OF EVEN DATE

1

**FOR N. KANODIA & CO.
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF BOARD

Nikunj Kanodia
Proprietor
M. No : 069995
FRN. 327668E
Place : KOLKATA
Date : 30th June 2013

R. P. Chowdhary
DIRECTOR

Sandip Ray
DIRECTOR

Place : KOLKATA
Date : 30th June 2013

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2013

	31.03.2013	31.03.2012
(In Rupees)		
A. <u>Cash Flow from Operating Activities</u>		
<i>Net Profit before tax and extraordinary Items</i>	418,223	290,763
<i>Adjustments for</i>		
Interest Received	1,723,232	879,978
Depreciation	-	-
<i>Operating profit before working capital changes</i>	2,141,455	1,170,741
<i>Adjustments for Capital Changes</i>		
Inventories	-	-
Decrease (Increase) in Trade and other Receivables	165,937	67,000
Decrease (Increase) Loan & Advances	25,406,185	(22,481,124)
Trade Payable and Provisions	(416,696)	(5,400,904)
<i>Cash Generated from operations</i>	25,155,426	(27,815,028)
Income Tax Liability For The Year	(129,231)	(89,846)
Extraordinary Items	-	(92,746)
	(129,231)	(182,592)
<i>Net Cash From Operating Activities</i>	27,167,650	(26,826,879)
B. <u>Cash Flow From Investing Activities</u>		
Decrease / (Increase) in Fixed Assets	-	-
Decrease / (Increase) in Investments	(26,260,300)	28,077,750
Interest Received	(1,723,232)	(879,978)
Depreciation	-	-
Misc. Expenditure	(564,862)	(564,862)
<i>Net Cash from Investing Activities</i>	(28,548,394)	26,632,910
C. <u>Cash Flow From Financing Activities</u>		
Proceeds from Schem of Amalgamation	-	-
Unsecured Loan	-	-
Extraordinary Items	-	-
	-	-
<i>Net Cash used in Financing Activities</i>	(1,380,744)	(193,969)
<i>Net Increase in Cash & Cash Equivalents</i>	730,744	193,969
<i>Opening Balance of Cash & Cash Equivalents</i>	1,085,034	1,279,003
<i>Closing Balance of Cash & Cash Equivalents</i>	354,290	1,085,034

For and on behalf of the Board

Kolkata, June 30, 2013

Ram Prakash Chowdhary.
Chairman & Managing Director

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 2013 and found the same in agreement therewith.

For N. KANODIA & CO
Chartered Accountants

Kolkata, June 30, 2013

Nikunj Kanodia
Proprietor
Membership No. 069995

V. B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note No.2.1 SHARE CAPITAL

Particulars	31.03.2013		31.03.2012	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	14,000,000	140,000,000	14,000,000	1,400,000,000
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	31.03.2013		31.03.2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	13,107,950	131,079,500	960,000	9,600,000
Add : Shares issued on Schem of Amalgamatin	-	-	12,147,950	121,479,500
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 then 5% of the aggregate shares in the company

Name of Shareholder	31.03.2013		31.03.2012	
	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

Note No. 2.2 RESERVES AND SURPLUS

Particulars	31.03.2013	31.03.2012
	₹	₹
Securities Premium account- Openig balance	858,260,400	858,260,400
Add. Transfer from statement of profit & loss a/c	-	-
	858,260,400	858,260,400
General reserve- Openig balance	55,952	55,952
Add. Transfer from statement of profit & loss a/c	-	-
	55,952	55,952
Surplus in Profit & Loss Statement		
Opening balance	1,296,140	1,187,969
Add: Net Profit for the year	288,992	108,171
	1,585,132	1,296,140
Total	859,901,484	859,612,492

Note No. 2.3 TRADE PAYABLES

Particulars	31.03.2013	31.03.2012
	₹	₹
Total outstanding dues of Creditors	100,500	100,500
Total	100,500	100,500

V. B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note No. 2.4 OTHER CURRENT LIABILITIES

Other payables		
Provision for Expenses	390,000	15,000
Trade Advance	-	-
Share Application Money Refundable	-	830,000
Total	390,000	845,000

Note No. 2.5. SHORT TERM PROVISIONS

Provision for income tax	131,090	92,786
Total	131,090	92,786

Note. No 2.6 NON CURRENT INVESTMENTS

Particulars	Numbers	Face Value	31.03.2013	31.03.2012
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
			31,223,000	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	30,000,000
Jasmin Steel Pvt Ltd	30,000	10.00	7,500,000	7,500,000
Vision Steels Pvt Ltd	30,000	10.00	7,500,000	7,500,000
Diyajyoti Steels Pvt Ltd	30,000	10.00	7,500,000	7,500,000
Marsh steel Trading Ltd	30,000	10.00	7,500,000	7,500,000
Jmd Sounds Ltd	61,400	10.00	61,400,000	12,125,000
Sahayta Financial Consultancy Services Pvt Ltd	400,000	10.00	20,000,000	20,000,000
Shiv Mangal Vyapaar Pvt Ltd	75,000	10.00	30,000,000	30,000,000
Parampita Vinimay Pvt Ltd	75,000	10.00	30,000,000	30,000,000
Satabdi Tracon Pvt Ltd	75,000	10.00	30,000,000	30,000,000
Parampita Vinimay Pvt Ltd	75,000	10.00	30,000,000	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	54,720,000
Sargam Vintrade Pvt Ltd	161,000	10.00	32,200,000	32,200,000
Arissan Power Pvt Ltd	48,000	10.00	4,800,000	4,800,000
Toplight Tradelink Pvt Ltd	48,000	10.00	4,800,000	4,800,000
Hiltop Sales Pvt Ltd	300,000	10.00	30,000,000	30,000,000
Sudhanil Vanijya Pvt Ltd	100,000	10.00	10,000,000	30,000,000
Thunder Traders Ltd	300,000	10.00	30,000,000	30,000,000
Saltlake Vyapaar Pvt Ltd	300,000	10.00	30,000,000	30,000,000
Celecte Merchandise Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Snapshot Merchants Pvt Ltd	100,000	10.00	5,000,000	5,000,000
Meghacity Kutir Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Briwasi Distributors Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Meghacity Enclave Ltd	100,000	10.00	10,000,000	10,000,000
Ksaizen power Limited	75,000	10.00	7,500,000	17,400,000
Gannayak Barter Pvt Ltd	25,000	10.00	10,000,000	10,000,000
Wisher Commodities Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Brijdham Dealcom Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Mayurpankh Vincome pvt ltd	100,000	10.00	7,500,000	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	3,302,050	10.00	33,200,500	33,200,500

V. B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note No. 2.7 OTHER NON- CURRENT ASSETS

(Unsecured Considerd Goods)		
Deferred Revenue expenditure	619,200	696,600
Preliminary expenses	54,444	62,182
Total	673,644	758,782

Note No. 2.8 TRADE RECEIVABLE

(Unsecured Considerd Goods)		
Outstanding for a period of exceeding 6 months	-	165,937
Other debts	-	-
Total	-	165,937

Note No 2.9 CASH AND BANK BALANCES

Particulars	31.03.2013	31.03.2012
	-	-
Cash and Cash Equivalents		
Balances with banks	344,637	1,065,790
In current accounts		
Cash in hand	9,653	19,244
Total	354,290	1,085,034

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

Particulars	31.03.2013	31.03.2012
	-	-
Considered good		
Loan to others	19,036,282	10,938,806
Advance(Recoverable cash or in kind and value to be received)	137,366,066	170,951,123
Tax deducted at source	269,192	187,796
Total	156,671,540	182,077,725

V. B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note No.11 Other Revenue form Operation

Particulars	31.03.2013	31.03.2012
Interest on Loan	1,723,232	879,978
Total	1,723,232	879,978

Note No. 2.12 Other Income

Commission	-	488,950
Total	-	488,950

Note No. 2.13 Employee Cost

Salaries	342,000	342,000
Staff wealfare expenses	28,300	27,500
Total	370,300	369,500

Note No. 2.14 Other Expenses

Payment to Auditor	15,000	15,000
Conveyance & Travelling Exp.	107,726	108,226
Preliminary expenses w/off	7,738	7,738
Deferred revenue expenditure w/off	77,400	77,400
Data Processing charges	24,000	24,000
Professional Fees	7,700	29,333
Printing & stationery	58,100	58,764
Bank Charges	17,004	2,013
Advertisements	13,498	8,750
Depository fee	20,833	51,043
Directors Salary	360,000	-
Listing fee	-	124,845
Telephone charges	51,180	51,687
Filling fee	5,500	21,500
Office Maintanance Charges	110,340	114,766
Board Meeting & AGM Expenses	-	13,600
Share Tranfer Fees	28,090	-
Liquidators Fees	30,600	-
Total	934,709	708,665

Note No. 2.15 Tax Expenses

Income tax	129,231	89,846
Income tax previous year	-	92,746
Total	129,231	182,592

NOTES “1”

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 :

	31.03.2013	31.03.2012
Audit Fees	15000	33000

Related Party Transactions

18. Key Management Personnel –

a.	Mr. Ram Prakash Chowdhary	-	Managing Director
b.	Mr. Raj Kumar Sharma	-	Non-Executive Director
c.	Mr. Sandeep Ray	-	Non-Executive Director

Related Party Transactions

19. Sum of Rs. 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	31.03.2013	31.03.2012
Net Profit after Tax available for Share holders	Rs.	2,88,992	1,08,171
No. of Equity Shares	No.	13107950	13107950
Basis & Diluted Earning Per Share (Rs.)	Rs.	0.02	0.01

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 N. Kanodia & Co.

Chartered Accountant

Ram Prakash Chowdhary

Director

Nikunj Kanodia

Proprietor

Membership No. 069995

Sandip Ray

Director

Kolkata, June 30, 2013